



7 myths about Idaho's ObamaCare plan

HB 464 IS THE WRONG DIRECTION FOR IDAHO

MYTH

HB 464 isn't ObamaCare.

1

REALITY

HB 464 would bring a new part of ObamaCare to Idaho.

HB 464 authorizes the state to apply for an ObamaCare Section 1332 waiver. This waiver is called a Section 1332 waiver because it was created by Section 1332 of ObamaCare.

Without a doubt, HB 464 would bring a new part of ObamaCare to Idaho.

MYTH

Idaho's ObamaCare plan is not Medicaid expansion.

2

REALITY

This plan would give Idaho the highest Medicaid eligibility in the country.

HB 464 expands Medicaid eligibility to individuals who already have insurance coverage in the ObamaCare exchange, earning up to 400% of the federal poverty line (Section 3 (j)). If approved, HB 464 would give Idaho the highest Medicaid eligibility in the country, nearly doubling the District of Columbia's current high mark of 210 percent for childless adults.¹ This bill would also expand ObamaCare subsidies to able-bodied adults below the poverty line who don't currently qualify (Section 1). Individuals who are already eligible for Medicaid will not qualify for this new program.

Quite simply, HB 464 is an expansion of welfare to able-bodied adults and would give Idaho the highest Medicaid income limit in the country.

MYTH

Idaho's ObamaCare plan would target the truly needy.

3

REALITY

The truly needy already qualify for Medicaid in Idaho; this plan would expand Medicaid to able-bodied, childless adults.

Idaho's Medicaid program already provides coverage for the truly needy. Specifically, Idaho Medicaid covers low-income kids, pregnant women, the elderly, individuals with disabilities, women with certain types of cancer, individuals who require home-based and community-based care, individuals in mental hospitals, parents from low-income households, infants of Medicaid-eligible pregnant women, and more.

Bottom line: Idaho's ObamaCare plan would expand eligibility to able-bodied, childless, working-age adults.

MYTH

Enrollment in Idaho's ObamaCare program would be predictable.

4

REALITY

Enrollment is unpredictable and taxpayers would be on the hook for extra costs.

Idaho's ObamaCare plan contains no enrollment cap. The state projects that roughly 1,500 individuals will move from the exchange to Medicaid. In addition, state estimates have shown that more than 78,500 able-bodied adults are in the 0-100% income range.² But in reality, no one knows how many able-bodied adults will enroll.

States that have expanded Medicaid through ObamaCare to this same population have seen enrollment overruns of 110 percent.³ In addition, cost data from these states shows that taxpayers are spending 157 percent more on their expansions than promised.⁴

In reality, enrollment and costs for Idaho's new ObamaCare plan is anybody's guess, but one thing is for sure: no matter how much it costs, taxpayers will be on the hook.

MYTH

Idaho's ObamaCare plan will reform health care.

5

REALITY

Idaho's ObamaCare plan can only make ObamaCare worse.

Under Section 1332, states must meet four specific requirements in order to have their waivers approved: the state must demonstrate that their waiver will cover just as many people, with the same benefits, with the same minimal cost sharing, at the same cost to the federal government as regular ObamaCare. These requirements are statutory, not regulatory. Only an act of Congress can change them. And as a consequence of these stringent rules,

the state can only maintain the status quo or make ObamaCare worse—by increasing dependency, decreasing cost sharing, increasing benefits, and putting the state on the hook for cost overruns.

MYTH

Idaho's ObamaCare plan is conservative because it includes work requirements.

6

REALITY

Work requirements can't justify an expansion of welfare.

Medicaid work requirements are a great way to move able-bodied adults from welfare to work. Idaho should absolutely pursue them for existing able-bodied adult enrollees. But it doesn't make any sense that Idaho would try to expand welfare while also imposing a work requirement that's designed to help people get out of welfare—and all in the same bill.

By combining a work requirement with a welfare expansion, Idaho would be taking one step forward and three steps back.

MYTH

Idaho's ObamaCare plan is budget neutral.

7

REALITY

Idaho's ObamaCare plan relies on fuzzy math and fails to meet federal budget neutrality rules.

Idaho's ObamaCare plan is built on fuzzy math. The state wants to keep the tax credits they are "saving" by moving individuals out of the exchange, but then also have federal taxpayers pay the Medicaid match on these enrollees once they are in Medicaid. This would force federal taxpayers to pay twice and increase Medicaid spending, violating budget neutrality rules for both Section 1332 and Section 1115 waivers.

Idaho's ObamaCare plan fails to meet the standard set forth in federal law.