

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 289

BY HEALTH AND WELFARE COMMITTEE

AN ACT

1 RELATING TO FREE-MARKET HEALTH INSURANCE; AMENDING TITLE 41, IDAHO CODE,
2 BY THE ADDITION OF A NEW CHAPTER 62, TITLE 41, IDAHO CODE, TO PROVIDE
3 A SHORT TITLE, TO STATE LEGISLATIVE PURPOSE AND INTENT, TO PROVIDE FOR
4 FREE-MARKET HEALTH PLANS TO BE OFFERED AS AN ALTERNATIVE TO PLANS OF-
5 FERED IN AN EXCHANGE, TO PROVIDE FOR THE TERMS OF FREE-MARKET HEALTH
6 PLANS, TO PROVIDE THAT INDIVIDUALS WITH A HEALTH SAVINGS ACCOUNT OR MED-
7 ICAL SAVINGS ACCOUNT MAY USE SUCH ACCOUNTS TO PAY PREMIUMS, TO PROVIDE
8 FOR ENFORCEMENT AND PENALTIES AND TO PROVIDE FOR RULEMAKING AUTHORITY;
9 AND PROVIDING AN EFFECTIVE DATE.
10

11 Be It Enacted by the Legislature of the State of Idaho:

12 SECTION 1. That Title 41, Idaho Code, be, and the same is hereby amended
13 by the addition thereto of a NEW CHAPTER, to be known and designated as Chap-
14 ter 62, Title 41, Idaho Code, and to read as follows:

15 CHAPTER 62

16 IDAHO FREE-MARKET HEALTH INSURANCE ACT

17 41-6201. SHORT TITLE. This chapter shall be known and may be cited as
18 the "Idaho Free-Market Health Insurance Act."

19 41-6202. PURPOSE AND INTENT. It is the public policy of the state of
20 Idaho, as an alternative to the patient protection and affordable care act
21 (PPACA), to assure access to health care for all Idaho citizens by provid-
22 ing health insurance in a free-market with competition and affordability.
23 A free-market for health insurance will raise quality and reduce prices for
24 the people of Idaho. The purpose of this chapter is to provide such quality,
25 access and affordability.

26 41-6203. FREE-MARKET HEALTH PLANS TO BE OFFERED. (1) All health in-
27 surance carriers, as defined in section 41-5203(5), Idaho Code, who offer
28 bronze, silver, gold or platinum health benefit plans in an insurance ex-
29 change pursuant to the patient protection and affordable care act (PPACA),
30 P.L. 111-148, shall also offer, for each metallic level for which a plan is
31 offered in an exchange, at least one (1) plan in the free-market outside of
32 a PPACA exchange which is seventy percent (70%) or less of the cost of the
33 lowest cost plan offered for each applicable metallic level within the ex-
34 change to those of the same rating class as the consumer as rated pursuant to
35 42 U.S.C. section 300gg.

36 (2) The free-market health benefit plans offered under the provisions
37 of subsection (1) of this section shall use only the minimum benefits cover-
38 age set by the Idaho department of insurance as it existed on January 1, 2010,
39 provided that:

- 1 (a) Family member coverage shall include children to age twenty-six
2 (26) years as provided in the PPACA;
- 3 (b) Such plans may provide up to a six (6) month waiting period for pre-
4 existing conditions, but shall be available for purchase at any time and
5 not only during any period of open enrollment; and
- 6 (c) Such plans may offer additional options for coverage for a specific
7 additional premium.
- 8 (3) Health insurance carriers may set deductibles, copayments and
9 stop-loss amounts for the appropriate rating group for each free-market
10 health benefit plan offered under the provisions of subsection (1) of this
11 section.
- 12 (4) Plan advertising and documentation shall clearly state that any in-
13 dividual who purchases a health benefit plan pursuant to the provisions of
14 this chapter may not be eligible for tax credits offered under the PPACA and
15 may be subject to paying a tax associated with purchasing a nonqualified plan
16 under the PPACA.
- 17 (5) The free-market health benefit plans offered under the provisions
18 of subsection (1) of this section shall be made available for sale through
19 health insurance producers operating in Idaho.

20 41-6204. RELATION TO HEALTH SAVINGS ACCOUNTS AND MEDICAL SAVINGS
21 ACCOUNTS. No plan or health insurance issuer shall restrict, prohibit or
22 charge additional fees or premiums for the use of an individual health sav-
23 ings account created pursuant to 26 U.S.C. section 223, or an Idaho medical
24 savings account created pursuant to section 63-3022K, Idaho Code, to pay
25 premiums or health care expenses in connection with a plan purchased pur-
26 suant to the provisions of this chapter.

27 41-6205. ENFORCEMENT AND PENALTIES. Any health insurance issuer who
28 is required by the provisions of this chapter to issue a policy of insurance
29 and fails to do so, shall be given notice to comply by the department of
30 insurance. Failure to comply within ninety (90) days of the notice shall
31 be grounds for suspension or revocation of the issuer's license to issue
32 health insurance policies in Idaho and shall subject the issuer to an admin-
33 istrative penalty for each violation of not more than one thousand dollars
34 (\$1,000).

35 41-6206. RULEMAKING AUTHORITY. The department of insurance shall pro-
36 mulgate rules necessary to carry out the purpose, intent and provisions of
37 this chapter.

38 SECTION 2. This act shall be in full force and effect on and after Jan-
39 uary 1, 2014.