

Division of Medicaid

Analyst: Randolph

Historical Summary

OPERATING BUDGET	FY 2020 Total App	FY 2020 Actual	FY 2021 Approp	FY 2022 Request	FY 2022 Gov Rec
BY PROGRAM					
Medicaid Admin & Medical Mgmt	99,073,600	64,740,000	80,926,700	79,273,000	79,112,400
Coordinated Medicaid Plan	672,281,200	752,980,000	671,583,500	689,805,400	689,805,400
Enhanced Medicaid Plan	1,145,604,600	1,055,547,500	1,187,620,500	1,179,898,300	1,179,898,300
Basic Medicaid Plan	780,006,200	733,373,800	771,884,700	811,362,100	811,362,100
Expansion Medicaid Plan	197,636,700	192,349,900	403,062,200	827,588,000	827,588,000
Total:	2,894,602,300	2,798,991,200	3,115,077,600	3,587,926,800	3,587,766,200
BY FUND CATEGORY					
General	699,095,100	636,200,400	723,971,900	783,263,500	769,819,600
Dedicated	260,032,500	243,910,100	272,809,800	417,597,400	430,978,600
Federal	1,935,474,700	1,918,880,700	2,118,295,900	2,387,065,900	2,386,968,000
Total:	2,894,602,300	2,798,991,200	3,115,077,600	3,587,926,800	3,587,766,200
Percent Change:		(3.3%)	11.3%	15.2%	15.2%
BY OBJECT OF EXPENDITURE					
Personnel Costs	17,146,400	16,590,900	17,412,100	17,924,500	17,763,900
Operating Expenditures	80,000,000	46,740,700	61,587,400	59,421,300	59,421,300
Capital Outlay	0	13,900	0	0	0
Trustee/Benefit	2,797,455,900	2,735,645,700	3,036,078,100	3,510,581,000	3,510,581,000
Total:	2,894,602,300	2,798,991,200	3,115,077,600	3,587,926,800	3,587,766,200
Full-Time Positions (FTP)	216.00	216.00	216.00	213.00	213.00

Division Description

The Division of Medicaid is responsible for administering plans to finance and deliver health services for people at risk due to low income and other factors, such as youth, old age, pregnancy, or disability. Services are provided pursuant to state and federal Medicaid requirements. The division is organized into four budgeted programs.

MEDICAID ADMINISTRATION and MEDICAL MANAGEMENT: Includes expenditures for administration of a comprehensive program of medical coverage to eligible recipients in Idaho. Coverage is provided through traditional Medicaid (Title XIX), and the Children's Health Insurance Program (CHIP) (Title XXI). Administrative functions include managing provider payments, contracting with state agencies and universities for medical management, and conducting drug utilization reviews and individual assessments.

COORDINATED MEDICAID PLAN: Beneficiaries covered in this plan primarily consist of those who are age 65 and older. All individuals dually eligible for Medicaid and Medicare, regardless of age, may elect to receive coverage under this plan.

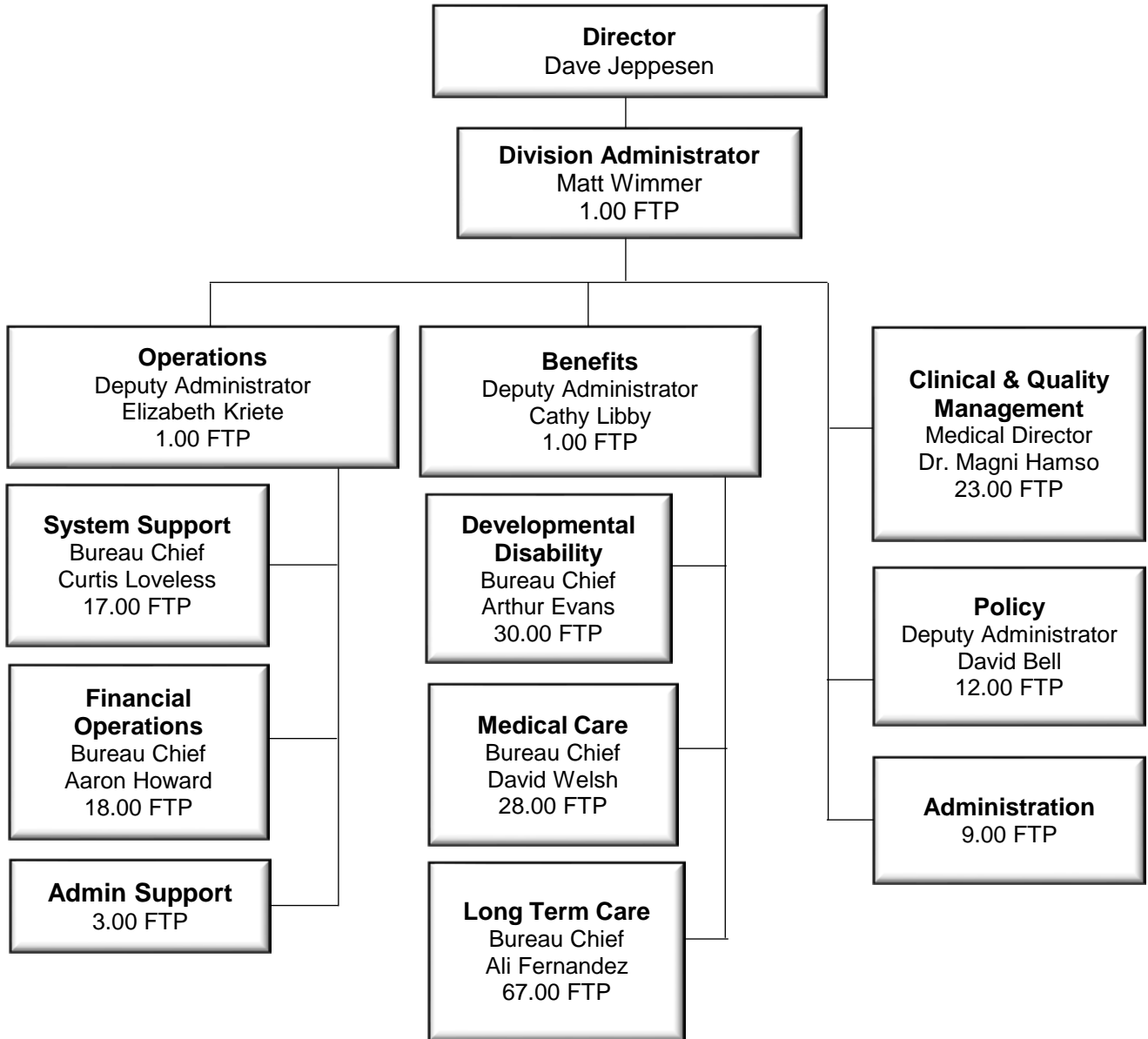
ENHANCED MEDICAID PLAN: Medicaid-eligible group primarily made up of children and adults (non-elderly) with disabilities, or other individuals with special health needs, such as foster children. Individuals included in this plan, may elect to remain in this plan after they turn 65 years old.

BASIC MEDICAID PLAN: Medicaid-eligible group primarily consisting of Pregnant Women and Children (PWC), Family Medicaid and Idaho's Children Health Insurance Program (CHIP). These populations are assumed to be in average health, with average levels of disease.

EXPANSION MEDICAID PLAN: Beneficiaries covered in this plan have an income level of 138% of the federal poverty limit (FPL) or less. These populations are assumed to be in average health, with average levels of disease. Coverage for this population group started on January 1, 2020.

Division of Medicaid Organizational Chart

Analyst: Randolph



	<u>FTP</u>
FY 2021 Original Appropriation:	216.00
Requested Changes:	-3.00
FY 2022 Request:	213.00
Vacant FTP:	17.00
(as of 1/6/2021)	7.9%

COMPREHENSIVE ANNUAL FINANCIAL REPORT

REPORT	AGENCY	FINDING #	FINDING TITLE	STATUS	REPEAT
2019 Internal Control Report	Department of Health and Welfare Medicaid	2019-102	The Department did not have a current evaluation of the adequacy of internal controls for a service organization responsible for processing \$230 million in pharmacy expenditure claims.	OPEN	
2019 Internal Control Report	Department of Health and Welfare Medicaid	2019-103	Capital assets in progress and capitalized intangible asset costs could be overstated and not in compliance with Governmental Accounting Standards Board Statement (GASB) Statement No. 51 requirements.	OPEN	

SINGLE AUDIT REPORT

REPORT	AGENCY	FINDING #	FINDING TITLE	STATUS	REPEAT
2019 Single Audit Report	Department of Health and Welfare Licensing and Certification Division	2019-209	The Bureau of Facility Standards within the Department of Health and Welfare (Department) failed to complete health and safety surveys of long-term care facilities in a timely manner to ensure compliance with the Medicaid program.	OPEN	

Medicaid, Division of

FY 2020 Actual Expenditures by Division

Analyst: Randolph

		FTP	PC	OE	CO	T/B	LS	Total
0.30 FY 2020 Original Appropriation								
0220-03	Gen	0.00	6,688,100	8,875,500	0	671,847,000	0	687,410,600
0219-00	Ded	0.00	0	0	0	30,000,000	0	30,000,000
0220-05	Ded	216.00	0	8,883,800	0	203,736,500	0	212,620,300
0499-00	Ded	0.00	94,800	165,900	0	12,382,800	0	12,643,500
0220-02	Fed	0.00	10,396,600	45,607,200	0	1,833,018,800	0	1,889,022,600
Totals:		216.00	17,179,500	63,532,400	0	2,750,985,100	0	2,831,697,000
0.43 Supplementals								
0220-03	Gen	0.00	0	233,800	0	18,347,800	0	18,581,600
0499-00	Ded	0.00	0	0	0	4,769,000	0	4,769,000
0220-02	Fed	0.00	0	16,233,800	0	30,238,000	0	46,471,800
Totals:		0.00	0	16,467,600	0	53,354,800	0	69,822,400
0.44 Rescissions								
0220-03	Gen	0.00	(13,100)	0	0	0	0	(13,100)
0499-00	Ded	0.00	(300)	0	0	0	0	(300)
0220-02	Fed	0.00	(19,700)	0	0	0	0	(19,700)
Totals:		0.00	(33,100)	0	0	0	0	(33,100)
0.45 Omnibus Decisions								
0220-03	Gen	0.00	0	0	0	(6,884,000)	0	(6,884,000)
Totals:		0.00	0	0	0	(6,884,000)	0	(6,884,000)
1.00 FY 2020 Total Appropriation								
0220-03	Gen	0.00	6,675,000	9,109,300	0	683,310,800	0	699,095,100
0219-00	Ded	0.00	0	0	0	30,000,000	0	30,000,000
0220-05	Ded	216.00	0	8,883,800	0	203,736,500	0	212,620,300
0499-00	Ded	0.00	94,500	165,900	0	17,151,800	0	17,412,200
0220-02	Fed	0.00	10,376,900	61,841,000	0	1,863,256,800	0	1,935,474,700
Totals:		216.00	17,146,400	80,000,000	0	2,797,455,900	0	2,894,602,300
1.12 Noncognizable Increases								
0220-02	Fed	0.00	0	0	0	25,000,000	0	25,000,000
Totals:		0.00	0	0	0	25,000,000	0	25,000,000
1.21 Net Object Transfer								
0220-03	Gen	0.00	(100,000)	93,100	6,900	0	0	0
0220-02	Fed	0.00	0	(7,000)	7,000	0	0	0
Totals:		0.00	(100,000)	86,100	13,900	0	0	0
1.33 Net Transfer Between Programs								
0220-02	Fed	0.00	0	0	0	0	0	0
Totals:		0.00	0	0	0	0	0	0
1.34 Net Transfer Between Programs								
0220-03	Gen	0.00	0	0	0	0	0	0
Totals:		0.00	0	0	0	0	0	0
1.38 Net Transfer Between Programs								
0220-03	Gen	0.00	(2,700)	0	0	0	0	(2,700)
Totals:		0.00	(2,700)	0	0	0	0	(2,700)

Medicaid, Division of

FY 2020 Actual Expenditures by Division

Analyst: Randolph

		FTP	PC	OE	CO	T/B	LS	Total
1.39	Net Transfer Between Programs							
0220-05	Ded	0.00	0	0	0	0	0	0
0220-02	Fed	0.00	0	0	0	0	0	0
Totals:		0.00	0	0	0	0	0	0
1.61	Reverted Appropriation							
0220-03	Gen	0.00	(2,500)	(117,600)	0	(55,525,500)	0	(55,645,600)
0219-00	Ded	0.00	0	0	0	(4,183,300)	0	(4,183,300)
0220-05	Ded	0.00	0	(6,631,700)	0	(5,307,400)	0	(11,939,100)
0220-02	Fed	0.00	(450,300)	(26,596,100)	0	(14,547,600)	0	(41,594,000)
Totals:		0.00	(452,800)	(33,345,400)	0	(79,563,800)	0	(113,362,000)
1.62	Reverted Appropriation							
0220-03	Gen	0.00	0	0	0	(7,246,400)	0	(7,246,400)
Totals:		0.00	0	0	0	(7,246,400)	0	(7,246,400)
2.00	FY 2020 Actual Expenditures							
0220-03	Gen	0.00	6,569,800	9,084,800	6,900	620,538,900	0	636,200,400
Cooperative Welfare (General)			6,569,800	9,084,800	6,900	620,538,900	0	636,200,400
0219-00	Ded	0.00	0	0	0	25,816,700	0	25,816,700
Hospital Assessment			0	0	0	25,816,700	0	25,816,700
0220-05	Ded	216.00	0	2,252,100	0	198,429,100	0	200,681,200
Cooperative Welfare (Dedicated)			0	2,252,100	0	198,429,100	0	200,681,200
0499-00	Ded	0.00	94,500	165,900	0	17,151,800	0	17,412,200
Idaho Millennium Income			94,500	165,900	0	17,151,800	0	17,412,200
0220-02	Fed	0.00	9,926,600	35,237,900	7,000	1,873,709,200	0	1,918,880,700
Cooperative Welfare (Federal)			9,926,600	35,237,900	7,000	1,873,709,200	0	1,918,880,700
Totals:		216.00	16,590,900	46,740,700	13,900	2,735,645,700	0	2,798,991,200

Difference: Actual Expenditures minus Total Appropriation

0220-03	Gen		(105,200)	(24,500)	6,900	(62,771,900)	0	(62,894,700)
Cooperative Welfare (General)			(1.6%)	(0.3%)	N/A	(9.2%)	N/A	(9.0%)
0219-00	Ded		0	0	0	(4,183,300)	0	(4,183,300)
Hospital Assessment			N/A	N/A	N/A	(13.9%)	N/A	(13.9%)
0220-05	Ded		0	(6,631,700)	0	(5,307,400)	0	(11,939,100)
Cooperative Welfare (Dedicated)			N/A	(74.6%)	N/A	(2.6%)	N/A	(5.6%)
0499-00	Ded		0	0	0	0	0	0
Idaho Millennium Income			0.0%	0.0%	N/A	0.0%	N/A	0.0%
0220-02	Fed		(450,300)	(26,603,100)	7,000	10,452,400	0	(16,594,000)
Cooperative Welfare (Federal)			(4.3%)	(43.0%)	N/A	0.6%	N/A	(0.9%)
Difference From Total Approp			(555,500)	(33,259,300)	13,900	(61,810,200)	0	(95,611,100)
Percent Diff From Total Approp			(3.2%)	(41.6%)	N/A	(2.2%)	N/A	(3.3%)

Division of Medicaid

Agency Profile

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Medicaid Plans: Caseloads and Trustee and Benefit Payments (All Funds)

	FY 2020 Expenditures		FY 2021 Orig Approp		FY 2022 Request	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Basic Plan						
Caseload	192,329	56.7%	201,973	57.8%	209,041	58.4%
Budget	\$733,373,800	26.8%	\$771,884,700	25.4%	\$811,362,100	23.1%
Average Case	\$3,813		\$3,822		\$3,881	
Enhanced Plan						
Caseload	45,365	13.4%	45,721	13.1%	46,453	13.0%
Budget	\$1,055,547,500	38.6%	\$1,187,620,500	39.1%	\$1,179,898,300	33.6%
Average Case	\$23,268		\$25,975		\$25,400	
Coordinated Plan						
Caseload	28,057	8.3%	28,633	8.2%	29,070	8.1%
Budget	\$752,980,000	27.5%	\$671,583,500	22.1%	\$689,805,400	19.7%
Average Case	\$26,838		\$23,455		\$23,729	
Expansion Plan						
Caseload	73,248	21.6%	73,248	21.0%	73,248	20.5%
Budget	\$192,349,900	7.0%	\$403,062,200	13.3%	\$827,588,000	23.6%
Average Case	\$2,626		\$5,503		\$11,298	
Total						
Caseload	338,999	100%	349,575	100%	357,812	100%
Budget	\$2,734,251,200	100%	\$3,034,150,900	100%	\$3,508,653,800	100%
Average Case	\$8,066		\$8,680		\$9,806	

The table below is based on paid claims, where PMPM is per member per month. Differences between the two tables are composed of the payments for Disproportionate Share Hospital (DSH), and Upper Payment Limits (UPL), and other non-claims specific contracts (reflected in the top table only).

FY 2017, FY 2018, and FY 2019, Medicaid Claims Expenditures by Service Grouping

	FY 2018	PMPM	FY 2019	PMPM	FY 2020	PMPM
Hospital (no DSH, UPL)	\$547,693,241	\$156	\$564,538,642	\$168	\$541,881,373	\$170
Developmental Disability Services	\$299,384,916	\$86	\$330,298,702	\$98	\$360,654,096	\$113
Medical (Non-Hospital)	\$245,045,610	\$70	\$246,083,487	\$73	\$239,005,864	\$75
Institutional Care (No UPL)	\$217,784,134	\$62	\$230,889,008	\$69	\$137,148,021	\$43
Prescriptions	\$217,072,081	\$62	\$230,271,028	\$68	\$247,048,139	\$77
Mental Health	\$134,967,862	\$39	\$127,053,000	\$38	\$117,232,796	\$37
Medicare Related Costs	\$152,817,469	\$44	\$209,743,970	\$62	\$417,544,598	\$131
Long Term Services & Supports	\$129,927,738	\$37	\$142,423,204	\$42	\$92,645,037	\$29
Dental Services (MCO)	\$48,846,707	\$14	\$53,633,006	\$16	\$56,957,202	\$18
School Based Services	\$41,173,328	\$12	\$43,793,777	\$13	\$45,261,164	\$14
Transportation Services	\$30,364,859	\$9	\$31,014,854	\$9	\$36,398,277	\$11
Health Service Professionals	\$33,275,364	\$10	\$36,127,938	\$11	\$28,813,906	\$9
Total	\$2,132,140,902	\$609	\$2,279,355,497	\$677	\$2,354,075,354	\$738

Division of Medicaid

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2021 Original Appropriation	216.00	723,971,900	3,115,077,600	216.00	723,971,900	3,115,077,600
1. Medicaid Expansion Funding	0.00	8,500,000	8,500,000	0.00	8,500,000	8,500,000
2. COVID-related MOE - Traditional	0.00	(56,000,000)	57,700,000	0.00	(56,000,000)	57,700,000
3. MOE and Expansion	0.00	0	25,710,600	0.00	0	25,710,600
4. Program Growth	0.00	22,785,400	227,853,500	0.00	22,785,400	227,853,500
9. Receipt Authority	0.00	(11,097,400)	15,000,000	0.00	(11,097,400)	15,000,000
FY 2021 Total Appropriation	216.00	688,159,900	3,449,841,700	216.00	688,159,900	3,449,841,700
Executive Holdback	0.00	(36,198,600)	(36,198,600)	0.00	(36,198,600)	(36,198,600)
Noncognizable Funds and Transfers	(3.00)	0	0	(3.00)	0	0
FY 2021 Estimated Expenditures	213.00	651,961,300	3,413,643,100	213.00	651,961,300	3,413,643,100
Removal of Onetime Expenditures	0.00	(25,720,600)	(291,336,300)	0.00	(34,220,600)	(299,836,300)
Base Adjustments	0.00	58,856,700	(54,843,300)	0.00	58,856,700	(54,843,300)
Restore Rescissions	0.00	36,198,600	36,198,600	0.00	36,198,600	36,198,600
FY 2022 Base	213.00	721,296,000	3,103,662,100	213.00	712,796,000	3,095,162,100
Benefit Costs	0.00	141,400	361,500	0.00	22,100	56,300
Statewide Cost Allocation	0.00	(1,700)	(3,400)	0.00	(1,700)	(3,400)
Change in Employee Compensation	0.00	58,800	150,900	0.00	115,100	295,500
Nondiscretionary Adjustments	0.00	91,418,600	596,633,000	0.00	99,037,700	605,133,000
FY 2022 Program Maintenance	213.00	812,913,100	3,700,804,100	213.00	811,969,200	3,700,643,500
1. Medicaid Cost Containment	0.00	(30,200,000)	(118,400,000)	0.00	(30,200,000)	(118,400,000)
2. Electronic Visit Verification	0.00	190,900	763,700	0.00	190,900	763,700
3. Patient Access and Interoperability	0.00	147,500	935,000	0.00	147,500	935,000
4. Managed Care Accountability and Auditing	0.00	212,000	424,000	0.00	212,000	424,000
8. Idaho Veterans Services	0.00	0	3,400,000	0.00	0	3,400,000
11. County Contribution - Expansion	0.00	0	0	0.00	(12,500,000)	0
FY 2022 Total	213.00	783,263,500	3,587,926,800	213.00	769,819,600	3,587,766,200
Change from Original Appropriation	(3.00)	59,291,600	472,849,200	(3.00)	45,847,700	472,688,600
% Change from Original Appropriation		8.2%	15.2%		6.3%	15.2%

Division of Medicaid

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2021 Original Appropriation					
<p>The Legislature funded six line items for FY 2021: These included \$2,374,400 for electronic visit verification; \$3,500,000 for Health Data Exchange connections; \$30,630,100 for the impact of H351 on Medicaid reimbursement; \$2,800,000 for home visiting services; \$2,000,000 for Community Support Employment services funding as a net-zero adjustment with the Division of Vocational Rehabilitation; and approved a \$0 line item to change the reimbursement rate for ambulatory surgical centers.</p>					
	216.00	723,971,900	272,809,800	2,118,295,900	3,115,077,600
1. Medicaid Expansion Funding			Expansion Medicaid Plan		
<p>The Division of Medicaid requests \$8,500,000 ongoing from the General Fund in trustee and benefit payments to complete the originally estimated full year of payments for the expansion population established in Section 56-267, Idaho Code. Last legislative session, the agency requested this amount of money; the Governor did not recommend it, and Legislature did not appropriate it because associated legislation was not approved.</p>					
Agency Request	0.00	8,500,000	0	0	8,500,000
<i>Recommended by the Governor on a onetime basis. The Governor recommends the same amount of ongoing funding for FY 2022 be added back in nondiscretionary adjustments.</i>					
Governor's Recommendation	0.00	8,500,000	0	0	8,500,000
2. COVID-related MOE - Traditional			Basic, Coordinated, Enhanced		
<p>The agency requests a onetime reduction of \$56,000,000 from the General Fund and an increase of \$113,700,000 in federal funds to account for the requirement of maintenance of effort (MOE) of the federal Families First Coronavirus Response Act (FFCRA). This federal bill increased the federal match by 6.2%, and requires states to maintain Medicaid eligibility for those in Medicaid, allowing disenrollment only in the cases of death, change of residency, or participant's request to disenroll. As of November 6, 2020, both of the above requirements will remain in place until the end of the Public Health Emergency, which currently in place until January 21, 2021.</p>					
Agency Request	0.00	(56,000,000)	0	113,700,000	57,700,000
Governor's Recommendation	0.00	(56,000,000)	0	113,700,000	57,700,000
3. MOE and Expansion			Basic Medicaid Plan, Expansion Medicaid Plan		
<p>The agency requests \$25,710,600 onetime from federal funds in the Expansion Medicaid Plan, and a net-zero onetime transfer of \$2,856,700 from the General Fund from the Basic Medicaid Plan to the Expansion Medicaid Plan. The agency requests the transfer to offset the costs incurred by the estimated 8,000 people who would otherwise be ineligible for Medicaid Expansion but must remain enrolled due to the requirement of maintenance of effort (MOE) in the federal Families First Coronavirus Relief Act (FFCRA) which requires individuals to remain on the Medicaid roles until the Public Health Emergency (PHE) due to COVID-19 has ended. The Basic Medicaid Plan is able to transfer this money on a onetime basis due to the other aspect of FFCRA, which increases the match rate for traditional Medicaid by 6.2%. The agency has calculated this request's total amount by multiplying the amount of estimated individuals who would otherwise be disenrolled (7,100) by a per member per month rate (\$575), and then multiplied by the estimated seven months of FY 2021 of the PHE (July through January).</p>					
Agency Request	0.00	0	0	25,710,600	25,710,600
Governor's Recommendation	0.00	0	0	25,710,600	25,710,600
4. Program Growth			Expansion Medicaid Plan		
<p>The agency requests \$227,853,500 all funds onetime for unanticipated growth related to Medicaid Expansion. The department based the FY 2021 original request on a 2018 actuarial report compiled by Milliman. An updated actuarial report was completed in fall 2020, which showed an increase of 65.7% in total dollars from the original forecast produced in 2018. The per member per month (PMPM) forecast has changed from an original \$370 to \$548, which represents a 57.8% increase. As per the Milliman report from December 2020, the primary drivers related to this increase are medical and pharmacy benefit costs, as well as COVID-19 impacts and associated economic conditions.</p>					
Agency Request	0.00	22,785,400	0	205,068,100	227,853,500
Governor's Recommendation	0.00	22,785,400	0	205,068,100	227,853,500

Division of Medicaid

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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9. Receipt Authority

Enhanced, Expansion

The agency requests a reduction of \$11,097,400 from the General Fund, a decrease of \$74,679,800 from federal funds, and an increase of \$100,777,200 from the Cooperative Welfare (dedicated) Fund to account for increases in receipts. Receipts are funds outside of state and federal funds, and are realized through drug rebates, cost settlements, and third-party collections. Currently, the Enhanced Plan has \$165,858,800 in the Base for receipting authority, while the Expansion Plan has \$0. The request includes an additional \$15,000,000 over receipt income forecasts for the Expansion Plan to ensure adequate cushion, hence while the request does not net to zero. Receipt funds are used in lieu of asking for additional General Fund and federal fund appropriation.

Agency Request	0.00	(11,097,400)	100,777,200	(74,679,800)	15,000,000
Governor's Recommendation	0.00	(11,097,400)	100,777,200	(74,679,800)	15,000,000

FY 2021 Total Appropriation

Agency Request	216.00	688,159,900	373,587,000	2,388,094,800	3,449,841,700
Governor's Recommendation	216.00	688,159,900	373,587,000	2,388,094,800	3,449,841,700

Executive Holdback

This adjustment reflects a 5% temporary reduction in General Fund spending authority (holdback) for FY 2021 issued through Executive Order No. 2020-14. This reduction is restored as a base adjustment in FY 2022, below.

Agency Request	0.00	(36,198,600)	0	0	(36,198,600)
Governor's Recommendation	0.00	(36,198,600)	0	0	(36,198,600)

Noncognizable Funds and Transfers

Medicaid Administration and Medical Mgmt

Transfers out 3.00 FTP to the Physical Health Services Program to support COVID relief efforts.

Agency Request	(3.00)	0	0	0	0
Governor's Recommendation	(3.00)	0	0	0	0

FY 2021 Estimated Expenditures

Agency Request	213.00	651,961,300	373,587,000	2,388,094,800	3,413,643,100
Governor's Recommendation	213.00	651,961,300	373,587,000	2,388,094,800	3,413,643,100

Removal of Onetime Expenditures

Removes onetime appropriation for line items in FY 2021, and the onetime Supplemental Request 4.

Agency Request	0.00	(25,720,600)	(15,203,200)	(250,412,500)	(291,336,300)
<i>Recommended by the Governor, and removes the onetime Supplemental Request 1.</i>					
Governor's Recommendation	0.00	(34,220,600)	(15,203,200)	(250,412,500)	(299,836,300)

Base Adjustments

This adjustment restores the onetime transfers and additions due to the COVID-19-related changes.

Agency Request	0.00	58,856,700	0	(113,700,000)	(54,843,300)
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	58,856,700	0	(113,700,000)	(54,843,300)

Restore Rescissions

This adjustment restores the 5% General Fund holdback removed as a current year expenditure adjustment, above.

Agency Request	0.00	36,198,600	0	0	36,198,600
Governor's Recommendation	0.00	36,198,600	0	0	36,198,600

FY 2022 Base

Agency Request	213.00	721,296,000	358,383,800	2,023,982,300	3,103,662,100
Governor's Recommendation	213.00	712,796,000	358,383,800	2,023,982,300	3,095,162,100

Division of Medicaid

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs			Medicaid Administration and Medical Mgmt		
Employer-paid benefit changes include an 11% increase (or \$1,280 per eligible FTP) for health insurance, bringing the total appropriation to \$12,930 per FTP. Also included is a restoration of the unemployment insurance rate, a partial restoration of the unused sick leave rate, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	141,400	700	219,400	361,500
<i>The Governor recommends no increase for health insurance due to fewer claims than expected and a one-year holiday for employers who contribute to the PERSI-managed sick leave plan.</i>					
Governor's Recommendation	0.00	22,100	0	34,200	56,300
Statewide Cost Allocation			Medicaid Administration and Medical Mgmt		
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management costs will decrease by \$3,400.					
Agency Request	0.00	(1,700)	0	(1,700)	(3,400)
Governor's Recommendation	0.00	(1,700)	0	(1,700)	(3,400)
Change in Employee Compensation			Medicaid Administration and Medical Mgmt		
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	58,800	1,000	91,100	150,900
<i>The Governor recommends a 2% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
Governor's Recommendation	0.00	115,100	2,000	178,400	295,500

Division of Medicaid

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Nondiscretionary Adjustments

The Division of Medicaid requests \$596,633,100 for the following nondiscretionary adjustments. This includes an increase of \$91,418,600 from the General Fund, \$58,211,900 from dedicated funds, and \$447,002,500 in federal funds.

COST-BASED PRICING: Increases of \$2,468,500 from the General Fund and \$52,897,600 in federal funds. Medicaid reimburses certain entities such as hospitals, nursing facilities, home health, and prescription drug companies for the cost of providing goods or services. Other providers are often paid based on the established Medicaid-approved rate. Cost-surveys are conducted frequently to ensure that the reimbursement amount is accurate.

MANDATORY PRICING: Increases of \$534,100 from the General Fund and \$1,703,400 in federal funds. Mandatory pricing relates to Medicaid being required to pay for services at a federally designated rate; this includes Federally Qualified Health Centers (FQHC), Rural Health Clinics (RHC), and Indian Health Clinics (IHC).

CASELOAD: Increases of \$50,896,000 from the General Fund and \$199,019,300 in federal funds. Caseload is the number of estimated new Idahoans eligible for Medicaid services. Traditional Medicaid caseload is expected to increase from 273,439 in FY 2021 to 279,582 in FY 2022. The Expansion Plan caseload is expected to increase from 97,787 in FY 2021 to 115,745 in FY 2022.

UTILIZATION: Increases of \$43,173,600 from the General Fund and \$222,480,500 in federal funds. Utilization is the estimated change for the use of services provided in Medicaid.

FMAP ADJUSTMENT: An increase of \$3,138,800 from the General Fund and a decrease of a like amount in federal funds to reflect the changes in the blended Federal Medical Assistance Percentage (FMAP) rate, which is the federal share of eligible Medicaid payments for the majority of services provided. The blended rate will change from 70.41% to 70.21% for FY 2022.

NURSING FACILITY PATIENT-DRIVEN PAYMENT MODEL (PPM) UPPER PAYMENT LIMIT (UPL): The request includes an increase of \$6,081,000 in dedicated funds, \$16,422,000 in federal funds, and \$957,000 in receipts to support increases in quality performance payments within Idaho nursing facilities due to changes to Medicare payment methods. In 2018, the Centers for Medicaid and Medicare Services (CMS) changed the payment methodology for Medicare, which increased the overall payments.

RECEIPT AUTHORITY: The request shifts \$8,792,400 from the General Fund and \$42,381,500 from federal funds to receipt authority. Receipt authority is used to accept drug rebates, cost settlements, and third-party collections.

ANALYST NOTE: Of the amounts noted above, \$22,785,400 from the General Fund and \$205,068,100 in federal funds are included as a onetime supplemental in Supplemental Request 4, "program growth." If that supplemental amount were made ongoing, the all funds total for nondiscretionary adjustments would be reduced by \$227,853,500, as the amount would already be in the base appropriation.

Agency Request	0.00	91,418,600	58,211,900	447,002,500	596,633,000
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The Governor recommends \$8.5 million be added back in nondiscretionary adjustments for Medicaid expansion and includes an additional \$880,900 from the Millennium Income Fund and the remainder from the General Fund. This is the same amount that the Governor recommended as onetime in Supplemental Request 1.

Governor's Recommendation	0.00	99,037,700	59,092,800	447,002,500	605,133,000
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FY 2022 Program Maintenance					
Agency Request	213.00	812,913,100	416,597,400	2,471,293,600	3,700,804,100
Governor's Recommendation	213.00	811,969,200	417,478,600	2,471,195,700	3,700,643,500

Division of Medicaid

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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1. Medicaid Cost Containment

Basic, Coordinated, Enhanced, Expansion

The department requests an appropriation reduction of \$118,400,000 from all fund sources, with the intent that the department will collaborate with the Legislature on identifying policy driven solutions to contain costs in Medicaid. While the department has identified a dollar amount for reduction, the department provided limited details for achieving those reductions. The department is requesting the Legislature work with the department to find areas in Medicaid that can be modified to lower costs. The department did provide some suggestions of areas to reduce, but overall did not indicate its preference or recommendation for reductions. Department suggested options, which have both pros and cons to implementation and potential litigation, include: cutting provider reimbursement rates; reducing benefits or eliminating optional benefits; and increasing assessments on hospitals, skilled nursing facilities, and intermediate care facilities for the intellectually disabled. Several sections of Idaho Code would need to be amended to achieve these projected savings

ANALYST NOTE: As of December 2020 no public draft legislation is available to review. If the Legislature does not change Idaho Code for this purpose, it will need to find \$30.2 million from the General Fund.

Agency Request	0.00	(30,200,000)	0	(88,200,000)	(118,400,000)
Governor's Recommendation	0.00	(30,200,000)	0	(88,200,000)	(118,400,000)

2. Electronic Visit Verification

Medicaid Administration and Medical Mgmt

The department requests a total of \$763,700 ongoing in operating expenditures for the ongoing system funding for the electronic visiting verification (EVV) system. In December 2016, Congress enacted the 21st Century Cures Act and Section 12006(a) mandates that states implement EVV for all Medicaid personal care services (PCS) and home healthcare services (HHCS) that require an in-home visit by a provider. EVV is a method to verify that a home visit actually occurred for the patient during the time and location as billed to Medicaid. The EVV system must capture six data elements for each visit, including: type of service performed; individual who received the service; date of service; physical location of the service delivery; employee providing the service; and time the service begins and ends. In FY 2021, the agency requested and the Legislature appropriated onetime expenses related to the standup of this program, and the agency noted that an ongoing request would be made in subsequent budget years.

Agency Request	0.00	190,900	0	572,800	763,700
Governor's Recommendation	0.00	190,900	0	572,800	763,700

3. Patient Access and Interoperability

Medicaid Administration and Medical Mgmt

The department requests a total of \$935,000, of which \$575,000 is onetime and \$360,000 is ongoing, for a federally required system to share Medicaid payment and provider information with patients receiving services. In March 2020, federal rules were implemented which require this additional sharing of health information. This additional sharing of information will be built within the existing Medicaid information and claims payment system. The 21st Century Cures Act requires this system to be operational by July 1, 2021; the agency estimates that the design, development, testing, and implementation will take up to four months and will begin when funding is available.

Agency Request	0.00	147,500	0	787,500	935,000
Governor's Recommendation	0.00	147,500	0	787,500	935,000

4. Managed Care Accountability and Auditing

Medicaid Administration and Medical Mgmt

The department requests a total of \$424,000, of which \$318,000 is onetime and \$103,000 is ongoing, for reviews and audits of payments to managed care contractors and the data submitted to the Division of Medicaid that supports those payments. Medicaid managed care plans include: Idaho Behavioral Health Plan (IBHP); Idaho Smiles Dental; Medicare-Medicaid Coordinated Plan (MMCP); Idaho Medicaid Plus (IMPlus); and Non-Emergency Medical Transportation (NEMT). Federal regulations found at 42 CFR 438.602(e) require audits to be conducted at least once every three years. The onetime funds will be used to conduct audits for all of the programs in FY 2022. The ongoing funds will be used to conduct audits at regular intervals, instead of all programs at once.

Agency Request	0.00	212,000	0	212,000	424,000
Governor's Recommendation	0.00	212,000	0	212,000	424,000

Division of Medicaid

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
8. Idaho Veterans Services			Coordinated and Enhanced Medicaid Plans		
The department requests a total increase of \$3,400,000 ongoing to change the current reimbursement methodology for the Idaho Division of Veterans Services. This additional appropriation will allow Medicaid to pay the division 100% of the cost-based reimbursement and maximize federal matching funds. Veterans Services is being reimbursed 82.27% of its costs under the current methodology and this request would allow the department to be reimbursed at 100% of its costs, which is consistent with other state-owned facility methodologies. This change in reimbursement methodology is allowable by House Bill 336 (2018), which amended Section 56-1503 and 56-1504, Idaho Code.					
Agency Request	0.00	0	1,000,000	2,400,000	3,400,000
Governor's Recommendation	0.00	0	1,000,000	2,400,000	3,400,000
11. County Contribution - Expansion				Expansion Medicaid Plan	
Agency Request	0.00	0	0	0	0
The Governor recommends \$12,500,000 in dedicated funds to be received from the counties recognizing the estimated savings to the counties as a result of Medicaid Expansion. This decision unit includes a corresponding General Fund reduction.					
<i>Analyst Note: This fund shift is subject to legislation to be addressed during the 2021 Legislative Session. If the Legislature does not change Idaho Code for this purpose, it will need to find equivalent funding from state sources to fully fund the state's share of estimated claims in fiscal year 2022.</i>					
Governor's Recommendation	0.00	(12,500,000)	12,500,000	0	0
FY 2022 Total					
Agency Request	213.00	783,263,500	417,597,400	2,387,065,900	3,587,926,800
Governor's Recommendation	213.00	769,819,600	430,978,600	2,386,968,000	3,587,766,200
Agency Request					
Change from Original App	(3.00)	59,291,600	144,787,600	268,770,000	472,849,200
% Change from Original App	(1.4%)	8.2%	53.1%	12.7%	15.2%
Governor's Recommendation					
Change from Original App	(3.00)	45,847,700	158,168,800	268,672,100	472,688,600
% Change from Original App	(1.4%)	6.3%	58.0%	12.7%	15.2%

SFY 2022 10.xx's Medicaid Program Maintenance

		GENERAL	FEDERAL	TOTAL
BASIC				
Caseload Increases		\$ 25,671,000	\$ 41,485,700	\$ 67,156,700
Hospital		\$ (4,727,000)	\$ (7,639,200)	\$ (12,366,200)
Nursing Facility		\$ -	\$ -	\$ -
ICFs/ID		\$ -	\$ -	\$ -
Home Health		\$ 2,700	\$ 4,300	\$ 7,000
Rx Drugs		\$ 973,700	\$ 1,573,500	\$ 2,547,200
SubTtl		\$ (3,750,600)	\$ (6,061,400)	\$ (9,812,000)
Utilization		\$ 3,826,500	\$ 6,183,800	\$ 10,010,300
Cost Based Pricing & Utilization Increases		\$ 75,900	\$ 122,400	\$ 198,300
Mandatory Pricing Increases		\$ 204,900	\$ 331,100	\$ 536,000
Basic Total		\$ 25,951,800	\$ 41,939,200	\$ 67,891,000
ENHANCED				
Caseload Increases		\$ 5,762,500	\$ 9,312,500	\$ 15,075,000
Hospital		\$ (3,485,200)	\$ (5,632,200)	\$ (9,117,400)
Nursing Facility		\$ (1,176,400)	\$ (1,901,100)	\$ (3,077,500)
ICFs/ID		\$ 173,700	\$ 280,800	\$ 454,500
Home Health		\$ 61,900	\$ 100,000	\$ 161,900
Rx Drugs		\$ 1,490,700	\$ 2,408,900	\$ 3,899,600
SubTtl		\$ (2,935,300)	\$ (4,743,600)	\$ (7,678,900)
Utilization		\$ 9,139,100	\$ 14,769,300	\$ 23,908,400
Total Cost Based Pricing & Utilization Increases		\$ 6,203,800	\$ 10,025,700	\$ 16,229,500
Mandatory Pricing Increases		\$ 111,200	\$ 179,800	\$ 291,000
Enhanced Total		\$ 12,077,500	\$ 19,518,000	\$ 31,595,500
COORDINATED				
Caseload Increases		\$ 3,648,700	\$ 5,896,600	\$ 9,545,300
Hospital		\$ 1,108,300	\$ 1,791,300	\$ 2,899,600
Nursing Facility		\$ 1,223,400	\$ 1,977,000	\$ 3,200,400
ICFs/ID		\$ 180,300	\$ 291,400	\$ 471,700
Home Health		\$ 10,400	\$ 16,800	\$ 27,200
Rx Drugs		\$ 8,200	\$ 13,200	\$ 21,400
SubTtl		\$ 2,530,600	\$ 4,089,700	\$ 6,620,300
Utilization		\$ 9,526,700	\$ 15,395,800	\$ 24,922,500
Cost Based Pricing & Utilization Increases		\$ 12,057,300	\$ 19,485,500	\$ 31,542,800
* Mandatory Pricing Increases		\$ 104,200	\$ 168,400	\$ 272,600
Coordinated Total		\$ 15,810,200	\$ 25,550,500	\$ 41,360,700
EXPANSION				
Caseload Increases		\$ 15,813,800	\$ 142,324,500	\$ 158,138,300
Hospital		\$ 3,707,300	\$ 33,365,300	\$ 37,072,600
Nursing Facility		\$ 38,100	\$ 342,900	\$ 381,000
ICFs/ID		\$ 1,600	\$ 14,900	\$ 16,500
Home Health		\$ 22,400	\$ 200,800	\$ 223,200
Rx Drugs		\$ 2,854,400	\$ 25,689,000	\$ 28,543,400
SubTtl		\$ 6,623,800	\$ 59,612,900	\$ 66,236,700
Utilization		\$ 20,681,300	\$ 186,131,600	\$ 206,812,900
Cost Based Pricing & Utilization Increases		\$ 27,305,100	\$ 245,744,500	\$ 273,049,600
Mandatory Pricing Increases		\$ 113,800	\$ 1,024,100	\$ 1,137,900
Expansion Total		\$ 43,232,700	\$ 389,093,100	\$ 432,325,800
OVERALL				
Caseload Increases		\$ 50,896,000	\$ 199,019,300	\$ 249,915,300
Hospital		\$ (3,396,600)	\$ 21,885,200	\$ 18,488,600
Nursing Facility		\$ 85,100	\$ 418,800	\$ 503,900
ICFs/ID		\$ 355,600	\$ 587,100	\$ 942,700
Home Health		\$ 97,400	\$ 321,900	\$ 419,300
Rx Drugs		\$ 5,327,000	\$ 29,684,600	\$ 35,011,600
SubTtl		\$ 2,468,500	\$ 52,897,600	\$ 55,366,100
Utilization		\$ 43,173,600	\$ 222,480,500	\$ 265,654,100
Cost Based Pricing & Utilization Increases		\$ 45,642,100	\$ 275,378,100	\$ 321,020,200
Mandatory Pricing Increases		\$ 534,100	\$ 1,703,400	\$ 2,237,500
		\$ 97,072,200	\$ 476,100,800	\$ 573,173,000

SFY22 Request 10.XX					
	Cost increase	Federal Mandate	Caseload	Utilization	
Total General Funds	\$ 2,468,500	\$ 534,100	\$ 50,896,000	\$ 43,173,600	\$ 97,072,200
Federal Funds	\$ 52,897,600	\$ 1,703,400	\$ 199,019,300	\$ 222,480,500	\$ 476,100,800
Total Funds	\$ 55,366,100	\$ 2,237,500	\$ 249,915,300	\$ 265,654,100	\$ 573,173,000
% of Total	9.66%	0.39%	43.60%	46.35%	100.00%