



House Bill 277 Could Cost State \$32.2 Million More Than Unmodified Expansion
March 26, 2019

Ongoing Annualized Costs and Savings of Unmodified Implementation of Medicaid Expansion, Senate Bill 1204, and House Bill 277			
	<u>Unmodified</u> <u>Expansion</u>	<u>Senate Bill</u> <u>1204</u>	<u>House Bill</u> <u>277</u>
State Costs			
Health Care and Administration of Coverage	\$40,200,000	\$40,200,000	\$64,500,000
Optional Work Program	\$0	\$140,000	\$0
Mandatory Work Program with Reporting Requirements	\$0	\$0	\$2,581,102
Other Provisions <i>(limiting retroactive coverage, family planning waiver, and 101-138% FPL waiver)</i>	\$0	\$0	\$170,900
	<u>\$40,200,000</u>	<u>\$40,340,000</u>	<u>\$67,252,002</u>
State Savings to Existing Programs Providing Services to People without Health Coverage <i>(includes savings to the CAT fund, behavioral health services, and certain hospitalizations)</i>			
	<u>(\$30,300,000)</u>	<u>(\$30,300,000)</u>	<u>(\$25,149,000)</u>
Net Cost to Idaho¹	\$9,900,000	\$10,040,000	\$42,103,002

Medicaid expansion will generate savings to the state CAT Fund, behavioral health services, community-based substance use disorder treatment for offenders, and mental health services for the probation and parole population. Senate Bill 1204 would keep these projected savings because it would provide health coverage to the same number of people as unmodified implementation. It would also provide the ability to participate in the state's employment and training program, at an ongoing annual cost of \$140,000 to the state.

House Bill 277 decreases some of the savings anticipated under Senate Bill 1204 and unmodified implementation of Medicaid expansion. The work reporting requirement under House Bill 277 would also require 18 additional employees to administer, cost an additional \$2.6 million, and is expected to result in approximately 10,000 people losing health coverage. The bill also calls for additional provisions that require waiver approval, costing the state \$170,900 annually. One of the provisions called for by House Bill 277 would not allow Medicaid coverage to 32,000 people with incomes between 101-138 percent of Federal Poverty Level (FPL), which jeopardizes the enhanced federal matching rate offered under unmodified implementation of Medicaid expansion.

There is no precedent for a partial Medicaid expansion with the enhanced match rate, in part because these match rates are set in statute and are not under the authority of the Centers for Medicare and

¹ For full line item detail, see appendix table.

Appendix

Ongoing Annualized Costs and Savings of Unmodified Implementation of Medicaid Expansion, Senate Bill 1204, and House Bill 277			
	<u>Unmodified</u>		
	<u>Expansion</u>	<u>Senate Bill 1204</u>	<u>House Bill 277</u>
New people covered through Medicaid	91,000	91,000	49,000
New state employees required to administer program	3	3	22
Federal match	90%	90%	70%
State Costs			
Health Care and Administration of Coverage	\$40,200,000	\$40,200,000	\$64,500,000
Health Risk Assessment	\$0	\$0	\$0
Limiting Retroactive Coverage	\$0	\$0	\$8,500
Exchange Coverage (101-138% FPL)	\$0	\$0	\$81,200
Optional Work Program	\$0	\$140,000	\$0
Mandatory Work Program with Reporting Requirement	\$0	\$0	\$2,581,102
Substance Abuse Treatment - IMD waiver	\$0	\$0	\$0
Family Planning Waiver	\$0	\$0	\$81,200
Total Costs	\$40,200,000	\$40,340,000	\$67,252,002
State Savings			
CAT Program (State)	(\$9,900,000)	(\$9,900,000)	(\$8,217,000)
Substance Use Disorder Services (IDOC)	(\$4,800,000)	(\$4,800,000)	(\$3,984,000)
Behavioral Health (DHW)	(\$8,200,000)	(\$8,200,000)	(\$6,806,000)
Hospitalizations (IDOC)	(\$2,800,000)	(\$2,800,000)	(\$2,324,000)
DHW - DBH - Mental Health Services	(\$4,600,000)	(\$4,600,000)	(\$3,818,000)
Total Savings	(\$30,300,000)	(\$30,300,000)	(\$25,149,000)
Net	\$9,900,000	\$10,040,000	\$42,103,002