

REVISED

## STATEMENT OF PURPOSE

RS32155 / H0138

This legislation safeguards Idaho's Medicaid program by ensuring its sustainability, prioritizing resources for needy populations and promoting fairness and accountability. It establishes conditions for the continued expansion of Medicaid eligibility for able-bodied adults, aligning the program with the principles of self-sufficiency, fiscal responsibility, and integrity.

Key provisions include: 1) Work Requirements: Able-bodied adults must work, train, or volunteer at least 20 hours per week, mirroring existing requirements for other welfare programs in Idaho. 2) Enrollment Caps: The number of able-bodied adult enrollees will not exceed the population of seniors or individuals with disabilities, ensuring resources prioritize the most vulnerable. 3) Improper Payment Controls: The Department of Health and Welfare must reduce improper Medicaid payment rates to 5% or less. 4) Verification of Eligibility: Enrollee eligibility will be reviewed biannually. 5) Time-Limited Benefits: Able-bodied adults will be subject to a three-year lifetime limit on Medicaid benefits. 6) Optional Private Coverage: Enrollees above 100% of the federal poverty level may opt for federally subsidized private health insurance.

This conditional approach strengthens Idaho's Medicaid program while maintaining flexibility. If the federal government or state agencies fail to meet these requirements, the legislation ensures Medicaid dollars are redirected to serve the truly needy.

## FISCAL NOTE

This legislation should create significant savings for the General Fund or other state funds. The legislation requires that several program integrity and cost-saving measures be implemented in Medicaid as a condition for the continued expansion of eligibility to able-bodied adults to continue. If those conditions are met and the expansion of eligibility to able-bodied adults continues, savings will likely exceed \$163 million, as reducing improper payments in Medicaid to five percent would produce savings of \$136 million and capping total enrollment of able-bodied expansion adults would produce savings of \$27 million. If one or more of the conditions are not met, Medicaid expansion will be effectively repealed, which will produce savings of \$109 million. Therefore, the range of possible savings is likely to be a net decrease in state spending of between \$109 million and \$163 million in state funds. The Medicaid Stabilization Fund will provide \$3,000,000 for the department to apply to waivers and implementation

### Contact:

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**DISCLAIMER:** This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).