

Jim Genetti

Monthly Report

September-October

The only activity that I have to report on for this period is the Health Care Task Force Meeting for Oct 4, 2011.

The meeting opened with Paul Woods, Environmental Division Manager for the City of Boise. Paul gave an update on the Allumbaugh House's first year offering sobering, detox and crisis mental health services to low income individuals and families. Mr. Woods reported that Allumbaugh saved the state nine million dollars in emergency room and hospital costs for the year because a "bed" cost \$200.00 per night at the center compared to \$1500 per night in a hospital.

This facility is operated by the Terry Reilly Health System and is maintained by Ada County Housing Authority.

Leslie Clement from the Medicaid division of Health and Welfare gave an update on the Computer system named "Molina" that caused all the delays in payments last year to Medicaid providers. Ms. Clement stated that they are currently accepting and paying 92.9% of billings from providers compared to just 75% in July of 2010. It appears that the problem of late and delayed payments have been resolved and the system is now working as it should.

Director Bill Deal from the Idaho Department of Insurance gave an update on the health insurance exchanges as well as the department's progress in developing a system to review rates.

Currently, the Department is trying to hire an actuary and set up the necessary structure to handle health insurance rate review. The Department will be submitting legislation this next session that will amend current laws so that the state can meet the requirements for rate review as set forth in the Patient Protection and Affordability Act.

The Governor has given the go-ahead and the Department has applied for a 30.1 million dollar grant from HHS to pay for the development and operation of a state run health insurance exchange. The use and implementation of the requested Grant is contingent on whether the legislature will allow the money to be used, through the budgeting process, by the DOI. The Governor as well as several task force members has concluded that it is in the best interest of Idaho Citizens to have a state run rather than a federally run Exchange.

Director Deal and the Governor have stated that one of the major reasons a state run health insurance exchange is good for Idaho is that it will require that all insurance be marketed and sold through licensed Idaho health insurance agents. The Federal plan would likely use unlicensed individuals trained and regulated by the Federal government.

Joy Wilson, from the National Conference of State Legislators, spoke by teleconference on the activity and efforts of state governments to comply with federal health care reform. Many states are waiting to see what the Supreme Court will do regarding the Obama Health Care Legislation, some states already have exchanges up and running but most states are in the process of putting them together.

In the afternoon session the task force heard testimony from several local associations and businesses regarding Health Insurance Exchanges. Four questions were posed a) What is your stance on the idea of exchanges? B) Do you favor a state or federal exchange C) What provisions are important in a state exchange. D) What should Idaho avoid?

The presenters and respondents to the above questions were: The Idaho Assoc. of Commerce and Industry; American Cancer Society; Idaho Chamber Alliance; Idaho Primary Care Assoc.; St. Luke's Health System; Delta Dental Plan of Idaho; High Risk Reinsurance Pool; Idaho Assoc. of Health Underwriters; Idaho Assoc. of Health Plans.

All the above presenters were unanimous in wanting an exchange and all believed the best path would be to have a "state run exchange."

All presenters, except one, favored an open competitive exchange where all insurers willing to meet the Federal guidelines could operate within the exchange. Many presenters felt the exchange should be a computer based program but all felt that having licensed local agents was a necessary component.

The Idaho Freedom Foundation –presented by Wayne Hoffman was not in favor of an exchange and stated that whether the exchange was Federal or State the states would have no real control over what it could do. He wants to do away with exchanges and let the free market operate.

Scott Leavitt from the Health Underwriters presented based on "Talking Points" distributed to all members. The Association supports exchanges and wants to continue to be a participant in building the Idaho exchange so that role of the licensed Agent/Brokers continue to be actively involved in the marketing and servicing of health insurance.

**In summary, Transparency, Flexibility, and Competition** seemed to be the Key items that many presenters wanted to see.

The next meeting date has not been set yet.

A final note, I have been invited by the Coeur d'Alene chapter to speak at their monthly meeting in November.