

Idaho health exchange needs revenue boost to be sustainable

By KIMBERLEE KRUESI, Associated Press

BOISE, Idaho (AP) — Idaho's online insurance exchange needs to collect \$9 million in annual revenue by the summer of 2017, up from the current \$6 million, or risk dipping into its limited reserves in order to stay in business.

The federal government stopped providing funding for state-based exchanges on Jan. 1. This means the 13 states currently operating their own exchange must find a way to become sustainable.

Your Health Idaho is estimated to collect roughly \$6 million in fees from plans offered on the exchange starting July 1. The exchange will also use up about \$22 million of leftover federal funds during the same budget year to pay off capital expenses.

In total, Idaho has used \$105 million of federal funding to create and operate its own exchange.

Starting in 2016, Idaho will need a jump in enrollees to raise \$9 million annually to operate the exchange. If not, officials say they'll have to dip into the \$7 million reserve fund.

"From day one, we have been focused on sustainability," said Pat Kelly, executive director of Idaho's exchange. "Your Health Idaho has always seen itself as a business."

Idaho's exchange is on track to see 8 percent growth for both 2016 and 2017, Kelly said.

However, exchange officials declined to explain how many people would need to enroll each year to maintain consistent revenue growth required to hit the \$9 million mark. Currently, more than 85,000 Idahoans are enrolled on the state exchange.

So far, though, attempts for economic autonomy have proven to be an uphill battle for states to accomplish.

Oregon was one of the first states to transition to the federal marketplace after its own exchange was faced with steep costs and technological difficulties. Since then, six other states have followed suit. Most recently, the board of Hawaii's health exchange approved to shut down the small-business side of its exchange and transition individual users to the federal marketplace.

State law prohibits Idaho lawmakers from allocating state taxpayer money to help pay to keep the exchange running.

Instead, assessment fees are the only revenue the exchange has to survive. Exchange board members approved increasing the fee from 1.5 percent to 1.99 percent starting in 2016 to help cover the costs of the exchange. But unlike in other states, the assessment fee in Idaho only applies to plans offered on the exchange.

"The assessment fees have to cover the costs," said state Rep. Kelley Packer, R-McCammon, an exchange board member. "If not, we're dead in the water."

Packer added that the goal has always been to keep Idaho's exchange more efficient than the federal marketplace. Keeping the assessment fee lower than the federal government's 3.5 percent fee is one way they've been able to do that.

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