Minutes of the Joint Legislative Oversight Committee

March 13, 1995

Senate Majority Caucus Room

Boise, Idaho

The meeting was called to order at 7:35 a.m. by Co-chair Senator Bruce Sweeney. Members present were Senators Atwell Parry and Grant Ipsen, and Representatives Kitty Gurnsey and Marvin Vandenberg. Staff members present were Nancy Van Maren, Dan Medenblik, and Margaret Campbell.

PROGRESS REPORTS ON COMMITTEE MATTERS

Joint Legislative Oversight Committee Senate Bill 1092

Co-chair Sweeney said Senate Bill 1092 had passed both houses. He said it was important that the committee be diligent in keeping matters in the open, and only when absolutely warranted should the committee go into executive session.

Timeline for Legislative Topics Survey

Ms. Van Maren reminded the committee that the Legislative survey would go out two weeks after the Legislative session. At this point, it looked like the survey would go out around April 3 and be requested back in the office by April 14, 1995.

(Senator Reents joined the committee meeting in progress.)

Ms. Van Maren said that Senator Sweeney recommended scheduling a committee meeting for Thursday, April 27, as several members would be in town to attend the Legislative Council meeting the next day. Senator Ipsen and Representative Gurnsey said they would not be available to attend an April 27 meeting. Senator Sweeney said the committee would coordinate a time for everyone to attend.

Senator Sweeney welcomed Pro Tem Senator Jerry Twiggs, who was in attendance.

TOPIC SELECTION

Ms. Van Maren said the committee requested at its 1/31/95 meeting that the OPE continue studying Healthy Connections, the Personal Care Services (PCS) report conducted by ISU, definitive costs for PCS, and Medicaid waivers. The OPE prepared background papers to address these concerns. In considering the PCS report, the OPE realized it was important to look at what was not covered in the report. This had resulted in three background papers: Medicaid Services for Children with Disabilities, Waivers from Federal Medicaid Program Requirements, and Reimbursement Rates for Personal Care Services.

The Healthy Connections Program

The OPE worked closely with the Department of Health and Welfare to examine the data being collected and analyzed. The department has selected variables from its information system to collect and make comparisons to show the program's impact. OPE identified some variables and aspects of the study that could be weak, such as the means of measuring access to health care. In addition, the program may be over-estimating cost savings, due to the timing of program enrollment and Medicaid eligibility. By summer, the program will be implemented statewide, but mostly in the more populated areas of the state. What are the long-term ramifications of this implementation plan? She said, in her judgment, the OPE's assistance on this project would be incremental. The department has time delays in getting their data, so they are unable to tell much until six months after a service was rendered. Overall, they have good systems in place, but are working with a difficult information system.

Senator Ipsen asked about the Department of Health and Welfare's evaluation due in August 1995 as follow-up on the received waiver. Ms. Van Maren said the department is comparing enrollees with non-enrollees, are surveying recipients of care to measure access, and have reported that they will look at comparable emergency room use.

Senator Ipsen asked if the department would still be six months behind when the federal evaluation is due. Ms. Van Maren clarified that the delay could be closer to four months. The department believes that what they provide the federal government will be sufficient. Officials had designed the data collection system with two goals in mind: the federal government's requirements, and information that would be required under a capitated payment system.

Senator Ipsen said that this was the first major waiver the state had gotten in regards to cost savings, and one of the most crucial. If this waiver was successful and justified, it could lead to other positive possibilities.

Waivers From Federal Medicaid Program Requirements

Ms. Van Maren said there were three means of obtaining waivers from federal service requirements. The first, Section 1915(b) waivers, such as the waiver received for Healthy Connections, were based on cost-effectiveness and efficiency. Programs that required this type of waiver proposed a service that was not uniform across the state, and could restrict patients' freedom of choice.

The second, Section 1915(c) waivers, were based on federal requirements under Home and Community Based Services provisions. There were currently two of these waivers in the state. One was for PCS for the developmental disabled, and the other for PCS for the aged and disabled. They provided PCS services above the sixteen hours per week allowed under the state Medicaid plan.

The third group, Section 1115 waivers, were generally research and demonstration waivers. They required a high degree of research design, provided more flexibility, but were more difficult to receive. The state did not have any of these waivers.

Ms. Van Maren said an evaluation request based on this would be information-centered. It would provide the committee with information on the federal requirements, and the state's options. It would show what other states have done, their successes and cost savings, and would provide comparative cost analysis in how efficient different options would be. She said cost-savings would not be the focus for this potential study, although there could be long-term cost savings implications. The study may be able to identify cost-effective waiver opportunities for the state.

Senator Reents asked if someone in the department had expertise in waivers and whether the Legislature's involvement would duplicate efforts. Ms. Van Maren said there were individuals in the department who worked more closely with waivers. She said that she thought Legislators do have some say in whether the state will apply for a waiver, as most come up for review in departmental rule.

Referring to the third page of the background paper, Senator Ipsen asked how Bridges to the Future could expand from one to twelve services. He questioned how expansion would save money, and asked if there was a way to determine the future direction of PCS.

(Representative Gurnsey left to chair a JAFC meeting.)

Ms. Van Maren asked if Mr. Dan Medenblik, an OPE staff member, could respond to Senator Ipsen's question. Co-chair Sweeney gave Mr. Medenblik the floor. Mr. Medenblik said that the department believes that providing additional services could help keep additional people out of nursing homes, ultimately saving money. If comparing people currently using PCS to those receiving more services under this program, he was unsure if it would actually result in cost savings.

Senator Parry asked if the providers were involved. He said he had received more mail regarding Bridges to the Future than any other issue. He said the old PCS system seemed to be turned upside-down. He questioned whether the waiver would be cost effective.

Mr. Medenblik said providers were concerned because the Bridges to the Future program would try to deal mostly with provider agencies. Independent providers seemed to be concerned that they would be encouraged to become part of the agencies or be cut out of the business. They feared that, as employees of agencies, they would not get paid as much and have little control over their working environment.

Senator Parry said the committee could never get too much information on Bridges to the Future. The issues involve out-of-work providers and clients tossed around. He said Bridges to the Future was an emotional issue with many people, and could be a financially costly issue. He would appreciate all available information.

Co-chair Sweeney said when PCS was started, it was thought it would be cost effective because people could stay in their homes and not in institutions. He said the committee needed to find out why there were extra costs, and why it was not efficient. He said it looked like the federal

government could go toward grant proposals rather than regulations in the future.

Senator Parry agreed and said the cost had escalated partly because of the amount of paperwork the provider must submit. Senator Ipsen said the reason it went far beyond the original plan was because group homes started forming, being interpreted as the patient's home. Legislative intent was that services would be provided in the patient's home, rather than group homes with four or six members, which were similar to an institution.

Ms. Van Maren said that PCS were intended to replace institutional care. PCS was intended for one thing, and over time, attempts had been made to group several other services under the same waiver.

Representative Vandenberg said he served on the original PCS committee, and the original intent was that being discussed—to provide services so that people would not be institutionalized. After the PCS program was set up, the provider agencies tried to push more of the services through the agencies rather than through the independent providers, who are the grassroots. Clients are more content and comfortable with service when working with an individual provider rather than the agency. He suggested going slow on the Bridges to the Future program.

Senator Reents said that since the committee was short of time, they may need to determine what Ms. Van Maren expected out of the day's discussion. Did she want the committee to make some final decisions? Senator Reents suggested that Ms. Van Maren rank the background papers and send a memo to the committee for consideration later in the week. Co-chair Sweeney said that the committee should meet again later in the week.

Ms. Van Maren said she hoped the committee would make a decision for an evaluation. She thought the OPE staff needed to get started on a full report. As one alternative, the committee could assign two topics related to Medicaid, with reports to be issued consecutively. However, this option would tie the committee's hands in selecting topics this summer, because the OPE could only have one major study per evaluator at a time.

Senator Reents said that there were potential topics to consider from the "Other Requested Topics" handout. Ms. Van Maren said that public school transportation was requested for evaluation by the Senate and House Education Committees. She said the committee may want to consider this as a report in the summer so it will be ready for release before the next Legislative session.

(Representative Vandenberg and Senator Ipsen were excused from the meeting at this point.)

Senator Sweeney scheduled another meeting with the committee for March 15, 1995, at 7:30 a.m., in the same room to resume consideration of the topics. He asked the committee to review the background papers and come to the meeting prepared to make some decisions.

The meeting was adjourned.