



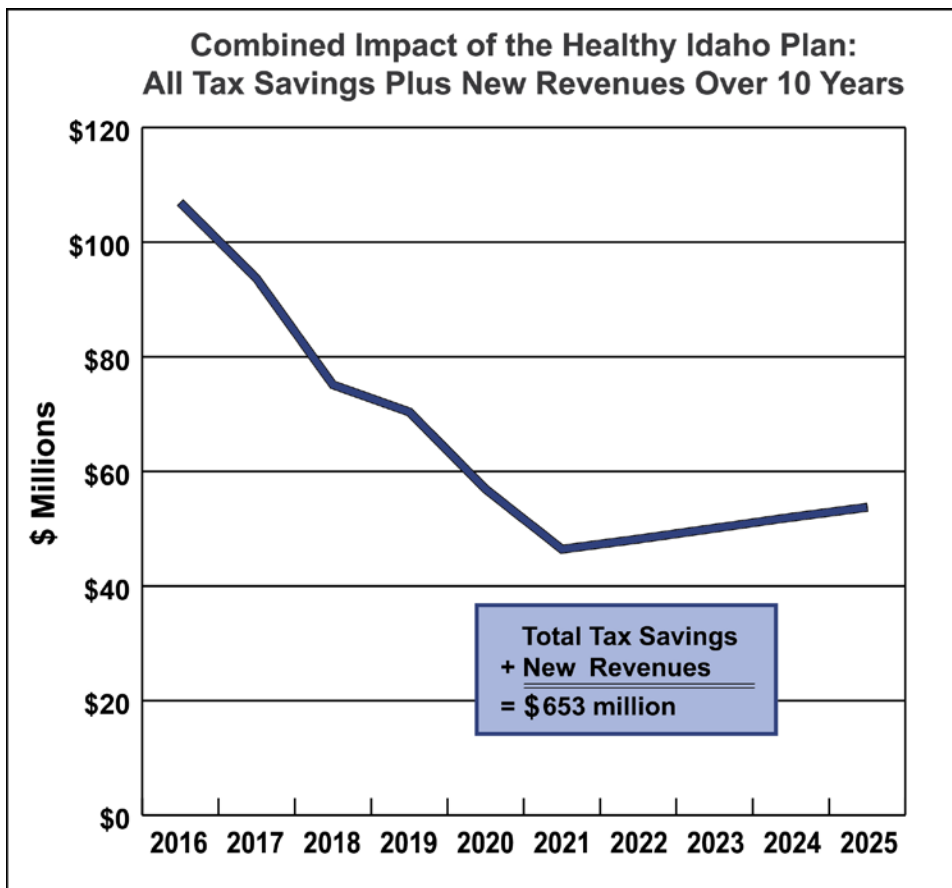
The Cost of Doing Nothing: *Cost of Delaying Action on the Healthy Idaho Plan is High*

The 2015 Idaho Legislature has the opportunity to provide an affordable health coverage option to Idahoans in the coverage gap, while giving the state a major financial boost.

The Healthy Idaho Plan is a homegrown, public-private solution to a major health care problem. The plan would cover an estimated 78,000 Idahoans who are unable to get affordable health insurance because they earn too much to qualify for Medicaid and too little to qualify for assistance paying private health insurance premiums on the state-run health care exchange.

The plan carries other benefits for the state, as well. When budget savings and revenues from new economic activity in health care and related fields are tallied, Idaho and its counties would gain \$653 million over the next decade with the Healthy Idaho Plan.

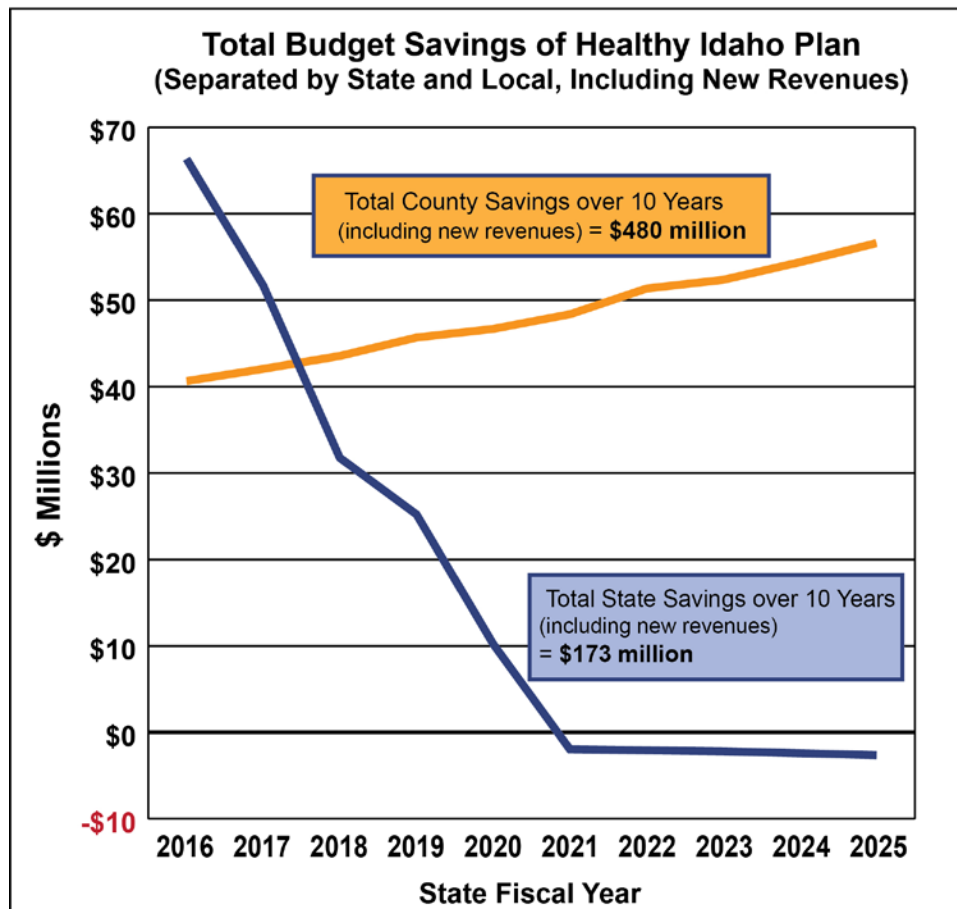
Put another way, **the cost of doing nothing is \$653 million to Idaho's state and county budgets for the next 10 years.** See chart.



This figure includes \$173 million in state and county taxpayer savings calculated by Milliman, a private actuarial firm that the state hired to study the financial implications of the Healthy Idaho Plan.¹ It also includes \$480 million in additional sales, income, and property tax revenue that would be generated by bringing our federal tax dollars back to work in the state economy.² This economic boost will increase overall economic activity, or the gross state product, by \$1.1 billion and add over 13,000 new jobs.³

The Healthy Idaho Plan Brings Savings at both the State and Local Levels

Over the next decade, state and local budgets would see huge savings, which are more substantial the sooner Idaho acts. Savings do decrease over time at the state level. But for a very small long-term impact on the state budget, Idaho could leverage large, growing savings at the county level. By 2025, an investment of \$2.6 million at the state level yields \$56 million in savings to counties. Delaying just one year to implement the Healthy Idaho Plan would mean a loss of \$107 million in savings to the state and counties.



Idaho is free to opt out at any time and return to the status quo, but doing nothing now will cost Idaho hundreds of millions of dollars in the future.

Inaction Will Cost Idaho Business Millions in Tax Penalties

Beginning this year, some employers can face fines if their employees with incomes between 100% and 138% of the federal poverty level – between approximately \$19,000-\$27,000 annual earnings for a family of three – turn to the marketplace for private insurance, known as the exchange, and qualify for assistance paying their premiums. Those penalties could total \$12 million to \$18 million in 2015, according to the Jackson-Hewitt tax service.⁴ Under the Healthy Idaho Plan, these employees could access affordable coverage without triggering a tax penalty for their employers.

The Cost of Doing Nothing is High for Working Families

Some Idaho parents are penalized for working under the state's current health care system. Parents are eligible for Medicaid in Idaho only if their incomes are at 26% of the federal poverty level – approximately \$4,380 annual earnings for a family of three. Many parents make too much to qualify for Medicaid, but too little to qualify for tax credits in the health exchange. That means that if a working parent is injured or has an illness requiring treatment or expensive medication, her only way to get affordable coverage is to quit working, in order to be eligible for Medicaid. Losing wages and the opportunity to work is a high cost for these families, Idaho's economy and its taxpayers. The Healthy Idaho Plan would close this health care coverage gap, help Idaho families and business, and support long-term economic growth.

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- 1 Milliman, Diederich, Ben, "Idaho Medicaid Expansion Population and Cost Forecast Including Option 3.5," <http://www.healthandwelfare.idaho.gov/Portals/0/AboutUs/Newsroom/Milliman%20Actuarial%20Analysis.pdf> (November 14, 2014).
 - 2 Peterson, Steven, Clinical Assistant Professor Economics University of Idaho, "Economic Impacts of Medicaid and the Proposed Medicaid Expansion in Idaho Supported by Federal Government Funding," (January 30, 2015).
 - 3 Peterson, Steven, Clinical Assistant Professor Economics University of Idaho, "Economic Impacts of Medicaid and the Proposed Medicaid Expansion in Idaho Supported by Federal Government Funding," (January 30, 2015).
 - 4 Haile, Brian and Brandes, George, "State Medicaid Choices and the Hidden Tax Surprises for Employers," http://www.jacksonhewitt.com/uploadedFiles/JacksonHewitt2014com/Content/Resource_Center/Healthcare_and_Taxes/Resources/MedicaidChoices_TaxSurprises.pdf (January 2014).