

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 345

BY HEALTH AND WELFARE COMMITTEE

AN ACT

1 RELATING TO LEGISLATIVE APPROVAL FOR MEDICAID STATE PLAN AMENDMENTS AND
2 WAIVERS; REPEALING SECTION 56-270, IDAHO CODE, AS ENACTED BY SECTION
3 1, CHAPTER 288, LAWS OF 2024, RELATING TO LEGISLATIVE APPROVAL OF
4 WAIVERS AND STATE PLAN AMENDMENTS; AMENDING TITLE 56, IDAHO CODE, BY
5 THE ADDITION OF A NEW CHAPTER 22, TITLE 56, IDAHO CODE, TO PROVIDE THAT
6 LEGISLATIVE APPROVAL IS REQUIRED FOR CERTAIN STATE PLAN AMENDMENTS AND
7 WAIVERS, TO PROVIDE LEGISLATIVE APPROVAL FOR A STATE PLAN AMENDMENT
8 REGARDING RURAL EMERGENCY HOSPITAL DESIGNATION, TO PROVIDE LEGISLATIVE
9 APPROVAL FOR A STATE PLAN AMENDMENT REGARDING MEDICAID COST-SHARING,
10 TO PROVIDE LEGISLATIVE APPROVAL FOR STATE PLAN AMENDMENTS AND WAIVERS
11 REGARDING COMPREHENSIVE MEDICAID MANAGED CARE, TO PROVIDE LEGISLA-
12 TIVE APPROVAL FOR STATE PLAN AMENDMENTS AND WAIVERS REGARDING MEDICAID
13 EXPANSION LIMITS, TO PROVIDE LEGISLATIVE APPROVAL FOR A STATE PLAN
14 AMENDMENT REGARDING PRACTICE AUTHORITY PROTECTION, AND TO PROVIDE LEG-
15 ISLATIVE APPROVAL FOR A STATE PLAN AMENDMENT REGARDING SITE NEUTRAL
16 PAYMENTS; REPEALING SECTION 56-253, IDAHO CODE, RELATING TO POWERS AND
17 DUTIES OF THE DIRECTOR; AMENDING SECTION 56-263, IDAHO CODE, TO REMOVE
18 OBSOLETE LANGUAGE AND TO PROVIDE THAT THE DEPARTMENT OF HEALTH AND WEL-
19 FARE SHALL DISCONTINUE CERTAIN CONTRACTING AND REIMBURSEMENT; AMENDING
20 SECTION 56-265, IDAHO CODE, TO PROVIDE THAT FEDERALLY QUALIFIED HEALTH
21 CENTERS SHALL BE EXEMPT FROM FINANCIAL RISK IN CERTAIN PAYMENT AR-
22 RANGEMENTS; AMENDING SECTION 56-267, IDAHO CODE, TO REVISE PROVISIONS
23 REGARDING ELIGIBILITY EXPANSION; AMENDING SECTION 56-1403, IDAHO CODE,
24 TO REVISE PROVISIONS REGARDING THE HOSPITAL ASSESSMENT FUND; AMENDING
25 SECTION 56-1404, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE UPPER
26 PAYMENT LIMIT ASSESSMENT RATE; PROVIDING THAT CERTAIN ADMINISTRATIVE
27 RULES CONTAINED IN IDAPA 16.03.17 SHALL BE NULL, VOID, AND OF NO FORCE
28 AND EFFECT; PROVIDING THAT CERTAIN ADMINISTRATIVE RULES CONTAINED IN
29 IDAPA 16.03.18 SHALL BE NULL, VOID, AND OF NO FORCE AND EFFECT; PROVID-
30 ING THAT CERTAIN ADMINISTRATIVE RULES CONTAINED IN IDAPA 16.03.09 SHALL
31 BE NULL, VOID, AND OF NO FORCE AND EFFECT; PROVIDING THAT CERTAIN ADMIN-
32 ISTRATIVE RULES CONTAINED IN IDAPA 16.03.10 SHALL BE NULL, VOID, AND OF
33 NO FORCE AND EFFECT; AND DECLARING AN EMERGENCY.
34

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

36 SECTION 1. That Section 56-270, Idaho Code, as enacted by Section 1,
37 Chapter 288, Laws of 2024, be, and the same is hereby repealed.

38 SECTION 2. That Title 56, Idaho Code, be, and the same is hereby amended
39 by the addition thereto of a NEW CHAPTER, to be known and designated as Chap-
40 ter 22, Title 56, Idaho Code, and to read as follows:

41 CHAPTER 22

1 LEGISLATIVE APPROVAL FOR MEDICAID STATE PLAN AMENDMENTS AND WAIVERS

2 56-2201. LEGISLATIVE APPROVAL REQUIRED. Notwithstanding any provi-
3 sion of law to the contrary, the state department of health and welfare shall
4 not seek or implement a medicaid state plan amendment or a waiver pursuant to
5 section 1115 or 1915 of the social security act that would expand coverage
6 to any additional individuals or class of individuals or would increase any
7 net cost to the state without first obtaining approval from the legisla-
8 ture. Such approval must be provided in statute and, to be effective, must
9 be listed in this chapter. The provisions of this section shall not affect
10 any state plan amendment or waiver program previously authorized by statute
11 or already implemented as of July 1, 2025. The provisions of this section
12 shall not apply to any medicaid state plan amendment or waiver program that
13 does not expand coverage to any individuals or class of individuals and does
14 not increase any net cost to the state. The department of health and welfare
15 shall provide regular updates to the medicaid legislative review panel on a
16 schedule determined by the cochairs and shall seek input from the medicaid
17 legislative review panel to design any waivers submitted to the centers for
18 medicare and medicaid services on behalf of the state.

19 56-2202. LEGISLATIVE APPROVAL -- RURAL EMERGENCY HOSPITAL DESIGNA-
20 TION AND REIMBURSEMENT. The department of health and welfare is authorized
21 to and shall submit a state plan amendment to the centers for medicare and
22 medicaid services allowing the recognition and reimbursement of medicaid
23 services provided by a rural emergency hospital. For the purposes of this
24 section, "rural emergency hospital" has the same meaning as provided in 42
25 U.S.C. 1395x(kkk) (2) .

26 56-2203. LEGISLATIVE APPROVAL -- MEDICAID COST-SHARING. (1) The de-
27 partment of health and welfare is authorized to and shall submit a state plan
28 amendment to the centers for medicare and medicaid services to include par-
29 ticipant cost-sharing as a condition of participation in a medical assis-
30 tance program, to the extent allowed under federal law, that is at least to
31 the levels developed by other states and up to the maximum charged by other
32 states.

33 (2) The department of health and welfare shall:

34 (a) Take such actions as are necessary to implement the provisions of
35 this section;

36 (b) Begin the application process for federal approval of the state
37 plan amendment required by this section no later than July 1, 2026; and

38 (c) Continue any existing cost-sharing under the medicaid state plan in
39 effect at the time of the passage of this act until supplanted by the new
40 state plan amendment required by this section.

41 56-2204. LEGISLATIVE APPROVAL -- COMPREHENSIVE MEDICAID MANAGED
42 CARE. (1) The department of health and welfare is authorized to and shall
43 submit to the centers for medicare and medicaid services all state plan and
44 waiver authorities required to implement a plan for comprehensive medicaid
45 managed care.

46 (2) The department of health and welfare shall:

- 1 (a) Take such actions as are necessary to implement the provisions of
 2 this section;
- 3 (b) Submit the application for federal approval of the state plan
 4 amendments and waivers required by this section no later than July 1,
 5 2026;
- 6 (c) Continue any existing managed care under the medicaid state plan
 7 and its waivers in effect at the time of the passage of this act until
 8 supplanted by the new comprehensive managed care plan required under
 9 this section;
- 10 (d) Undertake cost containment strategies, such as bidding multi-year
 11 contracts with predetermined inflationary adjustments or withholding
 12 a percentage of capitation if managed care organizations do not meet
 13 these cost containment targets; and
- 14 (e) Engage medicaid providers and participants in the substance and de-
 15 sign of a comprehensive managed care plan.

16 56-2205. LEGISLATIVE APPROVAL -- MEDICAID EXPANSION LIMITS. (1) The
 17 department of health and welfare is authorized to and shall submit to the
 18 centers for medicare and medicaid services the following state plan amend-
 19 ments and waivers no later than July 1, 2026:

- 20 (a) Work-requirements for able-bodied adults enrolled in medicaid in
 21 which no individual shall be eligible to participate in the medicaid
 22 program pursuant to section 56-267, Idaho Code, unless the individual
 23 is:
- 24 (i) Working twenty (20) hours or more per week, averaged monthly;
- 25 (ii) Participating in and complying with the requirements of a
 26 work program twenty (20) hours or more per week, as determined by
 27 the department;
- 28 (iii) Volunteering twenty (20) hours or more per week, as deter-
 29 mined by the department;
- 30 (iv) Meeting any combination of working and participating in a
 31 work program for a total of twenty (20) hours or more per week, as
 32 determined by the department; or
- 33 (v) Participating and complying with the requirements of a work-
 34 fare program, unless the individual is:
- 35 1. Younger than nineteen (19) years of age;
- 36 2. Older than sixty-four (64) years of age;
- 37 3. Medically classified as physically or mentally unfit for
 38 employment;
- 39 4. Pregnant;
- 40 5. A parent or caretaker responsible for the care of a depen-
 41 dent child younger than six (6) years of age;
- 42 6. A parent or caretaker personally providing the care for
 43 a dependent with a serious medical condition or with a dis-
 44 ability, as determined by the department;
- 45 7. Receiving unemployment compensation and complying with
 46 the work requirements as part of the federal-state unemploy-
 47 ment compensation system;
- 48 8. Participating in a drug addiction or alcohol treatment
 49 and rehabilitation program; or

1 9. Enrolled at least part-time in a college, university, or
2 vocational education program.

3 (b) Allow persons eligible for medicaid under section 56-267, Idaho
4 Code, who have a modified adjusted gross income at least at or above one
5 hundred percent (100%) of the federal poverty level to receive the ad-
6 vance premium tax credit to purchase a qualified health plan through the
7 Idaho health insurance exchange established by chapter 61, title 41,
8 Idaho Code, instead of enrolling in medicaid, except that the person may
9 choose to enroll in medicaid instead of receiving the advance premium
10 tax credit to purchase a qualified health plan.

11 (c) Implement the following changes to eligibility determination:

12 (i) Suspend requirements to renew eligibility automatically
13 based on available information and pre-populated forms; and

14 (ii) Implement biannual redetermination for persons eligible for
15 medicaid under section 56-267, Idaho Code.

16 (d) Implement the following changes to benefits:

17 (i) No funds shall be used to fulfill any contract or commercial
18 transaction with any health care provider or health care facili-
19 ty under the terms of which such health care provider or health
20 care facility agrees to provide services prohibited under section
21 18-1506C, Idaho Code; and

22 (ii) No funds shall be used to fulfill any gender reassignment
23 procedures, including treatment and surgery for any resident
24 eighteen (18) years of age or older.

25 (2) An individual is exempt from the provisions of any state plan amend-
26 ment or waiver pursuant to this section if the individual is an American In-
27 dian or Alaska native who is eligible for services through the Indian health
28 service or through a tribal program pursuant to the Indian self-determina-
29 tion and education assistance act or the Indian health care improvement act.

30 56-2206. LEGISLATIVE APPROVAL -- PRACTICE AUTHORITY PROTECTION. The
31 department of health and welfare is authorized to and shall submit a state
32 plan amendment to the centers for medicare and medicaid services by July 1,
33 2025, allowing for practice authority protection to the extent permitted by
34 state law.

35 56-2207. LEGISLATIVE APPROVAL -- SITE-NEUTRAL PAYMENTS. The depart-
36 ment of health and welfare is authorized to seek and shall submit a state plan
37 amendment by July 1, 2026, that sets reimbursement rates for hospital-ac-
38 quired physician practices at the same rate as physician-owned medical prac-
39 tices for all equivalent outpatient health services where the service is not
40 dependent on the hospital facility's associated technologies and in the ab-
41 sence of any evidence-based rationale. The department shall except critical
42 access hospitals and rural emergency hospitals to the extent allowable.

43 SECTION 3. That Section [56-253](#), Idaho Code, be, and the same is hereby
44 repealed.

45 SECTION 4. That Section 56-263, Idaho Code, be, and the same is hereby
46 amended to read as follows:

1 56-263. MEDICAID MANAGED CARE PLAN. ~~(1) The department shall present~~
 2 ~~to the legislature on the first day of the second session of the sixty-first~~
 3 ~~Idaho legislature a plan for medicaid managed care with focus on high-cost~~
 4 ~~populations, including but not limited to:~~

5 ~~(a) Dual eligibles; and~~

6 ~~(b) High-risk pregnancies.~~

7 ~~(2) The medicaid managed care plan shall include but not be limited to~~
 8 ~~the following elements:~~

9 ~~(a) Improved coordination of care through primary care medical homes.~~

10 ~~(b) Approaches that improve coordination and provide case management~~
 11 ~~for high-risk, high-cost disabled adults and children that reduce costs~~
 12 ~~and improve health outcomes, including mandatory enrollment in special~~
 13 ~~needs plans, and that consider other managed care approaches.~~

14 ~~(c) Managed care contracts to pay for behavioral health benefits as~~
 15 ~~described in executive order no. 2011-01 and in any implementing leg-~~
 16 ~~islation. At a minimum, the system should include independent, stan-~~
 17 ~~dardized, statewide assessment and evidence-based benefits provided by~~
 18 ~~businesses that meet national accreditation standards.~~

19 ~~(d) The elimination of duplicative practices that result in unneces-~~
 20 ~~sary utilization and costs.~~

21 ~~(e) Contracts based on gain-sharing, risk-sharing or a capitated ba-~~
 22 ~~sis.~~

23 ~~(f) Medical home development with focus on populations with chronic~~
 24 ~~disease using a tiered case management fee.~~

25 ~~(3) The department shall seek federal approval or a waiver to require~~
 26 ~~that a medicaid participant who has a medical home as required in section~~
 27 ~~56-255(5) (b), Idaho Code, and who seeks family planning services or supplies~~
 28 ~~from a provider outside the participant's medical home, must have a referral~~
 29 ~~to such outside provider. The provisions of this subsection shall apply to~~
 30 ~~medicaid participants upon such approval or the granting of such a waiver.~~

31 ~~(4) (1) The department shall seek approval as soon as practicable but no~~
 32 ~~later than July 1, 2027, from the centers for medicare and medicaid services~~
 33 ~~for directed payments to qualifying hospitals entities participating in the~~
 34 ~~Idaho behavioral health plan or any comprehensive managed care plan in ac-~~
 35 ~~cordance with 42 CFR 438-, with thirty percent (30%) of the directed payments~~
 36 ~~being utilized for general fund medicaid needs. Such funds shall be continu-~~
 37 ~~ously appropriated.~~

38 ~~(5) (2) Subject to written approval by the centers for medicare and med-~~
 39 ~~icaid services, the department shall make directed payments to qualifying~~
 40 ~~hospitals participating in medicaid managed care programs in an amount not~~
 41 ~~to exceed the maximum allowable payment authorized by federal regulations.~~

42 ~~(6) (3) Qualifying behavioral health hospitals assessed pursuant to~~
 43 ~~this section for the Idaho behavioral health plan are exempt from assessment~~
 44 ~~pursuant to section 56-1404, Idaho Code.~~

45 ~~(4) The department shall discontinue contracting and reimbursing as~~
 46 ~~part of the healthy connections value care program through value care orga-~~
 47 ~~nizations and the healthy connections primary care case management program~~
 48 ~~by January 1, 2026.~~

49 SECTION 5. That Section 56-265, Idaho Code, be, and the same is hereby
 50 amended to read as follows:

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

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

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

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

10 (3) Notwithstanding any other provision of this chapter, if the
11 services are provided by a private, freestanding mental health hospital
12 facility that is an institution for mental disease as defined in 42 U.S.C.
13 1396d(i), the department shall reimburse for inpatient services at a rate
14 not to exceed ninety-one percent (91%) of the current medicare rate within
15 federally allowed reimbursement under the medicaid program. The reimburse-
16 ment provided for in this subsection shall be effective until July 1, 2021.

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

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

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

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

30 (c) Beginning with the 2024 performance period and for all future per-
31 formance periods thereafter, federally qualified health centers and
32 any organization owned and controlled by a federally qualified health
33 center shall be exempt from any financial risk in value-based payment
34 agreements created pursuant to this section.

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

37 (a) In-state, critical access hospitals as designated according to 42
38 U.S.C. 1395i-4(c)(2)(B) shall be reimbursed at one hundred one percent
39 (101%) of cost;

40 (b) Out-of-state hospitals shall be reimbursed at eighty-seven percent
41 (87%) of cost;

42 (c) State-owned hospitals shall be reimbursed at one hundred percent
43 (100%) of cost; and

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

47 (7) The department shall equitably reduce net reimbursements for all
48 hospital services, including in-state institutions for mental disease but
49 excluding all hospitals and institutions described in subsection (6) of
50 this section, by amounts targeted to reduce general fund needs for hospital

1 payments by three million one hundred thousand dollars (\$3,100,000) in state
2 fiscal year 2020 and eight million seven hundred twenty thousand dollars
3 (\$8,720,000) in state fiscal year 2021.

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

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

17 SECTION 6. That Section 56-267, Idaho Code, be, and the same is hereby
18 amended to read as follows:

19 56-267. MEDICAID ELIGIBILITY EXPANSION. (1) Notwithstanding any pro-
20 vision of law or federal waiver to the contrary, the state shall amend its
21 state plan to expand medicaid eligibility to include those persons under
22 sixty-five (65) years of age whose modified adjusted gross income is one hun-
23 dred thirty-three percent (133%) of the federal poverty level or below and
24 who are not otherwise eligible for any other coverage under the state plan,
25 in accordance with sections 1902(a)(10)(A)(i)(VIII) and 1902(e)(14) of the
26 social security act.

27 (2) No later than ninety (90) days after approval of this act, the
28 department shall submit any necessary state plan amendments to the United
29 States department of health and human services, centers for medicare and
30 medicaid services to implement the provisions of this section. The depart-
31 ment is required and authorized to take all actions necessary to implement
32 the provisions of this section as soon as practicable.

33 (3) Eligibility for medicaid as described in this section shall not be
34 delayed if the centers for medicare and medicaid services fail to approve any
35 waivers of the state plan for which the department applies, nor shall such
36 eligibility be delayed while the department is considering or negotiating
37 any waivers to the state plan. The department shall not implement any waiver
38 that would result in a reduction in federal financial participation for per-
39 sons identified in subsection (1) of this section below the ninety percent
40 (90%) commitment described in section 1905(y) of the social security act.

41 (4) If section 1905(y) of the social security act is held unlawful or
42 unconstitutional by the United States supreme court, then the legislature
43 shall declare this section to be null, void, and of no force and effect.

44 (5) If federal financial participation for persons identified in sub-
45 section (1) of this section is reduced below the ninety percent (90%) commit-
46 ment described in section 1905(y) of the social security act, then the senate
47 and house of representatives health and welfare committees shall, as soon
48 as practicable, review the effects of such reduction and make a recommenda-
49 tion to the legislature as to whether medicaid eligibility expansion should

1 remain in effect. The review and recommendation described in this subsec-
 2 tion shall be conducted by the date of adjournment of the regular legisla-
 3 tive session following the date of reduction in federal financial partici-
 4 pation. Notwithstanding any other provision of law to the contrary, if the
 5 reduction in federal financial participation occurs outside of a state leg-
 6 islative session, the department shall take any action necessary to offset
 7 the increase in state funding, including but not limited to reductions in
 8 provider payment rates or elimination of optional benefits. Such actions
 9 shall be taken until such time as the state legislature may convene and de-
 10 termine a proper course of action.

11 ~~(6) The department:~~

12 ~~(a) Shall place all persons participating in medicaid pursuant to~~
 13 ~~this section in a care management program authorized under section~~
 14 ~~56-265(5), Idaho Code, or in another managed care program to improve the~~
 15 ~~quality of their care, to the extent possible; and~~

16 ~~(b) Is authorized to seek any federal approval necessary to implement~~
 17 ~~the provisions of this subsection.~~

18 ~~(7) No later than January 31 in the 2023 legislative session, the sen-~~
 19 ~~ate and house of representatives health and welfare committees shall review~~
 20 ~~all fiscal, health, and other impacts of medicaid eligibility expansion pur-~~
 21 ~~suant to this section and shall make a recommendation to the legislature as~~
 22 ~~to whether such expansion should remain in effect.~~

23 SECTION 7. That Section 56-1403, Idaho Code, be, and the same is hereby
 24 amended to read as follows:

25 56-1403. HOSPITAL ASSESSMENT FUND ESTABLISHED. (1) There is hereby
 26 created in the office of the state treasurer a dedicated fund to be known
 27 as the hospital assessment fund, hereinafter "fund," to be administered by
 28 the department of health and welfare, hereinafter "department." The state
 29 treasurer shall invest idle moneys in the fund and any interest received on
 30 those investments shall be returned to the fund. All moneys in the fund are
 31 continuously appropriated to the department for the purposes specified in
 32 this chapter.

33 (2) Moneys in the fund shall consist of:

34 (a) All moneys collected or received by the department from private
 35 hospital assessments required by this chapter;

36 (b) All federal matching funds received by the department as a result
 37 of expenditures made by the department that are attributable to moneys
 38 deposited in the fund;

39 (c) Any interest or penalties levied in conjunction with the adminis-
 40 tration of this chapter; and

41 (d) Any appropriations, federal funds, donations, gifts or moneys from
 42 any other sources.

43 (3) The fund is created for the purpose of receiving moneys in accor-
 44 dance with this section and section 56-1404, Idaho Code. Moneys in the fund
 45 shall be distributed by the department ~~subject to appropriation~~ for the fol-
 46 lowing purposes only:

47 (a) Payments to private hospitals as required under Idaho's medical
 48 assistance program as set forth in sections 56-209b through 56-209d,
 49 Idaho Code;

1 (b) Reimbursement of moneys collected by the department from private
2 hospitals through error or mistake in performing the activities autho-
3 rized under Idaho's medical assistance program;

4 (c) Payments of administrative expenses incurred by the department or
5 its agent in performing the activities authorized by this chapter;

6 (d) Payments made to the federal government to repay excess payments
7 made to private hospitals from the fund if the assessment plan is deemed
8 out of compliance and after the state has appealed the findings. Hospi-
9 tals shall refund the payments in question to the assessment fund. The
10 state in turn shall return funds to both the federal government and hos-
11 pital providers in the same proportion as the original financing. Indi-
12 vidual hospitals shall be reimbursed based on the proportion of the in-
13 dividual hospital's assessment to the total assessment paid by all pri-
14 vate hospitals. If a hospital is unable to refund payments, the state
15 shall develop a payment plan and deduct moneys from future medicaid pay-
16 ments;

17 (e) Transfers to any other fund in the state treasury, provided such
18 transfers shall not exceed the amount transferred previously from that
19 other fund into the hospital assessment fund;

20 (f) Making refunds to hospitals pursuant to section 56-1410, Idaho
21 Code; and

22 (g) Offsetting general funding needed to support Idaho medicaid.

23 SECTION 8. That Section 56-1404, Idaho Code, be, and the same is hereby
24 amended to read as follows:

25 56-1404. ASSESSMENTS. (1) All private hospitals, except those ex-
26 empted under section 56-1408, Idaho Code, shall make payments to the fund in
27 accordance with this chapter. Subject to section 56-1410, Idaho Code, an an-
28 nual assessment on both inpatient and outpatient services is determined for
29 each qualifying hospital for each state fiscal year in an amount calculated
30 by multiplying the rate, as set forth in subsections (2) (c) and (3) (b) of
31 this section, by the assessment base, as set forth in subsection (5) of this
32 section.

33 (2) (a) The department shall calculate the private hospital upper pay-
34 ment limit gap for both inpatient and outpatient services. The upper
35 payment limit gap is the difference between the maximum allowable pay-
36 ments eligible for federal match, less medicaid payments not financed
37 using hospital assessment funds. The upper payment limit gap shall be
38 calculated separately for hospital inpatient and outpatient services.
39 Medicaid disproportionate share payments shall be excluded from the
40 calculation.

41 (b) Idaho medicaid will start work toward approval by the centers for
42 medicare and medicaid services (CMS) of an updated upper payment limit
43 calculation methodology no later than July 1, 2022. This change is
44 needed due to the change reflected in section 56-265, Idaho Code, in re-
45 imbursement from retrospective cost settlements to prospective payment
46 systems.

47 (c) The department shall calculate the upper payment limit assessment
48 rate for each state fiscal year to be the percentage that, when multi-

1 plied by the assessment base as defined in subsection (5) of this sec-
2 tion, equals the upper payment limit payment.

3 (d) Beginning July 1, 2022, or upon approval by CMS, whichever is later,
4 the assessment rate referenced in paragraph (c) of this subsection will
5 increase to the amount needed to attain an increased supplemental upper
6 payment limit payment. This payment amount is subject to CMS approval
7 of the updated upper payment limit methodology described in paragraph
8 (a) of this subsection and ~~legislative appropriation~~ shall be continu-
9 ously appropriated.

10 (e) Beginning July 1, 2023, an additional amount will be assessed at
11 thirty percent (30%) of the upper payment limit payment to be utilized
12 for general fund medicaid needs.

13 (f) If CMS does not approve the updated upper payment limit methodology
14 described in paragraph (b) of this subsection, then the additional as-
15 sessment described in paragraph (e) of this subsection shall not be im-
16 plemented.

17 (g) The assessment described in paragraph (e) of this subsection shall
18 be assessed only if the upper payment limit payment is greater than the
19 total assessment.

20 (3) (a) The department shall calculate the disproportionate share al-
21 lotment amount to be paid to private in-state hospitals.

22 (b) The department shall calculate the disproportionate share assess-
23 ment rate for private in-state hospitals to be the percentage that, when
24 multiplied by the assessment base as defined in subsection (5) of this
25 section, equals the amount of state funding necessary to pay the private
26 in-state hospital disproportionate share allotment determined in para-
27 graph (a) of this subsection.

28 (4) For private in-state hospitals, the assessments calculated pur-
29 suant to subsections (2) and (3) of this section shall not be greater than
30 the federal limit as referenced in 42 CFR 433.68 of the assessment base as
31 defined in subsection (5) of this section.

32 (5) The assessment base shall be the hospital's net patient revenue
33 for the applicable period. Net patient revenue, beginning with state fis-
34 cal year 2023, shall be determined using each hospital's fiscal year 2021
35 medicare cost report on file with the department, without regard to any sub-
36 sequent adjustments or changes to such data. If the 2021 cost report has not
37 been filed, the prior year's cost report will be used. Net patient revenue
38 for each state fiscal year thereafter shall be determined in the same manner
39 using a rolling yearly schedule for each hospital's fiscal year medicare
40 cost report.

41 SECTION 9. The rules contained in IDAPA 16.03.17, Department of Health
42 and Welfare, relating to Medicare/Medicaid Coordinated Plan Benefits, shall
43 be null, void, and of no force and effect on and after July 1, 2025.

44 SECTION 10. The rules contained in IDAPA 16.03.18, Department of Health
45 and Welfare, relating to Medicaid Cost-Sharing, shall be null, void, and of
46 no force and effect on and after July 1, 2025.

1 SECTION 11. The rules contained in IDAPA 16.03.09, Department of Health
2 and Welfare, relating to Medicaid Basic Plan Benefits, shall be null, void,
3 and of no force and effect on and after July 1, 2025.

4 SECTION 12. The rules contained in IDAPA 16.03.10, Department of Health
5 and Welfare, relating to Medicaid Enhanced Plan Benefits, shall be null,
6 void, and of no force and effect on and after July 1, 2025.

7 SECTION 13. An emergency existing therefor, which emergency is hereby
8 declared to exist, this act shall be in full force and effect on and after its
9 passage and approval.