

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, January 18, 2023

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-Chairman Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, and Just

Representatives Co-Chairman Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, and Coberly (Nash)

**ABSENT/
EXCUSED:** None

CONVENED: **Co-Chairman Grow** called the meeting of the Joint Finance-Appropriations Committee (Committee) to order at 8:00 a.m.

AGENCY PRESENTATION: **IDAHO DEPARTMENT OF HEALTH & WELFARE (IDHW) - DIVISION OF MEDICAID; Dave Jeppesen, Director, IDHW**

Mr. Jeppesen acknowledged that Medicaid cost containment was important to the Committee and IDHW, with its goal to retain General Fund funding at the same or lower rate than state tax revenue growth, while preserving access to services for Idahoans. He indicated the 11 value based payment agreements to address that goal. **Mr. Jeppesen** summarized IDHW program updates, provider payment information, behavior health system requests, and quality and compliance utilization by line item (see attachment 1).

In answer to Committee questions, **Mr. Jeppesen** provided an extensive explanation about providing enough funding while trying to manage cost containment. He discussed the interim containment report, and possible consideration of suggested actions. **Mr. Jeppesen** indicated a plan was in place to address the number of ineligible participants on the Medicare rolls.

AGENCY PRESENTATION: **IDHW - INDIRECT SUPPORT SERVICES (ISS); Dave Jeppesen, Director, IDHW; Jill Randolph, Principal Budget and Policy Analyst, Legislative Services Office (LSO) Budget and Policy Analysis**

Ms. Randolph noted that ISS is part of a different appropriation grouping than Medicaid which encompasses the office of the Director, Licensing and Certification, and Independent Councils. ISS provides support functions for IDHW. **Ms. Randolph** reviewed the appropriation and expenditures for the last four Fiscal Years (FY), and the FY 2023 original appropriation (see attachment 2). She pointed out personnel costs and average vacancy rates by FY. She stated the average funding source for ISS expenditures was 49 percent federal funds, 43 percent General Funds, and 8 percent Dedicated Funds.

Mr. Jeppesen explained that ISS supports all of IDHW and includes the Division Management Services, Division of Information Technology, and Communications and Human Resources. He stated ISS is integral to the implementation of goal four of IDHW's strategic plan, to strengthen the public's trust and confidence in IDHW. **Mr. Jeppesen** reviewed ISS's two FY 2023 supplemental requests and FY 2024 line items (see attachment 3).

In response to Committee's questions, **Mr. Jeppesen** explained the new funding request for software solutions.

AGENCY PRESENTATION: **IDHW - DIVISION OF LICENSING AND CERTIFICATION (DLC); Dave Jeppesen, Director, IDHW; Jill Randolph, Principal Budget and Policy Analyst, LSO Budget and Policy Analysis**

Ms. Randolph explained that DLC, a support program to IDHW, is the division that surveys, inspects, and certifies health care facilities that require certification or licensure, they also investigate complaints and conduct on-site surveys. She reviewed DLC's total appropriation and actual expenditures from FY 2019 through FY 2023's original appropriation, pointing out the majority of the appropriation being personnel costs (see attachment 4). **Ms. Randolph** discussed the personnel average vacancy rates, and summarized the breakdown of funding sources for DLC, with 62 percent being federal funds, 26 percent being General Funds, and 12 percent from Dedicated Funds.

Mr. Jeppesen communicated that the DLC oversees licensing and certification for 20 types of healthcare providers such as hospitals, skilled nursing facilities, assisted living facilities, and certified family homes. He stated DLC does not have a budget request.

AGENCY PRESENTATION: **IDHW - DIVISION OF BEHAVIORAL HEALTH, IDAHO BEHAVIORAL HEALTH COUNCIL; Dave Jeppesen, Director, IDHW**

Mr. Jeppesen overviewed last year's substantial investments in the behavioral health system which allowed implementation of priority items recommended by the Idaho Behavioral Health Council. He reviewed the \$4.4 million appropriated for Idaho to join the National 988 Suicide Prevention Lifeline which allowed the agency to begin its services in July 2022. **Mr. Jeppesen** noted funding also provided assistance to vulnerable children through psychiatric residential treatment facilities; and funding for certified community behavioral health clinics.

AGENCY PRESENTATION: **IDHW - DIVISION OF BEHAVIORAL HEALTH, SUBSTANCE ABUSE TREATMENT AND PREVENTION; Dave Jeppesen, Director, IDHW; Jill Randolph, Principal Budget and Policy Analyst, LSO Budget and Policy Analysis**

Ms. Randolph explained this program provides treatment services for children and adults for residential and outpatient substance use disorder treatment and recovery coaching, support for substance use disorder providers, and tobacco retail inspections. She noted that the total appropriation and actual expenditures for FY 2019 through the FY 2023 original appropriation, pointing out the one time expenditure of funds specifically received for substance abuse treatment and prevention (see attachment 5). **Ms. Randolph** noted the four year average of total appropriations, with federal funding providing 82 percent which includes the Substance Abuse Block Grants, Idaho Response to Opioid Crisis Grants, and the Idaho Opioid Response Grants.

Mr. Jeppesen stated this program has one supplemental and two line item requests (see attachment 6) to support Idahoans to receive the behavioral health services they need. He also reviewed the request for year two spending authority for American Rescue Plan Act of 2021 (ARPA) funds. He cited the allocated funds from the Millennium Fund which pass directly through the budget using a formula set in the annual intent language.

DISCUSSION: In response to Committee questions, **Mr. Jeppesen** explained certain ongoing supplemental language, especially as they pertain to grant funding. **Ross Edmunds**, Administrator for Division of Behavioral Health, discussed the funding from the federal Opioid Response Grant which has been in their budget for several years. **Keith Bybee**, Division Manager, LSO Budget and Policy Analysis, clarified that supplemental appropriation requests can have an ongoing component, if warranted. **Mr. Jeppesen** discussed block grant funding.

AGENCY PRESENTATION: **IDHW - DIVISION OF BEHAVIORAL HEALTH, MENTAL HEALTH SERVICES; Dave Jeppesen, Director, IDHW; Jill Randolph, Principal Budget and Policy Analyst, LSO Budget and Policy Analysis**

Ms. Randolph reviewed that the Mental Health Services Division is part of the Behavioral Health appropriation bill, and two programs are encompassed within this division, Adult Mental Health and Children’s Mental Health. She summarized the total appropriation and actual expenditures for both programs from FY 2019 through FY 2022 (see attachment 7). **Ms. Randolph** noted that this division does not represent the entire mental health spending in the state, and reviewed IDHW’s health, mental health, psychiatric hospitalization, and two other budgets in Medicaid, spending by type from FY 2018 through FY 2022. She provided details for the Adult Mental Health total appropriation and actual expenditures from FY 2019 through FY 2022, noting one time funds, and detailed the four year average total expenditures by funding source. **Ms. Randolph** summarized the Children’s Mental Health Total appropriation and actual expenditures from FY 2019 through FY 2022, noting FY 2022 and FY 2023 one time (with carryover authority) General Fund amounts for children’s psychiatric residential treatment facilities. She reviewed the four year average total appropriations by funding source.

Mr. Jeppesen informed that Mental Health Services was requesting one time spending authority to continue to use ARPA funds for work in community mental health (see attachment 8). He reminded the Committee that this is the second year of a three year grant for direct funding to support several efforts under the Idaho Behavioral Health Council Strategic Action Plan, and the behavioral health system is working to shift funds to support Youth Empowerment Services, Homes with Adult Residential Treatment 2018 pilot program, and working with the Department of Juvenile Corrections to fund ongoing operations of a new Youth Crisis Center.

In response Committee questions, **Mr. Jeppesen** further explained the one funding request, with the other requests transferring funds around; funding for homes with adult residential treatment; and the status of children’s psychiatric residential treatment facilities.

AGENCY PRESENTATION: IDHW - DIVISION OF BEHAVIORAL HEALTH, PSYCHIATRIC HOSPITALIZATIONS; Dave Jeppesen, Director, IDHW; Jill Randolph, Principal Budget and Policy Analyst, LSO Budget and Policy Analysis

Ms. Randolph explained the Psychiatric Hospitalizations division has four programs: State Hospital South; State Hospital North; State Hospital West; and Community Hospitalization, which cares for those who have been committed to state hospitals but have not yet been transported. She noted the funds in this division care for individuals only after they have been committed. **Ms. Randolph** detailed the total appropriation and actual expenditures between FY 2019 through FY 2022 by each program (see attachment 9). The Legislature has granted exemptions from restrictions on transfers into the program so money is made available from any IDHW program to pay for cost overages. **Ms. Randolph** reviewed each of the four programs in more detail, summarizing each program's total appropriation, actual expenditures, and other data (see attachment 9).

Mr. Jeppesen stated the psychiatric hospitalization budget has several supplemental one time requests for FY 2023, which he detailed and explained (see attachment 10). The FY 2024 budget has two ongoing line item requests.

DISCUSSION: In response to Committee questions, **Mr. Jeppesen** explained why two of the hospitals would be remodeled and the third would be a rebuild to be able to satisfy accreditation requirements. He also discussed hospitalizations and personnel costs. **Ross Edmunds**, Administrator for Division of Behavioral Health, discussed the average daily hospitalization cost between the three facilities with an 85 to 90 percent occupancy rate, and how accreditation standards affects the numbers.

LSO STAFF PRESENTATION: IDHW - DIVISION OF PUBLIC HEALTH SERVICES; Dave Jeppesen, Director, IDHW; Jill Randolph, Principal Budget and Policy Analyst, LSO Budget and Policy Analysis

Ms. Randolph stated this division is a standalone appropriation bill with five distinct programs: Physical Health Services; Emergency Medical Services; Laboratory Services; Suicide Prevention and Awareness; and Healthcare Policy Initiatives. She summarized the total appropriations and actual expenditures for the entire division, with the four-year average expenditures funded 61 percent from federal funds, 33 percent dedicated funds, and 6 percent from the General Fund (see attachment 11). **Ms. Randolph** overviewed each distinct program's total appropriation and actual expenditures, and a four-year average of total expenditures with fund source (see attachment 11).

DISCUSSION: **Co-Chairman Grow** announced that due to lack of time, the agency presentation for the Division of Public Health Services will be presented to the Committee tomorrow.

ADJOURNED: There being no further business, **Co-Chairman Grow** adjourned the meeting at 10:27.

Senator Grow
Chair

Twyla Melton, Assistant Secretary