Catastrophic Health Care Program

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2020 Total App	FY 2020 Actual	FY 2021 Approp	FY 2022 Request	*FY 2022 Gov Rec*
BY FUND CATEGORY					
General	10,000,500	10,000,500	3,500,600	8,500,600	*8,500,600*
Percent Change:		0.0%	(65.0%)	142.8%	*142.8%*
BY OBJECT OF EXPENDITURE					
Operating Expenditures	425,800	425,800	426,400	426,400	*426,400*
Trustee/Benefit	9,574,700	9,574,700	3,074,200	8,074,200	*8,074,200*
Total:	**10,000,500**	**10,000,500**	**3,500,600**	**8,500,600**	***8,500,600***

Department Description

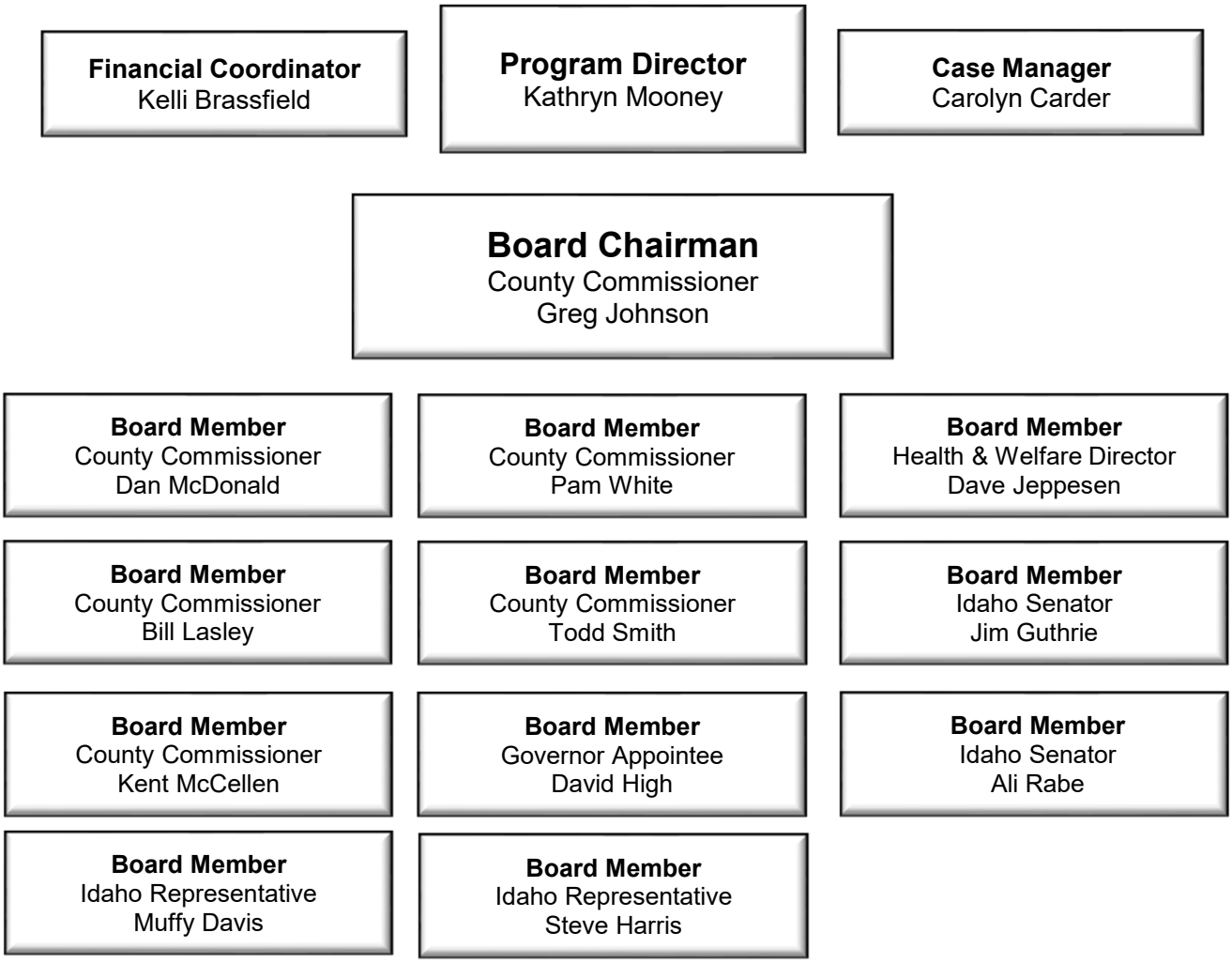
The Catastrophic Health Care Program was established in Chapter 35, Title 31, Idaho Code, to meet the needs of the medically indigent residents in Idaho who do not qualify for state or federal health and welfare programs, but do qualify for county assistance. Beginning July 1, 2009, the county is responsible for the first $11,000 in medical bills for the medically indigent in any twelve-month period. The state program is responsible for all medical bills in excess of $11,000. Appropriations from the General Fund to this program are transferred into the Catastrophic Health Care Fund which is continuously appropriated for expenses incurred, as provided in Section 57-813, Idaho Code.

The Catastrophic Health Care Board consists of six county commissioners, two senators (one per political party), two representatives (one per political party), one appointee of the governor, and the director of the Idaho Department of Health and Welfare. The board will elect a chairman, vice-chairman, and secretary. The board facilitates payments to providers, makes decisions on eligibility, and all other purposes of administering the program. The program is managed through a contract between the state of Idaho and the Idaho Association of Counties, and operates with the equivalent of 2.50 FTP.

The 2021 Catastrophic Health Care Program - Annual Report was emailed to JFAC Members on 2/2/2021 at 10:30 AM.

Catastrophic Health Care Board
Organizational Chart

Analyst: Tatro



*There are 0.00 FTP associated with this program. The CAT Fund is managed through contract with the Idaho Association of Counties.

Revenue and Payments Summary

Fiscal Year	All Cases	CAT Board Approved Cases	Previous Year Bills ($)	Reimbursed + Seatbelt Income ($)	Orig App ($)	Supp/Rec ($)	Actual State Medical Payments ($)	Actual County Medical Payments ($)	Total County/ State Medical Payments ($)
2001	5,267	724	0	1,152,622	10,735,000	0	11,886,143	12,209,538	24,095,681
2002	5,498	771	0	1,417,131	10,735,000	(400,000)	14,082,039	11,204,359	25,286,398
2003	6,194	808	250,000	1,665,385	10,435,000	1,693,800	14,139,743	13,915,675	28,055,418
2004	4,910	810	690,000	2,191,307	8,961,700	4,000,000	14,907,239	12,873,373	27,780,612
2005	4,872	849	170,000	2,114,378	12,660,500	3,675,000	18,512,162	14,006,629	32,518,791
2006	3,832	1,063	3,575,000	2,465,896	15,260,300	5,000,000	23,023,445	15,335,534	38,358,979
2007	3,709	969	0	3,298,203	20,766,800	0	24,423,500	13,943,317	38,366,817
2008	3,771	1,101	0	3,691,538	20,768,400	0	25,190,800	16,550,075	41,740,875
2009	4,323	1,187	833,110	3,071,237	20,767,700	2,500,000	26,435,296	18,081,233	44,516,529
2010	4,358	1,298	2,733,308	2,902,284	19,771,700	14,000,000	31,002,741	13,563,564	44,566,305
2011	4,590	1,286	5,548,363	2,473,822	18,271,200	4,325,000	31,044,251	20,440,521	51,484,772
2012	6,491	1,292	349,919	2,878,525	22,267,700	13,070,000	38,585,783	16,686,608	55,272,391
2013	5,308	1,150	0	2,349,459	36,532,800	(6,000,000)	30,643,501	22,026,551	52,670,052
2014	4,839	1,108	155,894	2,617,590	34,830,100	(6,430,773)	28,979,875	22,548,851	51,528,726
2015	3,795	721	0	2,647,375	34,966,300		18,582,666	17,746,547	36,329,213
2016	4,080	634	0	3,104,922	27,000,000	(28,892,700)	16,582,239	17,367,397	33,949,636
2017	4,195	584	0	2,523,015	18,000,000	(4,945,100)	12,343,855	17,061,579	29,405,434
2018	4,776	820	0	2,992,862	17,999,500	0	19,995,842	21,012,295	41,008,137
2019	4,567	744	0	3,575,210	9,999,500	2,000,000	17,515,092	20,196,433	37,711,525
2020	4,233	698	0	3,130,370	10,000,500	0	19,445,579	18,847,637	38,293,216

All Cases: Number of indigent cases reported by counties, including CAT Board Approved, and those that cost less than the catastrophic amount.
CAT Board Approved Cases: The number of indigent cases that exceed the catastrophic amount of $11,000.
Previous Year Bills: The amount of bills unpaid in the prior year.
Reimbursed + Seatbelt Income: Amount received from indigents who are able to pay a portion of their bills. Reimbursed funds are continuously appropriated. Seatbelt income is the revenue received from seatbelt ticket fines per Section 49-673, Idaho Code.
Orig App: Original appropriation for that fiscal year.
Supp/(Rescission): Supplemental or rescission for that fiscal year.
Actual State Payments: As reported for the fiscal year in the statewide accounting system.
Actual County Payments: As reported by the counties.
Total Reported County/State Medical Payments: As reported in the Catastrophic Health Care Cost Program Annual Report.

Catastrophic Health Care Program

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request FTP	Agency Request General	Agency Request Total	*Governor's Rec FTP*	*Governor's Rec General*	*Governor's Rec Total*
FY 2021 Original Appropriation	**0.00**	**3,500,600**	**3,500,600**	***0.00***	***3,500,600***	***3,500,600***
1. Claims Payments	0.00	6,000,000	6,000,000	*0.00*	*6,000,000*	*6,000,000*
FY 2021 Total Appropriation	**0.00**	**9,500,600**	**9,500,600**	***0.00***	***9,500,600***	***9,500,600***
Removal of Onetime Expenditures	0.00	(1,000,000)	(1,000,000)	*0.00*	*(1,000,000)*	*(1,000,000)*
FY 2022 Base	**0.00**	**8,500,600**	**8,500,600**	***0.00***	***8,500,600***	***8,500,600***
FY 2022 Total	**0.00**	**8,500,600**	**8,500,600**	***0.00***	***8,500,600***	***8,500,600***
Change from Original Appropriation	0.00	5,000,000	5,000,000	*0.00*	*5,000,000*	*5,000,000*
% Change from Original Appropriation		142.8%	142.8%		142.8%	142.8%

Catastrophic Health Care Program

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2021 Original Appropriation					
	0.00	3,500,600	0	0	3,500,600

1. Claims Payments

The Catastrophic Health Care Program (CAT Program) requests $6,000,000 from the General Fund to pay claims in the current year. Of the request, $5,000,000 is ongoing and $1,000,000 is onetime. CAT Board approved cases and average case costs have remained at similar levels for 2019 and 2020. As a result of the consistent amounts, the CAT Program is requesting a supplemental to cover claims in FY 2021 and the ongoing amount will be used for estimated claims in FY 2022. This program continues to anticipate cost reductions as Medicaid expansion is implemented, but with the COVID pandemic and the timeframe needed to address claims, the full savings will not be realized as soon as first anticipated. The program estimates claim payments at about $15,000,000 for FY 2021 and closer to $12,000,000 in FY 2022. The current year financial situation for the program included a $4,231,800 beginning cash balance, a $3,500,600 original appropriation, and an estimated $3,300,000 in reimbursements and other revenue for a total of $11,032,400. The supplemental request if approved would provide an additional $6,000,000 or $2,032,400 more than is estimated for claims in the current year. This supplemental request is estimated to provide sufficient funds for the current year and leave a consistent estimated cash balance for FY 2022. For the past few years JFAC has tried to leave a $2-$2.5 million ending cash balance as large-amount claims are not uncommon with this program.

For FY 2022, the available revenue is estimated at $13,833,000 and includes: the estimated beginning cash balance of $2,032,400, $5,000,000 for the ongoing portion of the supplemental request, and $3,300,000 for next year's estimated revenue. If these amounts prove true, the program would finish FY 2022 with $1,833,000 more than the $12,000,000 in estimated claims. The program will continue to provide the Legislature and the Governor with updated amounts regularly to ensure the supplemental request is for the most accurate amount prior to budget setting.

Agency Request	0.00	6,000,000	0	0	6,000,000
Governor's Recommendation	*0.00*	*6,000,000*	*0*	*0*	*6,000,000*
FY 2021 Total Appropriation					
Agency Request	0.00	9,500,600	0	0	9,500,600
Governor's Recommendation	*0.00*	*9,500,600*	*0*	*0*	*9,500,600*

Removal of Onetime Expenditures

Removes $1,000,000 of onetime appropriation that was requested for claim payments in FY 2021.

Agency Request	0.00	(1,000,000)	0	0	(1,000,000)
Governor's Recommendation	*0.00*	*(1,000,000)*	*0*	*0*	*(1,000,000)*
FY 2022 Base					
Agency Request	0.00	8,500,600	0	0	8,500,600
Governor's Recommendation	*0.00*	*8,500,600*	*0*	*0*	*8,500,600*
FY 2022 Total					
Agency Request	0.00	8,500,600	0	0	8,500,600
Governor's Recommendation	*0.00*	*8,500,600*	*0*	*0*	*8,500,600*
Agency Request					
Change from Original App	0.00	5,000,000	0	0	5,000,000
% Change from Original App		142.8%			142.8%
Governor's Recommendation					
Change from Original App	*0.00*	*5,000,000*	*0*	*0*	*5,000,000*
% Change from Original App		*142.8%*			*142.8%*

Part I – Agency Profile

Agency Overview

In 1982, legislation was enacted to establish the Catastrophic Health Care Cost Program. (CAT) The program was designed by the counties, for the counties to cover the cost of treatment for catastrophic illness suffered by county residents who have no means to pay for the cost of that care. The program picks up the additional medical costs of these residents once the counties verify that payments have exceeded $11,000 during a 12-month period. Legislation was enacted in 1991 to shift the program from county to state funding in FY 1994.

The CAT fund is governed by an administrative board, which is made up of a county commissioner representative from each of the six IAC districts in Idaho, one governor's appointee, four legislators—two from the Senate and two from the House, as appointed by the legislative leadership —and a representative chosen by the director of the Idaho Department of Health & Welfare. Each commissioner serves a two-year term, is elected by the county commissioners of their district, and can serve as many consecutive terms as they are elected for. The governor's appointee serves at the pleasure of the governor; the health & welfare representative serves at the pleasure of the director of the dept. of Health & Welfare, and legislators serve at the pleasure of their leadership.

The Catastrophic Health Care Cost Program Board acts as the administrator for the fund and contracts out the day-to-day business of managing the CAT program to the Idaho Association of Counties. The contractor sees to the processing of all CAT cases, from initial case review to presenting them to the CAT board for determination, to the processing of payment of approved medical claims submitted for consideration by the counties. The contractor works closely with the social service directors and clerks of each county to provide training and support. The fund has an annual independent audit done which is supplied to the state controller's office for inclusion in the state accounting report (CAFR).

It continues to be a challenge to meet the ever-growing needs of medical providers on behalf of the citizens of Idaho. The CAT board of directors is diligent in their efforts to protect both county and state taxpayer dollars. We have implemented a number of policies and programs which have saved money over the past 9 years. With the federal change in the ACA mandate for individual health insurance coverage, both the CAT fund and county indigent program have seen some rise in spending from the low of 2017.

Core Functions/Idaho Code

The purpose of the CAT fund is to assist in covering Idaho residents' medical expenses when they are eligible for the programs by meeting the criteria for the *medically* indigent definition in statute. People must first qualify for financial assistance through an application process with their county. The counties pay the first $11,000 of eligible medical claims. The counties then submit the cases to the CAT fund for consideration of payment by the state of the remainder of the claims. After a review by the CAT board of directors, the state pays approved claims which exceed $11,000.00 per applicant during a 12-month period. Property liens (both real and personal) are placed and administered by the county, and the applicant must repay the debt over time. All pursuant to Chapter 35, Title 31, Idaho Code.

Budgeting for 2022

Determining estimates for FY 2022 will be a challenge. The unpredictability of this program lies in the essence of its creation. It is not practicable to attempt to predict catastrophic medical events in people's lives. The fund used its full appropriation for fiscal 2018 as well as some reserve cash. Fiscal 2019 showed strong program usage as well; although the expenditures did not exceed 2018. In FY2020 we returned to 2018 spending levels. Cases proved to be more expensive on a case by case basis. The second half of the year did not decline in reaction to Medicaid expansion on January 1, 2020 as was first anticipated. Prudent decision making insists a cushion must be included to account for the inconsistencies that abound in this unique program. Many outside factors contribute to the inconsistent spending pattern of this program. We must also factor in Idahoans' lifestyle choices, such as a person's choice to maintain medical insurance, and now, the change in eligibility requirements for Medicaid coverage in Idaho.

Fiscal year 2021 will be new territory for the CAT program with new, yet unrealized, budgeting considerations. That being said, what we know the primary user group for the CAT fund is single adults with no children in the home between the ages of 18 and 64. This also identifies the new expansion group for Medicaid coverage. We are anticipating, based on IDHW's assumptions, the CAT program reduction in case load will be approximately 80%...eventually. Judging by the high expenditures for FY2020, it will take longer for cases and claims to filter through the system than we had first predicted. The same assumptions cannot be applied equally to dollar amount however. We must provide some allowance for large unexpected emergencies.

Revenue and Expenditures

Revenue	FY 2017	FY 2018	FY 2019	FY 2020
CAT Health Care - General	$18,000,000	$ 17,999,500	$ 11,999,700	$ 10,000,500
Negative Approp./Cash Transfers	($4,945,100)			
CAT Health Care - Other	$ 2,690,377	$ 3,298,196	$ 3,954,431	$ 3,434,097
Total	**$15,745,277**	**$21,297,696**	**$ 15,954,131**	**$ 13,434,597**
Expenditures	**FY 2017**	**FY 2018**	**FY 2019**	**FY2020**
Operating Expenditures	$ 371,762	$ 423,249	$ 419,062	$ 478,231
Trustee/Benefit Payments	$ 12,343,855	$ 19,995,842	$ 17,515,092	$ 19,445,579
Total	**$ 12,715,617**	**$ 20,419,091**	**$ 17,934,154**	**$ 19,923,810**

(Note: Revenue does not include noncogs and receipts to appropriation.)

Profile of Cases Managed and/or Key Services Provided

Cases Managed and/or Key Services Provided	FY 2017	FY 2018	FY 2019	FY 2020
Payments for medical services	$12,343,855	$ 19,995,842	$17,515,092	$ 19,445,579
No. of New CAT Cases Fiscal year	584	820	744	698
Cost per case	$ 21,137	$ 24,385	$ 23,541	$ 27,859

Red Tape Reduction Act

Each agency shall incorporate into its strategic plan a summary of how it will implement the Red Tape Reduction Act, including any associated goals, objectives, tasks, or performance targets. This information may be included as an addendum.

	As of July 1, 2019	As of July 1, 2020
Number of Chapters	*N/A*	*N/A*
Number of Words	*N/A*	*N/A*
Number of Restrictions	*N/A*	*N/A*

The Catastrophic Health Care Cost Program does not have IDAPA rules associated with its program.

Part II – Performance Measures

Performance Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Goal 1 *To cover the cost of treatment for catastrophic illness suffered by county residents who have no other means to pay for the cost of that care. The program picks up the additional medical costs of these residents once the counties verify the charges have exceeded $11,000 during a 12-month period.*						
1. To pay medical bills for qualified medically indigent residents exceeding $11,000.	actual	Paid $12,343,855 in claims for 584 indigents	Paid $19,995,842 in claims for 820 indigents	Paid $17,515,092 In claims for 744 indigents	Paid $19,445,579 In claims for 698 indigents	----------
	target	*To pay $18,000,000 in*	*To Pay $15,000,000 in*	*To Pay $20,500,000 in*	*To Pay $15,000,000*	*To Pay $15,000,000*

Performance Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
		claims for 650 indigents	*claims for 625 indigents*	*claims for 750 indigents*		
2. Administer the fees and costs paid.	actual	$371,762	$423,249	$419,062	478,231	----------
	target	*$380,000*	*$380,000*	*$430,000*	*$400,000*	*$350,000*
3. Collect reimbursements from those county residents approved as medically indigent.	actual	Received $2,445,474	Received $2,919,456	Received $3,515,740	Received $3,083,331	----------
	target	*To receive $2,500,000*	*To receive $2,500,000*	*To receive $2,750,000*	*To receive 2,500,000*	

For More Information Contact

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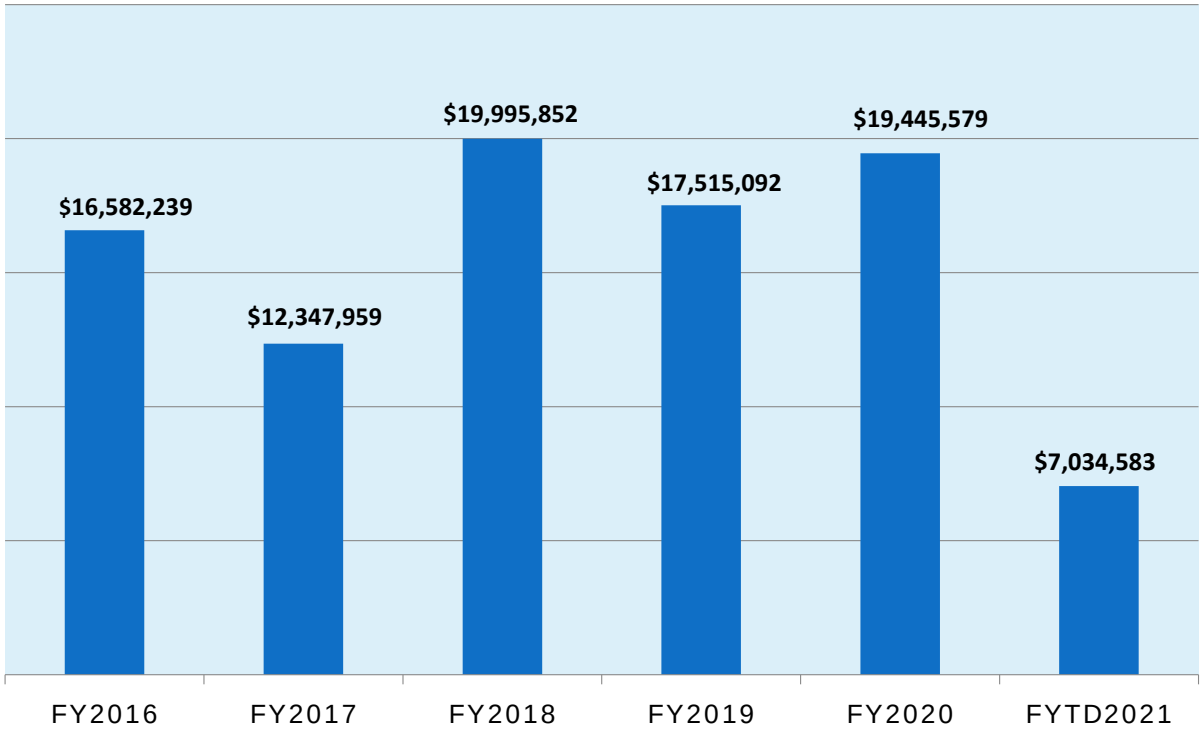
CATASTROPHIC HEALTH CARE COST PROGRAM
BOARD MEMBERS

Greg Johnson	Chairman	IAC Region 2	Lewis County
Kent McClellan	Vice Chair	IAC Region 4	Minidoka County
Bill Lasley	Secretary	IAC Region 5	Power County
Dan McDonald		IAC Region 1	Bonner County
Pam White		IAC Region 3	Canyon County
Todd Smith		IAC Region 6	Madison County
David High		Governor's Appointee	Boise
Dave Jeppeson		Director	Dept. H&W
Senator Jim Guthrie		Leg. District 28	McCammon
Senator Ali Rabe		Leg. District 17	Boise
Rep. Muffy Davis		Leg. District 26	Hailey
Rep. Steve Harris		Leg. District 21	Meridian

History of CAT Claims Paid

	2016	2017	2018	2019	2020	FYTD 2021
No. of cases Approved	634	584	820	744	698	234
Provider Payments	$16,582,239	$12,352,238	$19,995,852	$17,545,465	$19,445,579	$7,034,583
Average cost per Case	$26,155	$21,151	$23,730	$23,541	$27,859	$30,062

PROVIDER PAYMENTS WITH FYTD 2021



FYTD is 7 months, July '20-Jan.'21.

CAT Cases & Total State Dollars
July 1, 2020 to January 31, 2020

COUNTY	NO. OF CASES	PROVIDER PAYMENTS		COUNTY	NO. OF CASES	PROVIDER PAYMENTS
ADA	79	$2,481,208		GOODING	7	$249,122
ADAMS	2	$120,263		IDAHO	5	$229,603
BANNOCK	11	$274,356		JEFFERSON	3	$26,183
BEAR LAKE	0	$0		JEROME	9	$341,133
BENEWAH	1	$28,934		KOOTENAI	4	$145,361
BINGHAM	6	$83,776		LATAH	2	$39,825
BLAINE	5	$154,294		LEMHI	2	$87,454
BOISE	5	$217,038		LEWIS	0	$0
BONNER	1	$10,815		LINCOLN	0	$0
BONNEVILLE	8	$154,117		MADISON	3	$138,944
BOUNDARY	0	$0		MINIDOKA	4	$99,066
BUTTE	1	$11,709		NEZ PERCE	2	$10,608
CAMAS	0	$0		ONEIDA	0	$0
CANYON	31	$966,357		OWYHEE	3	$65,119
CARIBOU	0	$0		PAYETTE	7	$202,088
CASSIA	2	$49,702		POWER	0	$0
CLARK	0	$0		SHOSHONE	0	$0
CLEARWATER	3	$93,821		TETON	1	$26,475
CUSTER	1	$141,567		TWIN FALLS	7	$194,678
ELMORE	6	$140,814		VALLEY	7	$134,591
FRANKLIN	0	$0		WASHINGTON	3	$61,560
FREMONT	2	$12,259				
GEM	1	$41,744		TOTAL	234	$7,034,583