

Partial Repeal of Medicaid Expansion

House Bill 277 Leaves Parents Without Coverage



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What is the 'Family Glitch?'

Employers are required to offer health insurance coverage to employees and their dependents, but the employer does not have to pay for dependent coverage. The Your Health Idaho insurance exchange bases eligibility for a family's tax credits on whether available employer-sponsored insurance is affordable for the employee only, even if it is not actually affordable for the whole family. Most children in these families are eligible for the Children's Health Insurance Program (CHIP), but due to a glitch in the Affordable Care Act, spouses are left with no affordable coverage option.

Because of the 'family glitch,' many spouses – for whom the cost of family coverage through an employer is not affordable – are not eligible to access subsidized coverage on the exchange. If House Bill 277 passes and Medicaid expansion is partially repealed, they will not be eligible for Medicaid.



House Bill 277 Reduces Choice for Idaho Families

House Bill 277 partially repeals Medicaid expansion and leaves thousands of Idaho parents stranded with no coverage option. If families between 100 percent and 138 percent of the Federal Poverty Level (FPL) are removed from the Medicaid expansion population, Idaho parents may not be eligible for tax credits on the Your Health Idaho insurance exchange due to what is referred to as a 'family glitch.'

The 'Family Glitch' Strands Parents Caring for Children

By partially repealing Medicaid expansion, House Bill 277 reduces choice for families. Imagine a family living slightly above the poverty level. The father works full-time and receives employer-sponsored insurance at an affordable premium. While the employer offers coverage for his dependents, it does not pay for this



coverage and the full costs are left to the family. The availability of employer-sponsored coverage for the father makes the entire family ineligible for any tax credits on the Your Health Idaho insurance exchange. While his kids are eligible for the Children's Health Insurance Program (CHIP), the cost of adding his wife to his coverage plan could be hundreds of dollars each month – a cost which is insurmountable for a family at this income level. Clean Medicaid expansion provides a coverage option for the mother. Under House Bill 277, the mother will have no coverage option and fall into a secondary gap.

Partial Repeal of Medicaid Expansion Leaves Thousands of Parents in a Secondary Coverage Gap

The number of Idahoans between 100 percent and 138 percent FPL impacted by the 'family glitch' is high. According to Milliman, Inc., 32,000 Idahoans between 100 percent and 138 percent FPL will become eligible for Medicaid expansion under current law, but only 18,000 are currently enrolled in an exchange plan. The difference – which totals **14,000 Idahoans** – includes many parents who are currently hit by the 'family glitch' and who will lose the option to enroll in Medicaid under House Bill 277.