

State exchange: Four employees, \$457,500 in wages ... really, we're not kidding

By Wayne Hoffman

Just four months after the state Legislature and Gov. Butch Otter created an Obamacare state insurance exchange, it's become a lot clearer why the exchange backers didn't want this to be called a state government agency. They opted instead to claim it's an "independent body, corporate and politic." They scoff when I refer to the exchange as a "government agency."

The reason they balked at the "state agency" label is already the exchange has piled up a payroll of about half a million dollars for just four employees. And the hiring is likely to continue for the remainder of the year.

But it's not just the hiring that is concerning; it's the amount of money being paid to the employees. I'd previously noted that the way in which Amy Dowd, executive director of the exchange, was hired is questionable; minus a public national search, the exchange board hired Dowd for \$175,000.

As reporter Dustin Hurst noted days ago, that's more than the governor's \$117,000 salary. For additional context, Hurst notes that Dowd makes more than the director of the state transportation department, Brian Ness, who oversees more than 1,770 people.

Exchange board members, Caldwell's Sen. Jim Rice and Rep. Kelly Packer of McCammon, both Republicans, say Dowd's asking price had to be accepted to bring her here.

Rice even says Dowd's compensation may come down: "The startup situation requires more work than normal. We'll revisit that in the future." Interesting, if true. Forgive me if I don't buy it.

But Dowd and her pay isn't the only problem. The agency has also hired public relations, finance and operations people, all for more than typical government-sector and some private-sector positions. The new finance director makes \$110,000; the new public relations staffer makes \$90,000; and the operations project manager makes \$82,500.

The \$90,000 public relations position, for example, is anomalous compared to similar positions in the state Department of Health and Welfare (\$67,000) and the state Department of Education (\$71,000). This will create pressure for wage inflation within state agencies, which will merely need to point to the wages within the exchange to prove its employees are underpaid.

This is great for state employees looking to prove they need more money. It's not so great for state taxpayers who have to pay the bill. But it's also not so great for exchange users, who pay the fees to keep the Obamacare exchange operating.

Republican Rep. Judy Boyle of Midvale, who voted against the exchange, is concerned. "I thought we were doing this on the cheap," Boyle said, after hearing about the exchange's payroll.

House Majority Leader Mike Moyle, another exchange critic, isn't surprised. "It's doing exactly what some of us thought it would do," Moyle said.

In the next few weeks, exchange leaders will meet to figure out what kind of benefits—insurance and retirement—employees should get. What do you want to bet those benefits are much more

lucrative than typical of the private sector? What do you want to bet state exchange employees won't get their insurance from the state exchange?

This is why the Legislature and the governor didn't want to call the exchange a state agency. They won't, but the rest of us will.

Wayne Hoffman
President
Idaho Freedom Foundation