

MINUTES
HOUSE HEALTH & WELFARE COMMITTEE

DATE: Monday, January 30, 2017

TIME: 9:00 A.M.

PLACE: Room EW20

MEMBERS: Chairman Wood, Vice Chairman Packer, Representatives Hixon, Perry, Vander Woude, Redman, Gibbs, Blanksma, Hanks, Kingsley, Zollinger, Chew, Rubel (Green)

**ABSENT/
EXCUSED:** None

GUESTS: Kathryn Mooney, CAT Fund; Greg Casey, Veritas Advisors;

Chairman Wood called the meeting to order at 9:00 a.m.

MOTION: **Rep. Redman** made a motion to approve the minutes of the January 18, 2017, meeting. **Motion carried by voice vote.**

Kathryn Mooney, Program Director, Idaho Association of Counties, the contractor holder for the Catastrophic Health Care Cost Program (CAT fund), presented the annual report for the CAT fund, a financial assistance program of last resort through the counties based on medical indigency. The term "medical indigent" has a specific statute definition apart from that used by the court system. For approved applications, the counties pay the first \$11,000 and the CAT fund uses state funding to pay the balance. Each approved applicant receives one year of financial assistance coverage with additional costs prorated from the first date service.

Combined emergent care applications from hospitals go to the DHW designated unit for review and referral to Medicaid, DHW programs, or the CAT fund. The CAT fund is the payor of last resort.

The Counties and the CAT fund spent \$33,949,636 in 2016. Any applications involving pure mental health charges are borne by the counties and do not go to the CAT fund. The county operating and administrative costs, including legal expenses, is less than \$7M. The CAT fund appropriation, which includes administration, has never exceeded \$400,000. Although the case load has increased by 7.5%, the dollars paid have only increased by 3%.

The counties are polled to learn about case load increases and diagnoses trends. Applications take about three months from the first date of service to process and send to the CAT fund. High dollar cases are taken out of circulation by Medicaid or some other type of assistance. One case pending in the county would impact the CAT fund by \$350,000.

In 2010 the CAT fund program was moved from contractors to the Association of Counties. Because medical reviews are required by statute and the counties are not qualified to do the reviews, a review company was hired. Every non-emergent application goes to the reviewer for determination of medical necessity, the form of treatment, reasonable charges, and if there is a lesser level of care is available. There were 1,528 reviews in 2016.

Answering questions, **Ms. Mooney** said the hospitals and counties consider assets and net income when determining indigency and eligibility. All emergency applications must come from hospitals and go directly to the DHW. Non-emergent applications can be completed by hospitals and individuals through the county office. All emergency services have been provided by the time the case is sent to the CAT fund.

The active role by hospitals and the DHW unit in qualifying persons for the health care exchange has impacted the CAT fund. Charges are paid on an adjusted Medicaid rate, with the counties paying the first \$11,000. Providers are required to accept the payments as being in full. The CAT fund has more negotiation ability than other entities, especially when a recommended lower level of care is not available in the community.

The individuals sent to the CAT fund do not qualify for the insurance subsidy. Repayment is extended over 60 months at the reduced rate, although eligibility is based on the full billing amount. Liens and other means of collection are available. The CAT fund consistently collects \$2.9M to \$3.2M on liens.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 9:43 a.m.

Representative Wood
Chair

Irene Moore
Secretary