

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 108

BY HEALTH AND WELFARE COMMITTEE

AN ACT

RELATING TO MEDICAID; AMENDING SECTION 56-265, IDAHO CODE, TO SPECIFY CERTAIN REQUIREMENTS FOR VALUE CARE ORGANIZATIONS; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 56-265, Idaho Code, be, and the same is hereby amended to read as follows:

56-265. PROVIDER PAYMENT. (1) Where there is an equivalent, the payment to medicaid providers:

(a) May be up to but shall not exceed one hundred percent (100%) of the current medicare rate for primary care procedure codes as defined by the centers for medicare and medicaid services; and

(b) Shall be ninety percent (90%) of the current medicare rate for all other procedure codes.

(2) Where there is no medicare equivalent, the payment rate to medicaid providers shall be prescribed by rule.

(3) Notwithstanding any other provision of this chapter, if the services are provided by a private, freestanding mental health hospital facility that is an institution for mental disease as defined in 42 U.S.C. 1396d(i), the department shall reimburse for inpatient services at a rate not to exceed ninety-one percent (91%) of the current medicare rate within federally allowed reimbursement under the medicaid program. The reimbursement provided for in this subsection shall be effective until July 1, 2021.

(4) The department shall, through the annual budget process, include a line-item request for adjustments to provider rates. All changes to provider payment rates shall be subject to approval of the legislature by appropriation.

(5) Notwithstanding any other provision of this chapter, the department may enter into agreements with providers to pay for services based on their value in terms of measurable health care quality and positive impacts to participant health.

(a) Any such agreement shall be designed to be cost-neutral or cost-saving compared to other payment methodologies.

(b) The department is authorized to pursue waiver agreements with the federal government as needed to support value-based payment arrangements, up to and including fully capitated provider-based managed care.

(c) Agreements between the department and value care organizations shall include a stop-loss threshold of:

(i) Two hundred fifty thousand dollars (\$250,000) for the performance year commencing July 1, 2026;

(ii) Five hundred thousand dollars (\$500,000) for the performance year commencing July 1, 2027; and

1            (iii) One million dollars (\$1,000,000) for the performance year  
2            commencing July 1, 2028 and all subsequent performance years.

3            (6) Medicaid reimbursement for critical access, out-of-state, and  
4 state-owned hospitals shall be as follows:

5            (a) In-state, critical access hospitals as designated according to 42  
6 U.S.C. 1395i-4(c) (2) (B) shall be reimbursed at one hundred one percent  
7 (101%) of cost;

8            (b) Out-of-state hospitals shall be reimbursed at eighty-seven percent  
9 (87%) of cost;

10           (c) State-owned hospitals shall be reimbursed at one hundred percent  
11 (100%) of cost; and

12           (d) Out-of-state hospital institutions for mental disease as defined  
13 in 42 U.S.C. 1396d(i) shall be reimbursed at a per diem equivalent to  
14 ninety-five percent (95%) of cost.

15           (7) The department shall equitably reduce net reimbursements for all  
16 hospital services, including in-state institutions for mental disease but  
17 excluding all hospitals and institutions described in subsection (6) of  
18 this section, by amounts targeted to reduce general fund needs for hospital  
19 payments by three million one hundred thousand dollars (\$3,100,000) in state  
20 fiscal year 2020 and eight million seven hundred twenty thousand dollars  
21 (\$8,720,000) in state fiscal year 2021.

22           (8) The department shall work with all Idaho hospitals, including in-  
23 stitutions for mental disease as defined in 42 U.S.C. 1396d(i), to establish  
24 value-based payment methods for inpatient and outpatient hospital services  
25 to replace existing cost-based reimbursement methods for in-state hospi-  
26 tals, other than those hospitals and institutions described in subsection  
27 (6) of this section, effective July 1, 2021. Budgets for hospital payments  
28 shall be subject to prospective legislative approval.

29           (9) The department shall work with Idaho hospitals to establish a  
30 quality payment program for inpatient and outpatient adjustment payments  
31 described in section 56-1406, Idaho Code. Inpatient and outpatient adjust-  
32 ment payments shall be subject to increase or reduction based on hospital  
33 service quality measures established by the department in consultation with  
34 Idaho hospitals.

35           SECTION 2. An emergency existing therefor, which emergency is hereby  
36 declared to exist, this act shall be in full force and effect on and after  
37 July 1, 2025.