

Office of Performance Evaluations

News Release: Health Care Costs and IDHW Management

December 12, 2007

(BOISE)—This week, Idaho legislators received three reports that were commissioned as part of a comprehensive study to identify ways to expand health insurance coverage and health care services for the uninsured. They also received two reports on various aspects of management in the state Department of Health and Welfare.

Health Care Cost Study

The health care cost study, requested by the legislative Health Care Task Force in 2006, was overseen by the non-partisan, legislative Office of Performance Evaluations under the direction of the Joint Legislative Oversight Committee (JLOC). The Legislature appropriated \$250,000 for the 5-part study.

Consultants from the State Health Access Data Assistance Center (SHADAC) at the University of Minnesota's School of Public Health reported that in 2004, a total of \$5.6 billion in public and private funds was spent on health care in Idaho. Of these expenses, \$2.3 billion (41.7%), are estimated to have been funded by public dollars. Federal funds constituted the majority (76.6%) of public health care spending with state and local spending accounting for 23.4%.

Consultants presented the following three reports to JLOC and the Health Care Task Force:

- *Cataloging Public Health Expenditures in Idaho.* This 121 page-report systematically collected, organized, and quantified federal, state, and local government health care expenditures in Idaho. The report provides detailed expenditure information on 13 programs or spending areas, including Medicare, Medicaid/Children's Health Insurance Program (CHIP), state and local government employee health benefits, the County Medical Indigency Program, and the State Catastrophic Health Care Cost Program.

In 2005, the total public health care spending in Idaho was \$2.6 billion, of which 72% was federal, 21% state, and 7% local. Over half (55%) of all federal public health dollars in Idaho were spent on Medicare, followed by 40% on Medicaid and CHIP.

- *Estimating Private Health Expenditures in Idaho.* The 36-page report estimated the total private health care spending in Idaho to be \$3.3 billion in 2004, an increase of about 36% from 2000. The Center for Medicare and Medicaid (CMS) defines private health care expenditures as (1) private health insurance expenditures, (2) consumer out-of-pocket expenditures for health services, and (3) expenditures by other private funds.
- *Health Trends in and Drivers of Expenditures in Idaho.* The 55-page report concludes that Idaho faces many of the same health reform issues that are confronting other states. These issues include the rising health care costs, growing number of uninsured adults, an increase in an elderly population, and growing number of people considered obese.

In July, the Office of Performance Evaluations issued the first two reports of this health care cost study. Those two reports—completed by Mathematica Policy Research—provided most comprehensive picture of Idaho’s uninsured and information on a broad range of state programs that have been enacted or proposed throughout the country.

All five reports on health care costs are available on the office’s website (www.idaho.gov/ope).

Department of Health and Welfare

Within the Department of Health and Welfare—Idaho’s largest state agency—overall staff perceptions of morale, job satisfaction, and communication have improved since 2006, as have perceptions of management’s skills, abilities, and leadership, according to a follow-up evaluation report released by the Joint Legislative Oversight Committee.

In 2006, the legislative evaluation staff released a report that made recommendations to the Department of Health and Welfare in areas of communication, staffing and workload, and turnover.

In response to the 2006 findings and recommendations, the Legislature increased the size and broadened the responsibilities of the Board of Health and Welfare. Organizational changes initiated by the department have included creating two new divisions: the Division of Behavioral Health and the Division of Communication and Regional Development.

The department has also implemented recommendations to monitor staff turnover and to make necessary changes to its communication processes.

The department is making progress in implementing the two recommendations on staffing and workload. The department has not, however, implemented the recommendation for identifying the most cost effective staffing, allocation, and scheduling methodologies for its institutions. Evaluation staff also provided more in-depth discussion on staffing and workload in the Child Welfare program in a separate report to JLOC.

In 2006, evaluation staff also described how the department was experiencing difficulties in facility maintenance and long-term planning, and was not taking full advantage of federal financial participation. Evaluation staff suggested the department implement best practices to correct these issues. The follow-up evaluation report found that the department has not taken any action.

Evaluation staff reiterated that the department should evaluate facility issues in a systematic, comprehensive way and present its findings and recommendations to the Legislature and the Permanent Building Fund Advisory Council. The Legislature and the council should consider reviewing, and possibly amending, policies and procedures for facility planning, maintenance, and funding.

The Joint Legislative Oversight Committee has eight members and is equally divided between the two political parties and the two chambers of the Legislature. The committee is co-chaired by Senator Shawn Keough (R) of Sandpoint and Representative Margaret Henbest (D) of Boise.

The Health Care Task Force is an ongoing special committee comprised of legislators from both houses. The task force, which has been instrumental in the establishment of a number of programs for the uninsured including the Access Card Program and the High-Risk Reinsurance Pool, is chaired by Senator Dean Cameron (R) of Rupert and Rep. Gary