

Presented by
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State Employee Group Insurance and Benefit Committee

Medical Costs – A Serious Issue

- 18 % of the GDP vs. 9 % industrialized nation average
- In USA \$9,523 per person per year

Total State Funds for Medical Care

- \$514 million Medicaid
- 30% of \$303 million dedicated funds or \$101 million
- \$220 million state employees health insurance
- Estimated \$180 million of the state public school fund (part of discretionary funds)
- Total just over \$1 billion of a \$3.2 billion budget

Why Are Costs High?

89%

- Of all medical spending is controlled by insurance companies and federal Medicaid and Medicare programs.
- Lack of focus on primary care – public health, primary care, and advanced medical care.
- Insurance is used to pay for primary care – 40 % of funds are wasted in paperwork costs.

What To Do?

- State employee component
- Medicaid gap component
- Private sector component

State Component

- Get \$\$ into the hands of the state employees
 - Funded HSAs
 - No extra cost to the system
 - Similar to Indiana
- Change the way primary care is paid
 - Give employees funds for primary care
 - They pay cash – no billing of insurance
- Extra bells and whistles

Bells and Whistles

- Right to Shop
- HSAs and Right to Shop together would open up the possibility of an Oklahoma type surgery center
- Extra benefit is that this will help private citizens transition to funded HSAs and cash for primary care.

How?

- Senate Bill 1346
- <http://legislature.idaho.gov/legislation/2016/S1346.htm>
- Questions? Comments?