



Idaho Association of
Commerce & Industry
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Legislative Report — February 26, 2010 • Week 7

Friday, February 26, 2010

NEWS TO USE — Health Care at the State Level: Any Willing Provider Statute

A highlighted item on yesterday's IACI Board of Directors agenda was a debate on two proposed bills regarding the "Any Willing Provider" (AWP) statute. H528 would extend the provisions of the law to hospital formed networks, specifically a network in North Idaho that currently excludes the specialty hospital in Post Falls. The other bill, H530, would repeal specific provisions of the current Idaho AWP law.



IACI's long history of membership debate on this issue goes back to the 1970s. At issue is the ability of an insurance company to service larger volume to chosen medical providers in exchange for lower costs through contracts developed in "networks." Current Idaho law requires insurance companies to pay any provider as long as the provider meets the same service requirements and reimbursement levels. Advocates of AWP believe this will lower the overall cost of health care and improve quality through competition. Opponents point out that the ability to contract to control costs and improve quality are violated by the law.

So, who is right? That is the question the Legislature will have to answer as they again wade into the area of AWP policy. IACI's Legislative Committee reviewed the arguments from both sides and ultimately moved it to the IACI Board for an in-depth debate.

The Board voted to oppose H528, which seeks to expand the provisions of AWP to the specialty hospital in North Idaho, and to remain neutral on H530, which seeks to repeal the AWP law. The intent is for IACI to develop a process for the membership to engage in a review of the overall Idaho AWP policy over this spring leading up to the annual meeting. It has been 17 years since the policy was implemented, and it is widely recognized that the practice of medicine, insurance coverage, and employer-offered benefits offered have all evolved over that time. The hope is that IACI members will find a system that reflects the needs of employers to control their costs, while ensuring a high-quality system allowing for competition in the medical marketplace.

The House Business Committee addressed this issue yesterday, passing H528 on an 11-6 vote. Based on our Board action, IACI spoke in opposition to H528, pointing out that Idaho is one of only 23 states with AWP requirements for health insurance plans. Idaho is also only one of six states to have broad AWP rules that require plans contract with any type of provider applying for membership in a network. However, Idaho is one of 35 states that do not extend AWP requirements to pharmacies and, like the vast majority of the country, does not require dental plans to contract with dental practitioners.

Additionally, while the letter of the law may state that the provisions of AWP do not impact ERISA-exempt companies, that, as a practical matter, self-insured companies frequently share risk with benefit administrators (insurance companies) and as a result are impacted by the provisions within AWP. IACI stated that passing H528 would be premature, as it is the Board's belief that there can be compromise on the larger question of AWP. IACI is committed to working to find that compromise. In the meantime, H528 now moves to the full House for consideration.

Vehicle Emissions Testing Programs

IACI testified in opposition this week to H591, which would have repealed a majority of the provisions in the vehicle emission testing program. IACI has supported this issue for several years, including the rules for this program which were just adopted by the Legislature in the last month.

One of the major reasons behind IACI's opposition to this bill is our concern for reaching "non-attainment status" in air quality. This would allow the Environmental Protection Agency to step in and regulate the state for us, likely burdening business and industry with further regulation and fees. IACI believes it would be much better for the state to run this program, rather than be required to implement federally mandated control measures.



Personal Property Tax Bill Available

This week the IACI Legislative Committee and Board of Directors reviewed the long-awaited [draft legislation](#) to eliminate the personal property tax. This bill has been very positively received by both the business community and local elected officials who have reviewed it. The Idaho Association of Counties will be discussing this bill at their meeting next week.

Upcoming Meetings

- ▶ Tue, Mar. 2 — 10:00 a.m. Legislative Committee
- ▶ Thur, Mar. 11 — Potato Processors Executive Comm.

State Budget Setting Continues

The budget continues to be an ongoing concern as the 2010 Legislature moves forward. Department of Finance Administrator Wayne Hammon gave a budget update to the IACI Board of Directors on Thursday. He presented the Board with a copy of the proposed budget changes that were discussed earlier in the day with JFAC. Several major budget items looming in the near future will directly impact the length of this legislative session. JFAC will continue setting the FY2011 budget next week, taking up the public school budget on Monday. This will be a good test on whether everyone is on the same page regarding the reduced budget due to the continued lower revenues.



bill at their meeting next week, with a path forward to be determined thereafter.

BILL TRACKING:

[Click here](#) for an updated list of legislation on which IACI has taken a position.



[Click here](#) to learn more about the Idaho Prosperity Fund!

F-35 Program Gets Strong Support in Idaho

Scoping meetings across the state the last two weeks were very successful. Many citizens came to their local meetings and showed the scoping teams that there is overwhelming support for housing the F-35 training and operations programs in our state. IACI continues to encourage everyone to show their support of the state's efforts to secure these programs, and the job development and economic boost it would bring to Idaho. Sign up at the IdahoF35.com site today and add your voice to this effort towards prosperity in the state!



The [Idaho Prosperity Project](#) continues to provide grassroots support with information and tools for Idaho employers and their employees. You can help policy makers understand how their decisions impact the health of Idaho's economy and, therefore, the opportunities to prosper for all Idaho companies and its citizens. Please contact IACI staff for more information.

