

RE: Senate Health and Welfare Public Testimony HB 277

Chairman Martin and members of the committee. My name is Hillarie Hagen and I work with Close the Gap Idaho. I have spent the last few year speaking to Idahoans in the gap and I'm here today in opposition to HB 277 because of the negative impacts this bill will have on them if passed.

HB 277 would create barriers to coverage for rural Idahoans. There are only four Employment and Training centers across the state, making it impossible for many to travel to participate if they are unable to meet the reporting requirements. Even if they are allowed to participate through internet, 1/3 of rural Idahoans lack internet access and would not be able to participate. Like Dawn, who lives in rural Kootenai County. Dawn is an older adult who works odd jobs when she can find them but struggles to secure consistent work. She has limited access to the internet and would be unable to participate in work training if one of her temp jobs didn't provide her with enough hours.

HB 277 would also hurt older adults. Like Joyce, a registered Republican who is a constituent from legislative district 22. With untreated arthritis she works temp retail jobs that vary greatly in hours. If her work doesn't provide her with enough hours to meet the reporting requirements one month, the next she could lose her coverage causing a loss in treatment and exacerbating her condition. This ultimately impedes her ability to work the following month even if given enough hours by her employers.

Another Idahoan in the gap that lives in Nampa, Marisse, has pointed out how HB 277 creates undue burdens for victims of crime. Marisse's husband was killed by a drunk driver. After his death, her life was a blur of tying up the estate, working to salvage his business, counseling appointments, meeting with police and prosecutors, not to mention grieving with her family. The police and prosecutors' offices have more pressing issues than filling out paperwork to prove someone has been a victim or is unfit to work through crisis.

The people whose stories I've shared with you today wanted to be here but are busy caring for family members and working, it's challenging for them to repeatedly come to these hearings to share their stories. So I am attaching testimonies from each of them to have as part of my testimony for each committee member. I have seen HB 277's fiscal analysis by the Idaho Center for Fiscal Policy. This is an irresponsible use of tax payer dollars while harming Idahoans in the gap. All it does is waste time, puts in place more bureaucracy and red tape that does nothing to get people the health coverage they need to take care of themselves and their families. And one last thing, no one is exempt from confusion and complexity of government bureaucracy. I urge you to Vote NO on HB 277.



My name is Marisse DeThomas, I live in Nampa, district 13. In 2016, two of my children and husband were victims of crime. Unfortunately, my husband did not survive. After his death, my life was a blur of tying up the estate, working to salvage his business, taking the girls to counseling and medical appointments, meeting with police and prosecutors, and giving the girls extra affection and comfort. At this time in my life, I could not have worked.

In 2017, there were more than 4,000 victims of violent crime; and many more impacted by criminal acts. Work reporting requirements put an undue burden on victims like us; even if a victim exemption exists, who would verify the time it takes to put your life together? The police and prosecutors' offices have more pressing issues than filling out paperwork, and anyway, no one can quantify the importance of giving a scared kid an extra cuddle or of reading, once again, a book on death and loss.

I am currently teaching GED classes at the College of Western Idaho. My hours fluctuate from week to week because I am also now the sole caregiver for my two children with special needs. My supervisor and I can't anticipate how many hours I'll be able to work in advance.

As a teacher, I am often asked to fill out paperwork for students verifying their participation—in theory, it's just a piece of paper, but in reality it is checking attendance records, figuring out how to sign a form when multiple teachers need to verify different parts, trying to get an administrator to verify hours spent in on-line study. It is cumbersome, and takes me away from what I am paid to do: teach.

Finally, I rely on workers in The Gap to provide personal care for my daughter. In just over a year, we had 23 caregivers; much of this turnover is related to domestic violence or lack of health care; some workers are ill much longer than they would be with medical care; others can't work when a flare up of psychiatric illness combines with lack of affordable medication. Some workers have issues like migraines and while they show up and do their best, intense pain affects their job performance.

It is for these reasons and more that I urge you to reject HB 277. Instead, please implement Medicaid expansion as passed by the voters. Thank you.

To: Senate Health and Welfare Committee Members
RE: Public hearing on HB 277



Implications of Kentucky and Arkansas Work Requirements Rulings on Idaho

On March 27th, 2019, U.S. District Judge James Boasberg ruled that work-reporting requirements, limits to retroactive Medicaid eligibility, and other obstacles to coverage in Arkansas and Kentucky violate the central tenet of the Medicaid program and, therefore, are illegal. The ruling against the Centers for Medicare & Medicaid Services (CMS) affirms that the fundamental purpose of Medicaid is to provide health insurance to low-income Americans and that efforts to impose barriers to that coverage are not permissible in the program.

Legislators should take notice: work-reporting requirements in any form violate the fundamental purpose of Medicaid. The same is true of other barriers to coverage, including limiting retroactive eligibility. Provisions that take coverage away from those who are otherwise eligible for Medicaid will not stand up in court.

The work-reporting requirements and changes to retroactive eligibility waivers that have been proposed in H277 and similar legislation would result in coverage losses amongst otherwise eligible, low-income Idahoans. There is not a way to craft a work-reporting requirement that is “immune” to this ruling; any work requirement that causes Idahoans to lose coverage would be subject to the same treatment. Consequently, it is safe to assume Idaho will be mired in the same costly lawsuits if we continue to pursue legislation such as H277, which will result in coverage losses of up to 10,000 people. These challenges would almost certainly be heard by the same judge who decided the Kentucky and Arkansas cases and who will decide the fate of New Hampshire’s work requirements.

What Should Idaho Legislators Do?

Rather than risk costly lawsuits and lengthy legal battles, legislators should move forward with implementing Medicaid expansion as passed overwhelmingly by voters in 2018 – without expensive barriers that create red tape to ensnare Idahoans in bureaucracy and government oversight.

The impacts of the recent court decision are clear: No version of a work-reporting requirement complies with federal law if it can potentially limit access to care. Passing Medicaid work requirements, or any waiver requests that restrict access to care, opens Idaho up to litigation and puts the future of the Idaho Medicaid program in the hands of CMS and federal judges. It is a risk we can’t afford to take with over 60,000 Idahoans currently caught in the coverage gap.

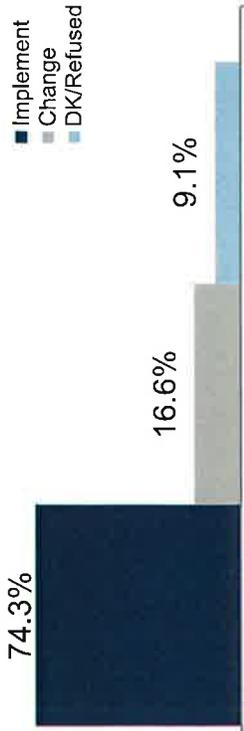
We Urge Representatives and Senators to Reject Work-Reporting Requirements and Other Illegal Barriers to Coverage

N=500 Likely Voters, Statewide in Idaho
 Margin of Error: +/- 4.38%
 Conducted February 21-24, 2019 by GSSG
 Paid for by Close the Gap Idaho

Views on Implementation

The Medicaid expansion measure, or Proposition 2, passed with 61% of the vote and is now law. Knowing this, which of the following comes closer to your opinion?

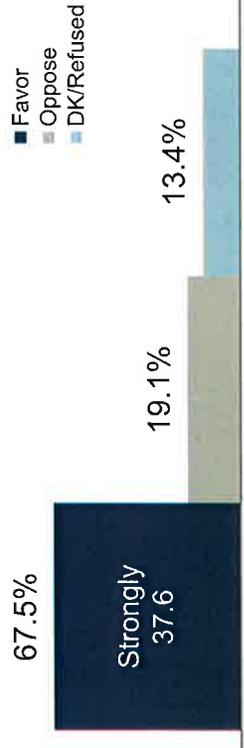
- The legislature should implement the will of the people as passed by the voters
- The legislature should change the law passed by voters



| | Party | | |
|----------------|--------------|--------------|--------------|
| | Dem | Indy | GOP |
| Overall | | | |
| Favor | 74.3 | 76.6 | 66.2 |
| Change | 16.6 | 6.6 | 22.4 |
| Net | +57.7 | +63.0 | +43.7 |

Work Promotion

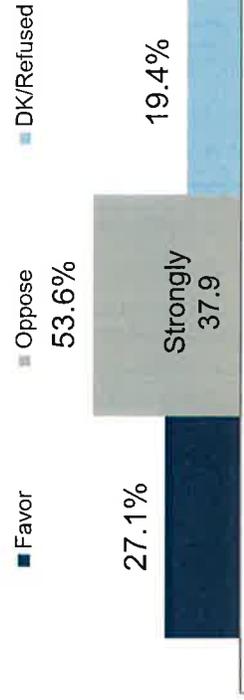
Some states have created successful work promotion programs which provide job training and education to individuals on Medicaid rather than requiring them to document and report a certain number of hours worked to earn coverage. The cost to create a program like this in Idaho would only be \$400,000 rather than an additional \$2 million for work reporting requirements. Knowing this, do you favor or oppose creating a work promotion program?



| | Party | | |
|----------------|--------------|--------------|--------------|
| | Dem | Indy | GOP |
| Overall | | | |
| Favor | 67.5 | 72.5 | 66.6 |
| Oppose | 19.1 | 12.7 | 18.6 |
| Net | +48.4 | +59.7 | +48.0 |

\$2 Million for Administrative Costs

Currently, the Idaho Legislature is considering changing the Medicaid expansion law passed by Idaho voters by adding new rules to determine who can get Medicaid coverage. Knowing that a new rule would cost the state at least \$2 million in administrative costs, do you favor or oppose the Legislature adding new rules to determine who can get Medicaid coverage?

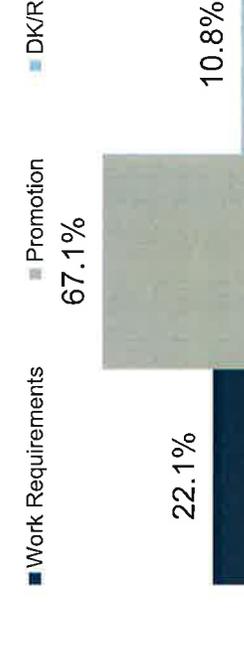


| | Party | | |
|----------------|--------------|--------------|-------------|
| | Dem | Indy | GOP |
| Overall | | | |
| Favor | 27.1 | 19.0 | 35.6 |
| Oppose | 53.6 | 62.6 | 41.7 |
| Net | -26.5 | -43.6 | -6.1 |

Promotion vs. Requirements

Which of the following comes closer to your opinion?

- Idaho should create **new reporting requirements** which will make individuals prove they are working a certain number of hours or trying to find a job in order to qualify for Medicaid coverage, even if it costs Idaho taxpayers millions of dollars per year to track the paperwork
- Idaho should **create a program that connects individuals with job training and education assistance** when they apply for Medicaid, which would cost much less than adding new requirements to Medicaid.



| | Party | | |
|----------------|--------------|--------------|--------------|
| | Dem | Indy | GOP |
| Overall | | | |
| Work Reqs. | 22.1 | 26.1 | 26.3 |
| Promotion | 67.1 | 66.3 | 61.6 |
| Net | +45.0 | +40.2 | +35.4 |

Jobs are Often Unstable

Most Idahoans who will qualify for Medicaid expansion are already employed, but they work low wage jobs that usually don't offer health insurance. These jobs are also often unstable, with frequent layoffs and work hours that can fluctuate sharply from month to month. Would you favor or oppose taking away medical coverage from a person who has not met work reporting requirements, even if that person involuntarily had their hours cut or were laid off?



| | Overall | Party | |
|------------|--------------|--------------|--------------|
| | | Dem | Indy |
| Favor | 17.5 | 8.3 | 19.8 |
| Oppose | 72.0 | 87.9 | 78.1 |
| Net | -54.5 | -79.6 | -58.3 |

Idahoans Support Less Bureaucracy and Red Tape

Legislators are considering a number of changes to the law that would add red tape and make it harder for people to enroll in Medicaid. Would you favor or oppose taking away health coverage from low-income Idahoans if they are unable to meet the additional requirements or get caught up in bureaucracy through no fault of their own?

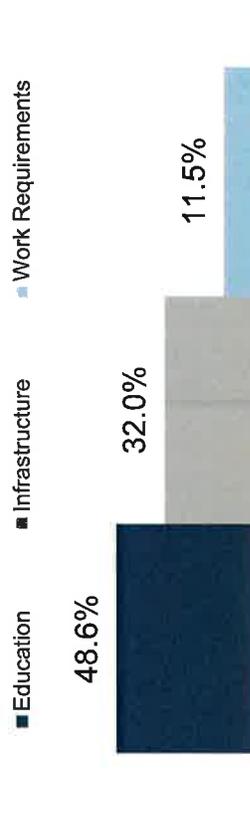


| | Overall | Party | |
|------------|--------------|--------------|--------------|
| | | Dem | Indy |
| Favor | 16.1 | 8.5 | 13.5 |
| Oppose | 69.9 | 87.4 | 72.6 |
| Net | -53.8 | -78.9 | -59.1 |

Funding Priorities

From the following, which issue would you prefer the Idaho legislature spend additional taxpayer dollars on?

- Putting more money into Idaho's public schools and universities
- Repairing Idaho's roads and bridges
- Enacting work reporting requirements for Medicaid eligibility



| | Overall | Party | |
|-------------------|---------|-------|------|
| | | Dem | Indy |
| Education | 48.6 | 64.3 | 49.7 |
| Infrastructure | 32.0 | 24.5 | 32.0 |
| Work Requirements | 11.5 | 6.8 | 11.5 |

Close the Gap Idaho is concerned with ensuring that implementation of Medicaid expansion:

- does not create a secondary gap of people stuck in our costly crisis care systems,
- maximizes the savings available, and
- occurs in a fiscally responsible way, with dollars directed to healthcare rather than bureaucracy

Primary Concerns with House Bill 277

1. HB 277 will create a secondary coverage gap.

- Idahoans who face a job loss, cut hours, or who can't navigate the bureaucracy will fall into a secondary coverage gap. Idahoans between 100% and 138% of the federal poverty level are also at risk of falling into the secondary coverage gap because of the 'family glitch' (see #3 below).
- In Arkansas, a similar monthly reporting requirement led to 87% of people who were subject to the requirement losing coverage. Many were working but could not navigate the rigid online reporting requirements, which were especially challenging for rural residents.
- Idahoans in the secondary coverage gap will continue to be stuck in our costly crisis care systems. This will be an ongoing drain on tax dollars and put pressure on struggling rural hospitals, while also driving up health insurance premiums in the private market.

2. HB 277 is costly and grows government.

- As indicated in the bill's fiscal note, HB 277 will cost the state \$7 million annually to administer a new bureaucracy that includes hiring 22 FTEs at the Department of Health and Welfare. This is largely due to the fact that HB 277 differs significantly from the Idaho's work reporting requirements under SNAP, both in the number of work hours required each month and because HB277 requires work hours to be reported on a monthly basis.
- Clean Medicaid expansion will generate savings to the state Catastrophic Health Care Fund, behavioral health services, community-based substance use disorder treatment for offenders, and mental health services for the probation and parole population. House Bill 277 decreases some of these savings, comes with new administrative costs and has a net negative impact on the state budget.
- House Bill 277's fiscal note also appears to include savings that would be generated without its passage, under full and unmodified implementation of Medicaid expansion and excludes ongoing local costs under HB 277 from increased indigent care services.

3. By partially repealing Medicaid expansion, HB 277 reduces choice for families and will leave some parents who should have been covered by Medicaid with no coverage option.

- If families between 100% and 138% FPL are removed from the Medicaid expansion population, they may not be eligible for a tax credit in the exchange. That's because of the 'family glitch,' which prevents people from accessing a tax credit in the exchange if their spouse's employer provides a health insurance option--*even if* the premium for that insurance is completely unaffordable.

- For example, imagine a family living slightly above the poverty level with a father who can receive health coverage through his employer for himself alone at an affordable premium. The availability of employer-sponsored coverage for the father makes the entire family ineligible for any tax credits on the exchange, due to a glitch in the Affordable Care Act. The cost of adding his wife to his coverage plan could be hundreds of dollars each month, which would be an insurmountable cost for a family at this income level. Clean Medicaid expansion provides a coverage option for the mother. Under HB 277, the mother will fall into a secondary coverage gap.
- The number of Idahoans between 100% and 138% of the federal poverty level impacted by the 'family glitch' is high. According to Milliman, 32,000 Idahoans between 100% and 138% FPL will become eligible for Medicaid expansion under current law, but only 18,000 are currently enrolled in an exchange plan. The difference of 14,000 includes many Idahoans who are currently hit by the 'family glitch' and who would lose the option to enroll in Medicaid under HB 277.

4. HB 277's partial expansion could reduce Idaho's match rate.

- CMS has not approved the enhanced match rate of 90-10 for any waiver that expands Medicaid to just 100% FPL and then uses Advanced Premium Tax Credits (APTC) to cover the costs of premiums on the exchange for those between 100-138% FPL. This provision could put the state on the hook to cover those below 100% FPL with a 70-30 match rate. This would significantly increase costs to the state.
- Utah's waiver for a partial expansion to 100% FPL is currently pending before CMS and explicitly requests a regular match rate of 70-30 for those under 100% FPL.
- While the waiver may not be approved by CMS, House Bill 277's fiscal note appears to include an estimate for state savings from shifting people off of Medicaid but excludes the cost of losing federal funding by dropping the federal match rate from 90% to 70%.
- Arkansas and Massachusetts were denied similar waiver requests by the current CMS. Wisconsin has expanded Medicaid only for those up to 100% FPL, but was denied the enhanced match rate for that population.

5. HB 277 is likely to entangle Idaho in expensive lawsuits and be struck down by the courts.

- Currently, the fate of Kentucky and Arkansas' work programs are pending in federal court. The judge has pledged to rule on these programs by April 1, 2019 and legal experts expect them to be struck down. The judge already ruled against the Kentucky waiver once.
- The judge's ruling would halt the work requirement programs from being implemented in these states and virtually ensure a work reporting requirement waiver in Idaho would be struck down by a federal court.
- Litigation was also filed on against the work requirement program in New Hampshire and is going before the same federal judge.
- If the Idaho Legislature approves work reporting requirements legislation directing the Department to implement a program that has just been declared illegal in federal court, the state will face hundreds of thousands in legal expenses when a suit is filed in Idaho.



Conducted by GS Strategy Group
 Presented by: Robert Jones, Partner
 Project Manager: Tyler Holden
 Project Details: Conducted February 21-24, 2019
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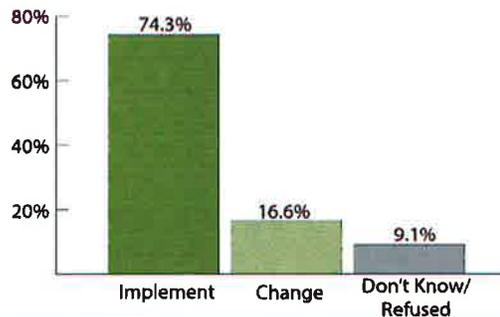
New Poll Shows Idahoans Support Unmodified Implementation of Medicaid Expansion, Oppose High-Stakes Reporting Requirements

Unmodified Implementation, No Barriers to Coverage

A new poll conducted February 21-24, 2019 found that Idahoans overwhelmingly support the unmodified implementation of Medicaid expansion while opposing modifications that increase administrative costs and deny access to care. Following the passage of Proposition 2 in November with 61% of the yes vote, 74% of Idahoans feel the Legislature should implement the law as it was passed by the voters, while 17% say the law should be changed.

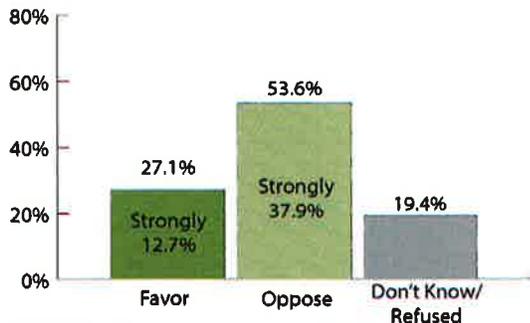
The Medicaid expansion measure, or Proposition 2, passed with 61% of the vote and is now law. Knowing this, which of the following comes closer to your opinion?

- The legislature should implement the will of the people as passed by the voters.
- The legislature should change the law passed by voters.



| | Overall | Party | | |
|-----------|---------|------------|-------------|------------|
| | | Democratic | Independent | Republican |
| Implement | 74.3 | 92.6 | 76.6 | 66.2 |
| Change | 16.6 | 6.6 | 13.5 | 22.4 |
| Net | +57.7 | +86.0 | +63.1 | +43.8 |

Currently, the Idaho Legislature is considering changing the Medicaid expansion law passed by Idaho voters by adding new rules to determine who can get Medicaid coverage. Knowing that a new rule would cost the state at least \$2 million in administrative costs, do you favor or oppose the Legislature adding new rules to determine who can get Medicaid coverage?



| | Overall | Party | | |
|--------|---------|------------|-------------|------------|
| | | Democratic | Independent | Republican |
| Favor | 27.1 | 13.9 | 19.0 | 35.6 |
| Oppose | 53.6 | 75.7 | 82.6 | 41.7 |
| Net | -26.5 | -61.8 | -43.6 | -6.1 |

Idahoans Oppose Spending \$2 million on Administrative Costs

In the wake of the election, legislators are considering changing the law to include work-reporting requirements, projected to cost \$2 million annually. However, the poll found that 54% of Idahoans oppose spending additional money on administrative costs to change Medicaid expansion passed by the voters.

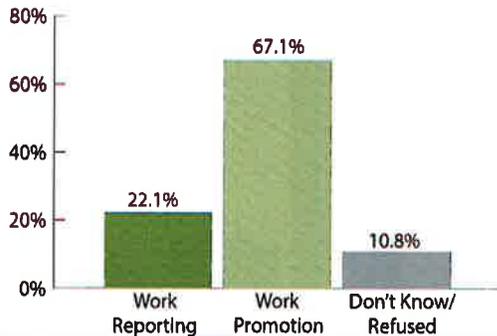
When asked about their budget priorities, Idahoans would prefer the Legislature prioritize spending on education and transportation instead. 81% of Idahoans say that tax dollars would be better invested in education (49%) or repairing Idaho's roads and bridges (32%). Only 11.5% favor increasing administrative costs beyond Governor Little's budget recommendation to fund unmodified Medicaid expansion.



Conducted by GS Strategy Group
 Presented by: Robert Jones, Partner
 Project Manager: Tyler Holden
 Project Details: Conducted February 21-24, 2019
 N = 500 Likely Voters
 Margin of Error: +/-4.38%
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Which of the following comes closer to your opinion?

- Idaho should create **new reporting requirements** which will make individuals prove they are working a certain number of hours or trying to find a job in order to qualify for Medicaid coverage, even if it costs Idaho taxpayers millions of dollars per year to track the paperwork
- Idaho should create a **program that connects individuals with job training and education assistance** when they apply for Medicaid, which would cost much less than adding new requirements to Medicaid.



| | Overall | Party | | |
|--------|---------|------------|-------------|------------|
| | | Democratic | Independent | Republican |
| Favor | 22.1 | 10.8 | 26.1 | 26.3 |
| Oppose | 67.1 | 79.9 | 66.3 | 61.6 |
| Net | +45.0 | +69.1 | +40.2 | +35.3 |

Work Promotion, Not Work Requirements

As an alternative to work reporting requirements, the poll found that 67% of Idahoans favor a less-costly and more effective work promotion program. This program would refer Medicaid participants to job training and education without threatening to take away their healthcare.

Work promotion programs have been proven successful in other states, including Montana, where program data show increased labor force participation rates among low-income households. After completion of their training, 58% of Montana participants increased wage earnings by an average of \$8,712 annually.

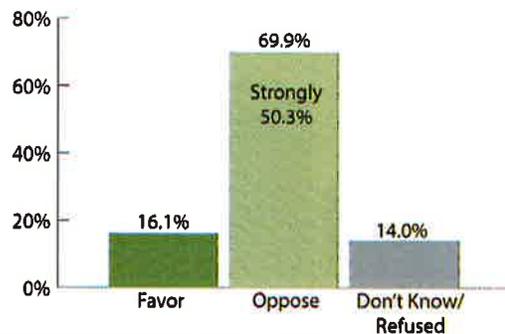
1 Montana Department of Labor & Industry "Help-Link Program 2018 Fiscal Year Report". http://ml.mt.gov/Portals/193/Publications/LMI-Pubs/Special%20Reports%20and%20Studies/HELP-Link_2018Report.pdf

Idahoans Support Less Bureaucracy and Red Tape

70% of Idahoans oppose taking away health coverage from Medicaid participants who do not meet work-reporting requirements.

Idahoans, by wide margins and across political parties, oppose changes to Medicaid that was just passed by the voters. Seven out of ten Idahoans oppose the idea of taking coverage away when an Idahoan experiences a job loss, cannot meet new work reporting requirements, or cannot navigate the bureaucracy.

Legislators are considering a number of changes to the law that would add red tape and make it harder for people to enroll in Medicaid. Would you favor or oppose taking away health coverage from low-income Idahoans if they are unable to meet the additional requirements or get caught up in bureaucracy through no fault of their own?



| | Overall | Party | | |
|--------|---------|------------|-------------|------------|
| | | Democratic | Independent | Republican |
| Favor | 16.1 | 8.5 | 13.5 | 20.7 |
| Oppose | 69.9 | 87.4 | 72.6 | 60.8 |
| Net | +53.8 | +78.9 | +59.1 | +40.1 |

Work Promotion vs. Conditioning Coverage on Work



Spring 2019

Idahoans Support Proposition 2, Oppose Work-Reporting Requirements

Legislators are currently considering two bills related to Medicaid expansion: one that would impose mandatory work reporting requirements on Idahoans covered under Medicaid expansion and one that would connect newly eligible Idahoans with a voluntary work promotion program. In recent polling conducted by GS Strategies, 74% of Idahoans feel the Legislature should implement the Medicaid expansion law as passed by the voters, while 17% say the law should be changed. Additionally, 67% of Idahoans favor a voluntary work promotion program over costly work reporting requirements.

Mandatory work reporting requirements have been proven in other states to be costly, burdensome, and ineffective. In the first six months of Arkansas' program, only 0.5% of the group subject to work reporting requirements showed "newly reported work hours."¹ Furthermore, Arkansas is stripping coverage from those who are working or would qualify for an exemption, but aren't able to navigate the complex reporting requirements. Polling indicates that 72% of Idahoans oppose taking away health coverage from Medicaid participants who do not meet work reporting requirements.

Work Promotion, Not Work-Reporting Requirements

In contrast, Montana refers its Medicaid expansion enrollees to HELP-Link, a voluntary workforce promotion program for adult Medicaid enrollees. While coverage is not conditioned on participation, Montana's program helps those who are looking for work or better jobs, linking them with services such as career counseling, on-the-job training, and educational opportunities. The goal of the program is to improve the long-term employability of the client, thus reducing their reliance on Medicaid.

Now in its' third year, program data shows that participants are employed at a higher rate and are earning higher wages. Labor force participation rates among low-income households has increased 6 to 9%.² Among those receiving HELP-Link funds for training, 81% of HELP-Link participants were employed in 2017, and 71% of participants have increased wage earnings after completion of their training. The average wage increase was \$8,712 annually.

[1] Center on Budget and Policy Priorities, "Medicaid Work Requirements Can't Be Fixed" January 10, 2019, <https://www.cbpp.org/research/health/medicaid-work-requirements-cant-be-fixed>

[2] Center on Budget and Policy Priorities, "Promising Montana Program Offers Services to Help Medicaid Enrollees Succeed in the Workforce" April 25, 2018, <https://www.cbpp.org/research/health/promising-montana-program-offers-services-to-help-medicaid-enrollees-succeed-in-the>

www.ClosetheGapIdaho.org
1607 W. Jefferson St. Boise, ID 83702

Work Promotion vs. Conditioning Coverage on Work

Spring 2019

Montana's HELP-Link: A Model for Idaho

For Medicaid-eligible Idahoans who aren't working, a work reporting requirement would likely be counterproductive. The most common employment barriers identified by Montanans enrolled in HELP-Link include challenges related to personal finances, lack of transportation, and poor physical health. Low-income adults who face one or more of these challenges won't likely overcome them without support. Taking their health coverage away makes it even harder to find or keep a job. Montana's workforce training program demonstrates their interest in overcoming employment barriers, and the state services are resulting in higher rates of Medicaid beneficiaries joining the workforce.

Along with providing needed workforce training and support, HELP-Link avoids the complex and costly administrative systems required to implement work reporting requirements. In fiscal year 2018, Montana allocated just \$885,400 for HELP-Link's outreach, trainings, and linkages to other services. Rather than spending state money on enforcement mechanisms that are largely ineffective, state resources could be directed to reduce barriers to work for low-income Idahoans.

Medicaid expansion will help many hardworking Idahoans, including families, single moms, and those nearing retirement. Work promotion can help the small share of Medicaid enrollees who can work, but aren't working find and hold jobs, without the harmful and often counterproductive effects of a work reporting requirement. Unmodified Medicaid expansion, as passed by the voters, will strengthen Idaho's workforce, save taxpayer money, and result in better health outcomes and quality of life for Idahoans.



www.ClosetheGapIdaho.org
1607 W. Jefferson St. Boise, ID 83702

Mandatory Work Reporting Requirements Cost More and Impact Fewer People than Voluntary Work Promotion

HB 277 includes a mandatory work reporting provision. SB 1204 includes a voluntary work promotion program. The table below analyzes the costs and impacts of these provisions.

Mandatory work promotion will cost at least \$2 million to administer, require 19 new employees and ongoing federal approval, but provide work training for less people than a voluntary program.

A mandatory work program could reach as few as 1,500 Idahoans, and create hardships for rural Idahoans, whereas a voluntary work promotion program will reach at least 2,000 people and has been proven to increase wages and result in more gainful, secure employment.

| Costs and Implications | Work Promotion in SB 1204 | Work Reporting Requirements in HB 277 |
|--|---|--|
| How much does the policy cost to implement? | Idaho's share of the cost is \$177,500 ¹ ; Total cost is \$515,000. | The fiscal note is ambiguous but an estimate shows the total cost will be \$4.5 million, with the state share being at minimum \$2.5 million in ongoing expenses. ² |
| How many people would the policy apply to? | All Medicaid recipients are eligible. It's estimated that 2,000 would participate and complete a training program. | Of the 11,500, 10,000 are estimated to drop off the program. This means as few as 1,500 would participate in a mandatory work training program. |
| Will it cause Idahoans to lose health coverage? | No, SB 1204 contains no punitive measure to take coverage away. | In Arkansas 87% of those subjected to similar bureaucratic requirements were removed from the program. That would amount to 10,000 Idahoans losing coverage and joining a secondary gap. ³ |
| Has the policy resulted in employment or wage gains in other states? | Yes, in Montana the policy has been successful: 81% of participants were employed after the program, and 71% have increased their wages. ⁴ | No, only 0.5% of enrollees subject to the rule have newly reported work hours. ⁵ |
| How many new FTE's would be required to administer the policy? | No new full time employees would be required to administer SB 1204. | 19 new full time employees would be required to administer the policy in HB 277. ⁶ |
| Does the policy require federal approval and evaluation? | No, the Idaho legislature has the authority to create the program. | Yes, Idaho would need federal approval, would be required to submit annual evaluations, and could have approval revoked. |
| Is the policy facing federal legal challenges? | No, work promotion programs that include job training, educational opportunities, etc. are not being challenged in court. | The fiscal note is ambiguous but, work reporting requirements are currently facing three separate legal challenges in Kentucky, Arkansas, and New Hampshire. A judge has already ruled Kentucky's to be illegal, and they are once again in federal court with a ruling expected before April 1, 2019. |

[1] Fiscal note for SB 1204, Idaho Legislature. 2019.

[2] Idaho Department of Health and Welfare Analysis on HB 277 and SB 1204, 2019.

[3] "February State Data for Medicaid Work Requirements In Arkansas", Kaiser Family Foundation, 2019.

[4] "Medicaid Work Requirements Can't Be Fixed", Center on Budget and Policy Priorities, 2019.

[5] "Help-Link Program 2018 Fiscal Year Report", Montana Department of Labor & Industry, 2018.

[6] Idaho Department of Health and Welfare Analysis on HB 277 and SB 1204, 2019.

