MCAC MEETING
JULY 18, 2012

## SCOTUS DECISION ON ACA

### THE DECISION

- By a 5-4 decision, the Supreme Court upheld the individual mandate.
  - The individual mandate exceeds the powers delegated to Congress by the Commerce Clause and the Necessary and Proper Clause (constitutional defense by the Administration)
  - The court found that it could reasonably be characterized as a tax and within the constitutional powers of the Congress.

#### THE DECISION

- The Court also held that the Patient Protection and Affordable Care Act's Medicaid expansion provisions violate the Constitution.
  - Federal government is precluded from withdrawing existing Medicaid funds based on the state's refusal to comply with expansion
  - Medicaid expansion is at the option of the state
- All other provisions in the law remain in place

# GOVERNOR OTTER'S OPINION JULY 10, 2012

- The two biggest questions for the State of Idaho now are:
  - How to address the federal mandate for a health insurance exchange
  - Whether to expand Medicaid eligibility to cover uninsured adults with income levels up to 138 percent of poverty.

## GOVERNOR OTTER'S OPINION JULY 10, 2012

- "Our difficult and unavoidably controversial decisions about whether and how to implement the insurance exchange and Medicaid expansion parts of Obamacare must be based on the best information available."
- Putting together working groups to research and carefully examine how best to approach these issues based on facts

### GOVERNOR OTTER'S OPINION JULY 10, 2012

- The data needed includes:
  - How many new Idahoans would become eligible for Medicaid under the proposed expansion
  - How many people who already are eligible for Medicaid but are not enrolled will sign up in order to meet the federal requirement to acquire health coverage
  - How much all that would cost taxpayers
  - What are the offsets to those costs

# GOVERNOR OTTER'S OPINION JULY 10, 2012

 Findings and recommendations from working groups by this fall so that we will retain the option of federal funding for developing a health insurance exchange.

### GOVERNOR OTTER'S OPINION JULY 10, 2012

- Continue working with Directors Armstrong and Deal and our public- and private-sector partners in pursuit of Idaho-based initiatives:
  - Medical Home multipayer collaborative
  - Electronic Health Record incentive program
  - Medicaid managed care initiative

# DEPARTMENT OF HEALTH AND WELFARE/MEDICAID

- Support the Governor's workgroups
- Continue analysis of the expansion population – working with a consultant
- Continue the Medicaid managed care initiative
- Keep moving Medicaid readiness forward