

From The Desk of Jim Genetti

Monthly Report

March 2011

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The 61st Idaho Legislative session is coming to a close and the good news is that we were able to get both of the Associations legislative pieces passed through the Legislature.

Our primary bill was a Joint Memorial 003 signed by the Speaker of the House and the President Pro Tempore of the Senate. This Memorial was a formal statement from our State Legislatures that they support national legislation that would move producer's commissions outside of the Medical Loss Ratio formula of the Patient Protection and Affordability Act and would allow those commissions to be paid as a pass through without affecting the Insurance Company's ability to meet the medical loss ratio minimal standards of 80 and 85%.

The Joint Memorial was sent to Congress and to Kathleen Sebelius of Health and Human Services.

This places Idaho up front in the ongoing battle against ominous Federal legislation that has already resulted in insurance companies cutting commissions anywhere from 30%-50%.

The timing of this Joint Memorial is perfect, with legislation presently being proposed in Congress to move producer's commission outside the MLR our Joint Memorial shows where Idaho stands on the issue. This Memorial also encourages other states to follow our lead and hopefully the momentum will carry the legislation to a successful conclusion.

Our second bill, HB 283, hit some stumbling blocks along the way but successfully passed the Senate in the last week of the session, to be signed by the Governor. This bill will go into effect on July 1, 2011 and will allow health insurers producers to give gifts, prizes, lunches etc to policyholders or prospective policyholders in an aggregate amount of \$200 in a calendar year. The bill did not change the original language as set forth in 41-1314 Idaho Code regarding what items could be offered to policyholders or prospective policyholders.

This amendment to Idaho code section 41-1314 allows the health insurance producer to operate on equal playing field with their counterparts in the Life and Property/Casualty business and it sets a maximum which could be spent in a calendar year.

Some other legislation worth noting:

SB1115 Passed – The Patient Protection and affordability act requires that a least one plan of insurance offered under the exchanges include benefits for elective abortion, however, under the plan it allows each state to opt out of that provision if they choose. SB 1115 states that Idaho opts out of offering abortion benefits under their exchange plans.

SB1158 HB 324 – SB1158 was the original budget for the Idaho Department of Insurance. This budget included a \$2,500,000 grant for the department to develop the Exchanges required under the Patient Protection and Affordability Act. This budget also included an addition of three full time people to develop and implement the Exchanges. This bill failed in the House and was sent back to appropriations.

House members wanted the Federal Grants taken out of the Department's budget as well as the employee positions designated for development of the exchanges because they feared that using Federal money for this project might obligate Idaho to comply with the requirements as set forth in the Patient Protection and Affordability Act in the future.

HB 324 came out of Appropriations with all federal monies and positions established to develop the exchanges carved out of the Department's budget. The bill did appropriate \$500,000 toward developing exchanges with the main goal of maintaining state control over the regulation of these exchanges.

HB117 – Nullified all provisions of the Federal Patient Protection and Affordability Act in the state of Idaho. This bill passed the House but failed in the Senate.

HB298 - This bill is a follow-up re-write of the Nullification Bill. It amends certain language relating to health care law to revise provisions relating to public policy relating to health care services, to provide that certain provisions of certain public laws shall not be enforced by the state of Idaho' to provide that certain entities shall not act to implement certain provisions of certain public laws and to provide for an Executive Order. This bill passed the House and was sent to the Senate where it passed.

HCR020- Proposes to the Governor that the state offer state employees a \$2500 dollar deductible insurance plan with a \$2500 Health Savings Account. The plan would be optional and would allow individuals more latitude in choosing and shopping for their medical needs. This passed both houses and was sent to the Governor for consideration.

I thoroughly enjoyed working on behalf of the Association during this legislative session and would especially like to thank Scott for his great support and assistance. I have great confidence that our Memorial will be a catalyst to move proposed congressional legislation forward.