

I was asked a couple of questions during my presentation on Friday, and since I didn't have data at my fingertips, I told the Committee I would follow-up and get that information for them.

There were two questions from Representative Miller. One was about the three "buckets" that hospitals are reimbursed from. I mentioned in Idaho, Medicare is reimbursed at 84% of our cost. He asked about the other two buckets: Medicaid and Commercial/Self Pay.

On Medicaid, there are different payment methodologies for the small rural hospitals and the larger ones. The Critical Access Hospitals (CAH's) are reimbursed at 101% minus the 2% sequestration – which is what Medicare pays CAH's. Larger hospitals get paid by various means that range from actual cost to federally mandated fee schedules. In the aggregate, federal regulations (42 CFR Part 447) require that Medicaid payments to hospitals not exceed what Medicare would have paid for the same services. The calculation that satisfies this requirement is made each year and approved by the Department of Health and Welfare and the Centers for Medicare and Medicaid Services.

On the Commercial/Self Pay side, the Idaho Hospital Association does not collect information about rates paid by commercial carriers because of anti-trust concerns. Each individual insurance carrier negotiates directly with each hospital for services provided to their insured. Overall, insurance payments are sufficient to make up for the losses incurred with government payers and those who have no insurance. In 2015 (the last complete year of data available today), Idaho hospitals overall averaged a margin of 3.81%.

Representative Miller's other question was rather than a projected growth of 22% through 2024, and 22,000 new jobs being created in the healthcare sector (the most of any sector in Idaho), he asked what the year-over-year growth in jobs was anticipated to be for FY2019. The attached report from the Department of Labor contains a slide titled "Projected Annual Growth Rates" which shows an annual growth rate for Healthcare Practitioners of 1.8% and Healthcare Support 2.1%.

Sen. Johnson asked if I knew what the cost of the Governor's proposed dual-waiver program would be. I ball parked it at \$29 million. His State of the State and Budget address yesterday pegged the state's share of that to be \$28.8 million.

Rep. Gibbs asked if the dual waiver program was implemented, how many of the 78,000 Idahoans would remain "in the gap" or uninsured. I will leave that question to the Department of Health and Welfare to answer. They suspect that the 78,000 number is actually lower at this time, and they think if the dual waiver is approved, that 35,000 of the existing uninsured would purchase insurance. I said in my testimony that my guess is that there would still be about 20,000 to 25,000 uninsured Idahoans. That is only my guess based on different things I've heard about the dual waiver.

Thank you again for the opportunity to present to EORAC. Please let me know if there is any additional information that would be helpful as the Committee completes its work.

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