

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 681, As Amended in the Senate

BY STATE AFFAIRS COMMITTEE

AN ACT

1 RELATING TO THE MEDICALLY INDIGENT; AMENDING SECTION 31-3501, IDAHO CODE,  
2 TO PROVIDE AN ADDITIONAL POLICY STATEMENT AND TO REVISE TERMINOLOGY;  
3 AMENDING SECTION 31-3502, IDAHO CODE, TO REVISE DEFINITIONS; AMENDING  
4 SECTION 31-3503, IDAHO CODE, TO REVISE THE POWERS AND DUTIES OF THE  
5 COUNTY COMMISSIONERS AND TO REVISE TERMINOLOGY; AMENDING SECTION  
6 31-3503A, IDAHO CODE, TO REVISE THE POWERS AND DUTIES OF THE CATA-  
7 STROPHIC HEALTH CARE COST PROGRAM BOARD AND TO REVISE TERMINOLOGY;  
8 AMENDING SECTION 31-3503C, IDAHO CODE, TO REVISE TERMINOLOGY; AMENDING  
9 SECTION 31-3503E, IDAHO CODE, TO CLARIFY LANGUAGE AND TO PROVIDE FOR  
10 DEEMED CONSENT; AMENDING SECTION 31-3504, IDAHO CODE, TO REVISE A  
11 DEEMED CONSENT PROVISION, TO REVISE TERMINOLOGY, TO REVISE COUNTY CLERK  
12 DUTIES REGARDING DETERMINATION OF MEDICAID ELIGIBILITY, TO PROVIDE  
13 FOR A CERTAIN PROCEDURE DEPENDING ON WHETHER A PATIENT IS MEDICAID  
14 ELIGIBLE, TO PROVIDE FOR CERTAIN DISCRETION FOR THE COUNTY COMMIS-  
15 SIONERS AND THE BOARD AND TO PROVIDE CERTAIN PROCEDURES FOR HOSPITALS  
16 AND PROVIDERS SEEKING REIMBURSEMENT; AMENDING SECTION 31-3505, IDAHO  
17 CODE, TO CLARIFY AND REVISE TERMINOLOGY; AMENDING SECTION 31-3505A,  
18 IDAHO CODE, TO PROVIDE FOR CERTAIN PROCEDURES ESTABLISHED BY THE COUNTY  
19 COMMISSIONERS AND THE BOARD AND TO CLARIFY AND REVISE TERMINOLOGY;  
20 AMENDING SECTION 31-3505B, IDAHO CODE, TO REVISE TERMINOLOGY; AMENDING  
21 SECTION 31-3505C, IDAHO CODE, TO REVISE AND CLARIFY TERMINOLOGY, TO  
22 PROVIDE FOR THE SUSPENSION OF AN INITIAL DETERMINATION TO DENY AN APPLI-  
23 CATION ON SPECIFIED GROUNDS AND TO PROVIDE FOR A TOLLING OF CERTAIN TIME  
24 LIMITATIONS IN THE EVENT OF A SUSPENSION; AMENDING SECTION 31-3505D,  
25 IDAHO CODE, TO PROVIDE FOR APPEAL OF THE INITIAL DETERMINATION OF THE  
26 DENIAL OF AN APPLICATION AND TO REVISE TERMINOLOGY; AMENDING SECTION  
27 31-3505E, IDAHO CODE, TO REVISE AND CLARIFY TERMINOLOGY; AMENDING  
28 SECTION 31-3505F, IDAHO CODE, TO REVISE TERMINOLOGY; AMENDING SECTION  
29 31-3505G, IDAHO CODE, TO REVISE TERMINOLOGY; AMENDING SECTION 31-3507,  
30 IDAHO CODE, TO REMOVE CERTAIN HOSPITAL NOTIFICATION REQUIREMENTS, TO  
31 CLARIFY AND REVISE TERMINOLOGY AND TO MAKE A TECHNICAL CORRECTION;  
32 AMENDING SECTION 31-3508, IDAHO CODE, TO REQUIRE PARTICIPATION IN  
33 CERTAIN PROGRAMS BY CERTAIN HOSPITALS AND PROVIDERS AND TO PROVIDE LIM-  
34 ITATION ON PAYMENT BY THE BOARD AND COUNTIES; AMENDING SECTION 31-3509,  
35 IDAHO CODE, TO PROVIDE FOR CERTAIN PAYMENT AND BILLING LIMITATIONS,  
36 TO REVISE CERTAIN REQUIREMENTS FOR HOSPITALS AND PROVIDERS MAKING  
37 CLAIMS FOR REIMBURSEMENT, TO REVISE TERMINOLOGY, TO PROVIDE PAYMENT  
38 PROCEDURES UNDER SPECIFIED CIRCUMSTANCES, TO PROVIDE FOR THE PRORATING  
39 OF A FIRST LIEN AND TO PROVIDE FOR THE RECOVERY OF CERTAIN OVERPAY-  
40 MENTS; AMENDING SECTION 31-3510, IDAHO CODE, TO REVISE TERMINOLOGY AND  
41 TO PROVIDE FOR THE DETERMINATION OF ATTORNEY FEES; AMENDING SECTION  
42 31-3510A, IDAHO CODE, TO REVISE TERMINOLOGY; AMENDING SECTION 31-3511,  
43 IDAHO CODE, TO REVISE TO WHOM AND FROM WHOM CERTAIN RESPONSIBILITIES ARE  
44 OWING, TO REVISE TERMINOLOGY AND TO MAKE A TECHNICAL CORRECTION; AMEND-

1           ING SECTION 31-3512, IDAHO CODE, TO REVISE TERMINOLOGY AND TO MAKE A  
 2           TECHNICAL CORRECTION; AMENDING SECTION 31-3513, IDAHO CODE, TO PROVIDE  
 3           A CORRECT CODE REFERENCE AND TO REVISE TERMINOLOGY; AMENDING SECTION  
 4           31-3514, IDAHO CODE, TO REVISE TERMINOLOGY; AMENDING SECTION 31-3515,  
 5           IDAHO CODE, TO REVISE TERMINOLOGY; AMENDING SECTION 31-3515A, IDAHO  
 6           CODE, TO REVISE TERMINOLOGY; AMENDING SECTION 31-3517, IDAHO CODE, TO  
 7           REVISE TERMINOLOGY; AMENDING SECTION 31-3518, IDAHO CODE, TO PROVIDE  
 8           CERTAIN PAYMENTS, PROCEDURES AND LIMITATIONS REGARDING HOSPITALS, TO  
 9           REVISE TERMINOLOGY; AMENDING SECTION 31-3519, IDAHO CODE, TO REVISE  
 10          THE SERVICES FOR WHICH PAYMENT IS TO BE MADE, TO REVISE PROCEDURES FOR  
 11          MAKING CERTAIN PAYMENTS AND TO REVISE TERMINOLOGY; AMENDING SECTION  
 12          31-3520, IDAHO CODE, TO REVISE TERMINOLOGY; AND AMENDING SECTION  
 13          31-3521, IDAHO CODE, TO REVISE TERMINOLOGY AND TO MAKE A TECHNICAL  
 14          CORRECTION.

15       Be It Enacted by the Legislature of the State of Idaho:

16           SECTION 1. That Section 31-3501, Idaho Code, be, and the same is hereby  
 17       amended to read as follows:

18           31-3501.   DECLARATION OF POLICY. (1) It is the policy of this state that  
 19       each person, to the maximum extent possible, is responsible for his or her  
 20       own medical care and to that end, shall be encouraged to purchase his or her  
 21       own medical insurance with coverage sufficient to prevent them from need-  
 22       ing to request assistance pursuant to this chapter. However, in order to  
 23       safeguard the public health, safety and welfare, and to provide suitable fa-  
 24       cilities and provisions for the care and hospitalization of persons in this  
 25       state, and, in the case of medically indigent persons, to provide for the  
 26       payment thereof, the respective counties of this state, and the ~~administra-~~  
 27       ~~tor~~ board and the department shall have the duties and powers as hereinafter  
 28       provided.

29           (2) The county medically indigent program and the catastrophic health  
 30       care cost program are payers of last resort. Therefore, applicants or third  
 31       party applicants seeking financial assistance under the county medically  
 32       indigent program and the catastrophic health care cost program shall be  
 33       subject to the limitations and requirements as set forth herein.

34           SECTION 2. That Section 31-3502, Idaho Code, be, and the same is hereby  
 35       amended to read as follows:

36           31-3502.   DEFINITIONS. As used in this chapter, the terms defined in  
 37       this section shall have the following meaning, unless the context clearly  
 38       indicates another meaning:

39           (1) ~~"Administrator" means the board of the catastrophic health care~~  
 40       ~~cost program, as provided in section 31-3517, Idaho Code.~~

41           ~~(2)~~ "Applicant" means any person who is requesting financial assis-  
 42       tance under this chapter.

43           ~~(3)~~ "Application" means an application for financial assistance  
 44       pursuant to section 31-3504, Idaho Code, and the uniform form used for the  
 45       initial review and the department's medicaid eligibility determination  
 46       described in section 31-3503C(4), Idaho Code.

1 (43) "Board" means the board of ~~county commissioners~~ the catastrophic  
2 health care cost program, as established in section 31-3517, Idaho Code.

3 (54) "Case management" means coordination of services to help meet a  
4 patient's health care needs, usually when the patient has a condition that  
5 requires multiple services.

6 (65) "Catastrophic health care costs" means the cost of medically nec-  
7 essary drugs, devices and services received by a recipient that, when paid at  
8 the then existing reimbursement rate, in aggregate exceed the sum of eleven  
9 thousand dollars (\$11,000) in any twelve (12) consecutive month period.

10 (76) "Clerk" means the clerk of the ~~board~~ respective counties or his or  
11 her designee.

12 (7) "County commissioners" means the board of county commissioners in  
13 their respective counties.

14 (8) "County hospital" means any county approved institution or facil-  
15 ity for the care of sick persons.

16 (9) "Department" means the department of health and welfare ~~or its con-~~  
17 ~~tractor.~~

18 (10) "Dependent" means any person whom a taxpayer could claim as a de-  
19 pendent under the income tax laws of the state of Idaho.

20 (11) "Emergency service" means a service provided for a medical condi-  
21 tion in which sudden, serious and unexpected symptoms of illness or injury  
22 are sufficiently severe to necessitate or call for immediate medical care,  
23 including, but not limited to, severe pain, that the absence of immediate  
24 medical attention could reasonably be expected by a prudent person who pos-  
25 sesses an average knowledge of health and medicine, to result in:

26 (a) Placing the patient's health in serious jeopardy;

27 (b) Serious impairment to bodily functions; or

28 (c) Serious dysfunction of any bodily organ or part.

29 (12) "Hospital" means a facility licensed and regulated pursuant to  
30 sections 39-1301 through 39-1314, Idaho Code, excluding state institutions.

31 (13) "Medicaid eligibility review" means the process used by the de-  
32 partment to determine whether a person meets the criteria for medicaid cov-  
33 erage.

34 (14) "Medical home" means a model of primary and preventive care deliv-  
35 ery in which the patient has a continuous relationship with a personal physi-  
36 cian in a physician directed medical practice that is whole person oriented  
37 and where care is integrated and coordinated.

38 (15) "Medically indigent" means any person who is in need of necessary  
39 medical services and who, if an adult, together with his or her spouse,  
40 or whose parents or guardian if a minor, does not have income and other  
41 resources available to him from whatever source sufficient to pay for  
42 necessary medical services. Nothing in this definition shall prevent the  
43 board ~~of and the~~ county commissioners ~~and administrator~~ from requiring the  
44 applicant and obligated persons to reimburse the county and the catastrophic  
45 health care costs program, where appropriate, for all or a portion of their  
46 medical expenses, when investigation of their application pursuant to this  
47 chapter, determines their ability to do so.

48 (16) A. "Necessary medical services" means health care services and  
49 supplies that:

1 (a) Health care providers, exercising prudent clinical judgment,  
2 would provide to a person for the purpose of preventing, evalu-  
3 ating, diagnosing or treating an illness, injury, disease or its  
4 symptoms;

5 (b) Are in accordance with generally accepted standards of medi-  
6 cal practice;

7 (c) Are clinically appropriate, in terms of type, frequency, ext-  
8 tent, site and duration and are considered effective for the cov-  
9 ered person's illness, injury or disease;

10 (d) Are not provided primarily for the convenience of the person,  
11 physician or other health care provider; and

12 (e) Are not more costly than an alternative service or sequence of  
13 services or supply, and at least as likely to produce equivalent  
14 therapeutic or diagnostic results as to the diagnosis or treatment  
15 of the person's illness, injury or disease.

16 B. Necessary medical services shall not include the following:

17 (a) Bone marrow transplants;

18 (b) Organ transplants;

19 (c) Elective, cosmetic and/or experimental procedures;

20 (d) Services related to, or provided by, residential, skilled  
21 nursing, assisted living and/or shelter care facilities;

22 (e) Normal, uncomplicated pregnancies, excluding caesarean sec-  
23 tion, and childbirth well-baby care;

24 (f) Medicare copayments and deductibles;

25 (g) Services provided by, or available to, an applicant from  
26 state, federal and local health programs; ~~and~~

27 (h) Medicaid copayments and deductibles; and

28 (i) Drugs, devices or procedures primarily utilized for weight  
29 reduction and complications directly related to such drugs, de-  
30 vices or procedures.

31 (17) "Obligated person" means the person or persons who are legally re-  
32 sponsible for an applicant.

33 (18) "Primary and preventive health care" means the provision of pro-  
34 fessional health services that include health education and disease preven-  
35 tion, initial assessment of health problems, treatment of acute and chronic  
36 health problems and the overall management of an individual's health care  
37 services.

38 (19) "Provider" means any person, firm, or corporation certified or li-  
39 censed by the state of Idaho or holding an equivalent license or certifica-  
40 tion in another state, that provides necessary medical services to a patient  
41 requesting a medically indigent status determination or filing an applica-  
42 tion for financial assistance.

43 (20) "Recipient" means an individual determined eligible for ~~necessary~~  
44 ~~medical services~~ financial assistance under this chapter.

45 (21) "Reimbursement rate" means the unadjusted medicaid rate of reim-  
46 bursement for medical charges allowed pursuant to title XIX of the social se-  
47 curity act, as amended.

48 (22) "Resident" means a person with a home, house, place of abode, place  
49 of habitation, dwelling or place where he or she actually lived for a con-  
50 secutive period of thirty (30) days or more within the state of Idaho. A

1 resident does not include a person who comes into this state for temporary  
 2 purposes, including, but not limited to, education, vacation, or seasonal  
 3 labor. Entry into active military duty shall not change a person's residence  
 4 for the purposes of this chapter. Those physically present within the fol-  
 5 lowing facilities and institutions shall be residents of the county where  
 6 they were residents prior to entering the facility or institution:

- 7 (a) Correctional facilities;
- 8 (b) Nursing homes or residential or assisted living facilities;
- 9 (c) Other medical facility or institution.

10 (23) "Resources" means all property, whether tangible or intangible,  
 11 real or personal, liquid or nonliquid, or pending, including, but not  
 12 limited to, all forms of public assistance, crime victims compensation,  
 13 worker's compensation, veterans benefits, medicaid, medicare, supplemental  
 14 security income (SSI), third party insurance, other available insurance and  
 15 any other property from any source for which an applicant and/or an obligated  
 16 person may be eligible or in which he or she may have an interest. Resources  
 17 shall include the ability of an applicant and obligated persons to pay for  
 18 necessary medical services, excluding any interest charges, over a period  
 19 of up to five (5) years. For purposes of determining approval for medical  
 20 indigency only, resources shall not include the value of the homestead on  
 21 the applicant or obligated person's residence, a burial plot, exemptions for  
 22 personal property allowed in section 11-605(1) through (3), Idaho Code, and  
 23 additional exemptions allowed by county resolution.

24 (24) "Third party applicant" means a person other than an obligated per-  
 25 son who completes, signs and files an application on behalf of a patient. A  
 26 third party applicant who files an application on behalf of a patient pur-  
 27 suant to section 31-3504, Idaho Code, shall, if possible, deliver a copy of  
 28 the application to the patient within three (3) business days after filing  
 29 the application.

30 (25) "Utilization management" means the evaluation of medical neces-  
 31 sity, appropriateness and efficiency of the use of health care services,  
 32 procedures and facilities and may include, but is not limited to, pread-  
 33 mission certification, the application of practice guidelines, continued  
 34 stay review, discharge planning, case management, preauthorization of  
 35 ambulatory procedures, retrospective review and claims review.

36 SECTION 3. That Section 31-3503, Idaho Code, be, and the same is hereby  
 37 amended to read as follows:

38 31-3503. POWERS AND DUTIES OF ~~BOARDS OF~~ COUNTY COMMISSIONERS. The  
 39 ~~boards of~~ county commissioners in their respective counties shall, under  
 40 such limitations and restrictions as are prescribed by law:

41 (1) Care for and maintain the medically indigent residents of their  
 42 counties as provided in this chapter up to eleven thousand dollars (\$11,000)  
 43 per claim in the aggregate over a consecutive twelve (12) month period with  
 44 the remainder being paid by the state catastrophic health care cost program  
 45 pursuant to section 31-3519, Idaho Code.

46 (2) Have the right to contract with providers, transfer patients, ne-  
 47 gotiate provider agreements, and all other powers incident to the county's  
 48 duties created by this chapter.

1 (3) Cooperate with the department, the board and contractors retained  
 2 by the department or the board to provide services including, but not limited  
 3 to, medicaid eligibility review and utilization management on behalf of the  
 4 counties and the ~~administrator~~ board.

5 (4) Have the jurisdiction and power to provide county hospitals and  
 6 public general hospitals for the county and others who are sick, injured,  
 7 maimed, aged and infirm and to erect, enlarge, purchase, lease, or otherwise  
 8 acquire, and to officer, maintain and improve hospitals, hospital grounds,  
 9 nurses' homes, shelter care facilities and residential or assisted living  
 10 facilities as defined in section 39-3301, Idaho Code, superintendent's  
 11 quarters, medical clinics, as that term is defined in section 39-1319,  
 12 Idaho Code, medical clinic grounds or any other necessary buildings, and to  
 13 equip the same, and to replace equipment, and for this purpose said ~~boards~~  
 14 commissioners may levy an additional tax of not to exceed six hundredths  
 15 percent (.06%) of the market value for assessment purposes on all taxable  
 16 property within the county. The term "public general hospitals" as used in  
 17 this subsection shall be construed to include nursing homes.

18 SECTION 4. That Section 31-3503A, Idaho Code, be, and the same is hereby  
 19 amended to read as follows:

20 31-3503A. POWERS AND DUTIES OF ~~ADMINISTRATOR~~ THE BOARD. The ~~ad-~~  
 21 ~~administrator~~ board shall, under such limitations and restrictions as are  
 22 prescribed by law:

23 (1) Pay for necessary medical services for a resident medically indi-  
 24 gent person where the reimbursement rate for the claim exceeds in aggregate  
 25 the sum of eleven thousand dollars (\$11,000) during a consecutive twelve  
 26 (12) month period;

27 (2) Cooperate with the department, respective counties of the state and  
 28 contractors retained by the department or county commissioners to provide  
 29 services including, but not limited to, eligibility review and utilization  
 30 management on behalf of the counties and the ~~administrator~~ board;

31 (3) Require, as the ~~administrator~~ board deems necessary, annual  
 32 reports from each county and each hospital and provider including, but not  
 33 limited to, the following:

34 (a) From each county and for each applicant:

35 (i) Case number and the date services began;

36 (ii) Age;

37 (iii) Residence;

38 (iv) Sex;

39 (v) Diagnosis;

40 (vi) Income;

41 (vii) Family size;

42 (viii) Amount of costs incurred including provider, legal and ad-  
 43 ministrative charges;

44 (ix) Approval or denial; and

45 (x) Reasons for denial.

46 (b) From each hospital:

47 (i) 990 tax forms or comparable information;

48 (ii) Cost of charges where charitable care was provided; and

1 (iii) Administrative and legal costs incurred in processing  
2 claims under this chapter.

3 SECTION 5. That Section 31-3503C, Idaho Code, be, and the same is hereby  
4 amended to read as follows:

5 31-3503C. POWERS AND DUTIES OF THE DEPARTMENT. The department shall:

6 (1) Design and manage a utilization management program and third party  
7 recovery system for the medically indigent program.

8 (2) Have the authority to engage one (1) or more contractors or third  
9 party administrators to perform the duties assigned to it pursuant to this  
10 chapter including, but not limited to, utilization management and third  
11 party recovery for the medically indigent program.

12 (3) Implement a medicaid eligibility determination process for all po-  
13 tential applicants.

14 (4) Develop and implement by July 1, 2010, in cooperation with the  
15 Idaho association of counties and the Idaho hospital association, a uniform  
16 form to be used for both the initial review, pursuant to section 31-3503E,  
17 Idaho Code, and the application for financial assistance pursuant to section  
18 31-3504, Idaho Code.

19 (5) Cooperate with the counties and the ~~administrator~~ board in provid-  
20 ing the services required of it pursuant to this chapter.

21 (6) Promulgate rules to implement its duties and responsibilities un-  
22 der the provisions of this chapter.

23 SECTION 6. That Section 31-3503E, Idaho Code, be, and the same is hereby  
24 amended to read as follows:

25 31-3503E. MEDICAID ELIGIBILITY DETERMINATION. The department shall:

26 (1) Require the hospital to undertake an initial review of a patient  
27 upon stabilization to determine whether the patient may be eligible for med-  
28 icaid or may be medically indigent. If the hospital's initial review deter-  
29 mines that the patient may be eligible for medicaid or may be medically in-  
30 digent, require that the hospital transmit the initial review and a written  
31 request for medicaid eligibility determination to the department within one  
32 (1) working day of the completion of the initial review.

33 (2) Undertake a determination of possible medicaid eligibility upon  
34 receipt from the hospital of the initial review and written request for  
35 medicaid eligibility determination. The department will use the medicaid  
36 eligibility guidelines in place as of the date of submission of the written  
37 request, apply categorical and financial eligibility requirements and use  
38 all sources available to the department to obtain verification in making the  
39 determination.

40 (3) In order to ascertain medicaid eligibility, require the patient or  
41 the obligated person to cooperate with the department according to its rules  
42 in investigating, providing documentation, submitting to an interview and  
43 notifying the department of the receipt of resources after the initial re-  
44 view form has been submitted to the department.

45 (4) Promptly notify the hospital and clerk of potential medicaid eligi-  
46 bility and the basis of possible eligibility.

1 (5) Act on the initial review form as an application for medicaid if it  
 2 appears that the patient may be eligible for medicaid. An application for  
 3 medicaid shall not be an application for financial assistance pursuant to  
 4 section 31-3504, Idaho Code.

5 (6) Utilize the verification and cooperation requirement in department  
 6 rule to complete the eligibility determination.

7 (7) Notify the patient or the obligated person, the hospital and the  
 8 clerk of a denial and the reason therefor if the applicant fails to cooper-  
 9 ate, fails to provide documentation necessary to complete the determination  
 10 or is determined to be categorically or financially ineligible for medic-  
 11 aid. If, based on its medicaid eligibility review, the department deter-  
 12 mines that the patient is not eligible for medicaid but may be medically in-  
 13 digent, transmit a copy of the initial review to the clerk. The transmitted  
 14 copy of the initial review shall be treated by the clerk as an application  
 15 for financial assistance pursuant to section 31-3504, Idaho Code. Denial of  
 16 medicaid eligibility is not a determination of medical indigence.

17 (8) Make income and resource information obtained from the medicaid el-  
 18 igibility determination process available to the county to assist in deter-  
 19 mination of medical indigency at the time the department notifies the county  
 20 of the final medicaid eligibility determination.

21 The initial review form shall be deemed consent for providers, the hospital,  
 22 the department, respective counties and the board to exchange information  
 23 pertaining to the applicant's health and finances for the purposes of deter-  
 24 mining medicaid eligibility or medical indigency.

25 SECTION 7. That Section 31-3504, Idaho Code, be, and the same is hereby  
 26 amended to read as follows:

27 31-3504. APPLICATION FOR FINANCIAL ASSISTANCE. (1) Except as provided  
 28 for in section 31-3503E, Idaho Code, an applicant requesting assistance  
 29 under this chapter shall complete a written application. The truth of the  
 30 matters contained in the application shall be sworn to by the applicant. The  
 31 application shall be deemed consent for the providers, hospital, depart-  
 32 ment, respective counties and ~~administrator~~ board to exchange information  
 33 pertaining to the applicant's health and finances for the purposes of  
 34 determining medicaid eligibility or medical indigency. The application  
 35 shall be signed by the applicant or on the applicant's behalf and filed in the  
 36 clerk's office. If the clerk determines that the patient may be eligible for  
 37 medicaid, wwithin one (1) business day of the filing of the application in  
 38 the clerk's office, the clerk shall transmit a copy of the application and a  
 39 written request for medicaid eligibility determination to the department.

40 (a) If, based on its medicaid eligibility review, the department deter-  
 41 mines that the patient is eligible for medicaid, the department shall  
 42 act on the application as an application for medicaid.

43 (b) If, based on its medicaid eligibility review, the department de-  
 44 termines that the patient is not eligible for medicaid, the department  
 45 shall notify the clerk of the denial and the reason therefor, in accor-  
 46 dance with section 31-3503E, Idaho Code. Denial of medicaid eligibil-  
 47 ity is not a determination of medical indigence.



1 (2) If a third party application is filed, the application shall be  
 2 as complete as practicable and presented in the same form and manner as set  
 3 forth in subsection (1) of this section.

4 (3) Follow-up necessary medical services based on a treatment plan, for  
 5 the same condition, preapproved by the ~~board~~ county commissioners, may be  
 6 provided for a maximum of six (6) months from the date of the original appli-  
 7 cation without requiring an additional application; however, a request for  
 8 additional treatment not specified in the approved treatment plan shall be  
 9 filed with the clerk ten (10) days prior to receiving services. Beyond the  
 10 six (6) months, requests for additional treatment related to an original di-  
 11 agnosis in accordance with a preapproved treatment plan shall be filed ten  
 12 (10) days prior to receiving services and an updated application may be re-  
 13 quested by the ~~board~~ county commissioners.

14 (4) Upon application for financial assistance pursuant to this chapter  
 15 an automatic lien shall attach to all real and personal property of the  
 16 applicant and on insurance benefits to which the applicant may become  
 17 entitled. The lien shall also attach to any additional resources to which  
 18 it may legally attach not covered in this section. The lien created by  
 19 this section may be, in the discretion of the county commissioners and  
 20 the board, perfected as to real property and fixtures by recording, in any  
 21 county recorder's office in this state in which the applicant and obligated  
 22 person own property, a notice of application for medical indigency benefits  
 23 on a uniform form agreed to by the Idaho association of counties and the  
 24 Idaho hospital association, which form shall be recorded as provided herein  
 25 within thirty (30) days from receipt of an application, and such lien, if so  
 26 recorded, shall have a priority date as of the date the necessary medical  
 27 services were provided. The lien created by this section may also be, in  
 28 the discretion of the county commissioners and the board, perfected as to  
 29 personal property by filing with the secretary of state within thirty (30)  
 30 days of receipt of an application, a notice of application in substantially  
 31 the same manner as a filing under chapter 9, title 28, Idaho Code, except that  
 32 such notice need not be signed and no fee shall be required, and, if so filed,  
 33 such lien shall have the priority date as of the date the necessary medical  
 34 services were provided. An application for assistance pursuant to this  
 35 chapter shall waive any confidentiality granted by state law to the extent  
 36 necessary to carry out the intent of this section.

37 (5) In accordance with rules and procedures promulgated by the depart-  
 38 ment, each hospital and provider seeking reimbursement under this chapter  
 39 shall submit all known billings for necessary medical services provided for  
 40 each applicant in a standard or uniform format to the department's contrac-  
 41 tor for its utilization management review within ten (10) business days of  
 42 receiving notification that the patient is not eligible for medicaid; pro-  
 43 vided that, upon a showing of good cause, the time period may be extended. A  
 44 copy of the results of the reviewed billings shall be transmitted by the de-  
 45 partment's contractor to the clerk of the obligated county.

46 SECTION 8. That Section 31-3505, Idaho Code, be, and the same is hereby  
 47 amended to read as follows:

48 31-3505. TIME AND MANNER OF FILING APPLICATIONS AND REQUESTS FOR  
 49 FINANCIAL ASSISTANCE. Applications and requests for ~~necessary medical~~

1 ~~services~~ financial assistance shall be filed with the clerk according to the  
2 following time limits. Filing is complete upon receipt by the clerk.

3 (1) An application for nonemergency necessary medical services shall  
4 be filed ten (10) days prior to receiving services from the provider.

5 (2) An application for emergency necessary medical services shall be  
6 made any time within thirty-one (31) days beginning with the first day of the  
7 provision of necessary medical services from the provider or in the case of  
8 hospitalization, thirty-one (31) days beginning with the date of admission,  
9 or if a request for medicaid eligibility determination has been denied by the  
10 department pursuant to section 31-3503E, Idaho Code, within thirty-one (31)  
11 days of receiving notice of the denial.

12 (3) Requests for additional treatment related to an original diagnosis  
13 in accordance with a preapproved treatment plan shall be filed ten (10) days  
14 prior to receiving services.

15 (4) A delayed application for necessary medical services may be filed  
16 up to one hundred eighty (180) days beginning with the first day of the provi-  
17 sion of necessary medical services provided that:

18 (a) Written documentation is included with the application or no later  
19 than forty-five (45) days after an application has been filed showing  
20 that a bona fide application or claim has been filed for social security  
21 disability insurance, supplemental security income, third party insur-  
22 ance, medicaid, medicare, crime victim's compensation, and/or worker's  
23 compensation. A bona fide application means that:

24 (i) The application was timely filed within the appropriate  
25 agency's application or claim time period; and

26 (ii) Given the circumstances of the patient and/or obligated per-  
27 sons, the patient and/or obligated persons, and given the informa-  
28 tion available at the time the application or claim for other re-  
29 sources is filed, would reasonably be expected to meet the eligi-  
30 bility criteria for such resources; and

31 (iii) The application was filed with the appropriate agency in  
32 such a time and manner that, if approved, it would provide for  
33 payment coverage of the bills included in the county application;  
34 and

35 (iv) In the discretion of the ~~board~~ county commissioners, bills on  
36 a delayed application which would not have been covered by a suc-  
37 cessful application or timely claim to the other resource(s) may  
38 be denied by the ~~board~~ county commissioners as untimely; and

39 (v) In the event an application is filed for supplemental security  
40 income, an Idaho medicaid application must also have been filed  
41 within the department of health and welfare's application or claim  
42 time period to provide payment coverage of eligible bills included  
43 in the county application.

44 (b) Failure by the patient and/or obligated persons to complete the  
45 application process described in this section, up to and including  
46 any reasonable appeal of any denial of benefits, with the applicable  
47 program noted in paragraph (a) of this subsection, shall result in  
48 denial of the county assistance application.

49 (5) Any application or request which fails to meet the provisions of  
50 this section, and/or other provisions of this chapter, shall be denied.

1 (6) In the event that a county determines that a different county is  
 2 the obligated county, an application may be filed in the other county within  
 3 thirty (30) days of the date of the initial county denial.

4 SECTION 9. That Section 31-3505A, Idaho Code, be, and the same is hereby  
 5 amended to read as follows:

6 31-3505A. INVESTIGATION OF APPLICATION ~~OR REQUEST~~. (1) The clerk  
 7 shall interview the applicant and investigate the information provided on  
 8 the application, along with all other required information, in accordance  
 9 with the procedures established by the county commissioners, the board and  
 10 this chapter. The clerk shall promptly notify the applicant, or third party  
 11 filing an application on behalf of an applicant, of any material information  
 12 missing from the application which, if omitted, may cause the application  
 13 to be denied for incompleteness. In addition, any provider requesting no-  
 14 tification shall be notified at the same time. When necessary, such persons  
 15 as may be deemed essential, may be compelled by the clerk to give testimony  
 16 and produce documents and other evidence under oath in order to complete  
 17 the investigation. The clerk is hereby authorized to issue subpoenas to  
 18 carry out the intent of this provision and to otherwise compel compliance in  
 19 accordance with provisions of Idaho law.

20 (2) The applicant or third party filing an application on behalf of an  
 21 applicant to the extent they have knowledge, shall have a duty to cooper-  
 22 ate with the ~~county clerk~~ in investigating, providing documentation, sub-  
 23 mitting to an interview and ascertaining eligibility and shall have a con-  
 24 tinuing duty to notify the ~~responsible obligated~~ county of the receipt of re-  
 25 sources after an application has been filed.

26 (3) The clerk shall have twenty (20) days to complete the investigation  
 27 of an application for nonemergency necessary medical services.

28 (4) The clerk shall have forty-five (45) days to complete the investi-  
 29 gation of an application for emergency necessary medical services.

30 (5) In the case of follow-up treatment, the clerk shall have ten (10)  
 31 days to complete an interview on a request for additional treatment to up-  
 32 date the financial and other information contained in a previous application  
 33 for an original diagnosis in accordance with a treatment plan previously ap-  
 34 proved by the ~~board~~ county commissioners.

35 (6) Upon completion of the interview and investigation of the applica-  
 36 tion or request, a statement of the clerk's findings shall be filed with the  
 37 ~~board~~ county commissioners.

38 SECTION 10. That Section 31-3505B, Idaho Code, be, and the same is  
 39 hereby amended to read as follows:

40 31-3505B. APPROVAL. The ~~board~~ county commissioners shall approve an  
 41 application for assistance if it determines that necessary medical services  
 42 have been or will be provided to a medically indigent person in accordance  
 43 with this chapter; provided, the amount paid by the county for any medically  
 44 indigent resident shall not exceed in aggregate the sum of eleven thousand  
 45 dollars (\$11,000) per applicant for any consecutive twelve (12) month pe-  
 46 riod.

1 SECTION 11. That Section 31-3505C, Idaho Code, be, and the same is  
2 hereby amended to read as follows:

3 31-3505C. INITIAL DECISION BY THE ~~BOARD~~ COUNTY COMMISSIONERS. (1)  
4 Except as otherwise provided in subsection (2) of this section, the board  
5 county commissioners shall make an initial determination ~~on~~ to approve or  
6 deny an application within fifteen (15) days from receipt of the clerk's  
7 statement and within five (5) days from receiving the clerk's statement  
8 on a request. The initial determination to approve or deny an application  
9 shall be mailed to the applicant or the third party making application on  
10 behalf of the applicant, as the case may be, and each provider listed on the  
11 application within five (5) days of the initial determination.

12 (2) The county commissioners shall hold in suspension an initial de-  
13 termination to deny an application, if the sole basis for the denial is that  
14 the applicant may be eligible for other forms of public assistance, crime  
15 victims compensation, worker's compensation, veterans benefits, medicaid,  
16 medicare, supplemental security income, third party insurance or other  
17 available insurance. The decision to hold an initial determination to deny  
18 an application in suspension shall be mailed to the applicant or the third  
19 party making application on behalf of the applicant, as the case may be, and  
20 each provider listed on the application within five (5) days of the decision  
21 to suspend.

22 (a) If an applicant is subsequently determined to be eligible for  
23 other forms of public assistance, crime victims compensation, worker's  
24 compensation, veterans benefits, medicaid, medicare, supplemental  
25 security income, third party insurance or other available insurance,  
26 the application shall be denied. The applicant or the third party  
27 making application on behalf of the applicant, as the case may be, and  
28 each provider listed on the application shall be notified within five  
29 (5) days of the denial.

30 (b) If an applicant is subsequently determined not to be eligible for  
31 other forms of public assistance, crime victims compensation, worker's  
32 compensation, veterans benefits, medicaid, medicare, supplemental se-  
33 curity income, third party insurance or other available insurance, the  
34 application for financial assistance shall be approved. The applicant  
35 or the third party making application on behalf of the applicant, as the  
36 case may be, and each provider listed on the application shall be noti-  
37 fied within five (5) days of the approval.

38 (3) If the county commissioners hold in suspension an initial determi-  
39 nation to deny an application, any time limitation used in this chapter shall  
40 be tolled and not deemed to run during the period of suspension.

41 SECTION 12. That Section 31-3505D, Idaho Code, be, and the same is  
42 hereby amended to read as follows:

43 31-3505D. APPEAL OF INITIAL DETERMINATION DENYING AN APPLICATION. An  
44 applicant or provider may appeal an ~~adverse~~ initial determination of the  
45 ~~board~~ county commissioners denying an application by filing a written notice  
46 of appeal with the ~~board~~ county commissioners within twenty-eight (28)  
47 days of the date of the ~~initial determination~~ denial. If no appeal is filed

1 within the time allowed, the initial determination of the board county  
2 commissioners denying an application shall become final.

3 SECTION 13. That Section 31-3505E, Idaho Code, be, and the same is  
4 hereby amended to read as follows:

5 31-3505E. HEARING ON APPEAL OF INITIAL DETERMINATION DENYING AN  
6 APPLICATION. The board county commissioners shall hold a hearing on the  
7 appeal within seventy-five (75) days of receipt of the notice of appeal.  
8 The hearing may be continued by the board county commissioners for not more  
9 than forty-five (45) days from the date of the hearing to allow the applicant  
10 to produce additional information, documents, records, testimony or other  
11 evidence required in the discretion of the board county commissioners or to  
12 allow a decision on eligibility of the applicant for benefits to be reached  
13 by another agency such as, but not limited to, the social security adminis-  
14 tration or the ~~state of Idaho~~ department of health and welfare. The hearing  
15 may be continued for additional periods by mutual stipulation of the board  
16 county commissioners and the applicant. The board county commissioners  
17 shall make a final determination within thirty (30) days of the conclusion  
18 of the hearing. The final determination of the board county commissioners  
19 denying an application shall be mailed to the applicant, or the third party  
20 making application on behalf of an applicant, as the case may be and each  
21 provider listed on the application, within five (5) days of the date of the  
22 final determination.

23 SECTION 14. That Section 31-3505F, Idaho Code, be, and the same is  
24 hereby amended to read as follows:

25 31-3505F. ARBITRATION. In the event that a county determines that a  
26 service is not a necessary medical service, a provider may submit the issue  
27 to a panel for arbitration as follows:

28 (1) Within thirty (30) days of the determination, the board county com-  
29 missioners and the provider shall each appoint one (1) licensed medical or  
30 osteopathic doctor with expertise in the condition treated or to be treated.  
31 The two (2) appointees shall jointly select a third medical or osteopathic  
32 licensed doctor with equivalent expertise. The panel shall review such in-  
33 formation as it deems necessary and render a decision within thirty (30) days  
34 as to whether the covered service is a necessary medical service.

35 (2) There shall be no judicial or other review or appeal of the find-  
36 ings of the panel. No party shall be obligated to comply with or otherwise  
37 be affected or prejudiced by the proposals, conclusions or suggestions of  
38 the panel or any member or segment thereof; however, in the interest of due  
39 consideration being given to such proceedings and in the interest of encour-  
40 aging consideration of claims informally and without the necessity of liti-  
41 gation, the applicable statute of limitations shall be tolled and not deemed  
42 to run during the time that such a claim is pending before the panel and for  
43 thirty (30) days thereafter.

44 (3) Expenses incurred by the members of the panel in the performance of  
45 their duties will be borne by the respective parties making their appoint-  
46 ment, and expenses of the third member shall be divided equally among the re-  
47 spective parties.

1 SECTION 15. That Section 31-3505G, Idaho Code, be, and the same is  
2 hereby amended to read as follows:

3 31-3505G. PETITION FOR JUDICIAL REVIEW OF FINAL DETERMINATION. If,  
4 after a hearing as provided in section 31-3505E, Idaho Code, the final  
5 determination of the board county commissioners is to deny an application  
6 for financial assistance with necessary medical services, the applicant, or  
7 a third party making application on an applicant's behalf, may seek judicial  
8 review of the final determination of the board county commissioners in the  
9 manner provided in section 31-1506, Idaho Code.

10 SECTION 16. That Section 31-3507, Idaho Code, be, and the same is hereby  
11 amended to read as follows:

12 31-3507. ~~NOTICE OF ADMISSION AND TRANSFER OF A MEDICALLY INDIGENT PA-~~  
13 ~~TIENT. (1) A hospital shall notify the department and the clerk of the county~~  
14 ~~or counties responsible within one (1) working day of its initial review de-~~  
15 ~~termination pursuant to section 31-3503E, Idaho Code, that the patient is~~  
16 ~~potentially medically indigent. The notice shall include the following if~~  
17 ~~available:~~

18 ~~(a) Name, address, telephone number, date of birth, social security~~  
19 ~~number and date of admission of the patient;~~

20 ~~(b) Name, address and telephone number of responsible party;~~

21 ~~(c) Name of attending physician;~~

22 ~~(d) Diagnosis and/or reason for admission;~~

23 ~~(e) Name, address and telephone number of the person completing the no-~~  
24 ~~tice of admission.~~

25 ~~(2) The department, a~~ An obligated county or administrator the board  
26 shall have the right to have an approved medically indigent person trans-  
27 ferred to a hospital or facility, in accordance with requirements of the  
28 federal emergency medical treatment and active labor act, 42 U.S.C., section  
29 1395d-d-; provided however, treatment for the necessary medical service  
30 must be available at the designated facility, and ~~the department and~~ the  
31 county contract physician, or the attending physician if no county contract  
32 physician is available, must certify that the transfer of such person  
33 would not present a significant risk of further injury. ~~The department,~~  
34 ~~the obligated county, the administrator board,~~ and hospital from which or  
35 to which a person is taken or removed as herein provided, as well as the  
36 attending physician(s), shall not be liable in any manner whatsoever and  
37 shall be immune from suit for any causes of action arising from a transfer  
38 performed in accordance with this section. The immunities and freedom from  
39 liability granted pursuant to this section shall extend to any person, firm  
40 or corporation acting in accordance with this section.

41 SECTION 17. That Section 31-3508, Idaho Code, be, and the same is hereby  
42 amended to read as follows:

43 31-3508. ~~AMOUNT OF AID~~ LIMITATIONS ON PAYMENTS FOR NECESSARY MEDICAL  
44 SERVICES. (1) Each hospital and provider seeking reimbursement under the  
45 provisions of this chapter shall fully participate in the utilization  
46 management program and third party recovery system.

1       (2) The board and the county responsible for payment of necessary medi-  
 2 cal services of a medically indigent person shall pay an amount not to exceed  
 3 the amount recommended by the utilization management program and the current  
 4 medicaid rate. The bill submitted for payment shall show the total provider  
 5 charges less any amounts which have been received under any other federal or  
 6 state law. Bills of less than twenty-five dollars (\$25.00) shall not be pre-  
 7 sented for payment.

8       SECTION 18. That Section 31-3509, Idaho Code, be, and the same is hereby  
 9 amended to read as follows:

10       31-3509. ADMINISTRATIVE OFFSETS AND COLLECTIONS BY HOSPITALS AND  
 11 PROVIDERS. (1) Providers shall accept payment made by an obligated county  
 12 or the board as payment in full. Providers shall not bill an applicant or  
 13 any other obligated person for services that have been paid by an obligated  
 14 county or the board pursuant to the provisions of this chapter for any  
 15 balance on the amount paid.

16       (2) Hospitals and providers making claims for reimbursement of neces-  
 17 sary medical services of provided for medically indigent persons shall make  
 18 all reasonable efforts to determine liability and attempt to collect for the  
 19 account so incurred from any available insurance or other sources available  
 20 for payment of such expenses all resources prior to submitting the bill to  
 21 the department county commissioners for review. In the event that a hospital  
 22 or a provider has been notified that an individual a recipient is retrospec-  
 23 tively eligible for benefits or that a recipient qualifies for approval of  
 24 benefits, such hospital(s) or provider(s) shall submit or resubmit a bill  
 25 to third party insurance, medicaid, medicare, supplemental security income,  
 26 crime victims compensation and/or worker's compensation for payment within  
 27 thirty (30) days of such notice. In the event any payments are thereafter  
 28 received for charges which have been paid by a county and/or the adminis-  
 29 trator board pursuant to the provisions of this chapter, said sums up to the  
 30 amount actually paid by the county and/or the administrator board shall be  
 31 paid over to the department such county and/or board within sixty (60) days  
 32 of receiving such payment from other resources. The department shall dis-  
 33 tribute the payment to the county and/or administrator pursuant to section  
 34 31-3510A, Idaho Code.

35       (3) Any amount paid by an obligated county or the board under the  
 36 provisions of this chapter, which amount is subsequently determined to have  
 37 been an overpayment, shall be an indebtedness of the hospital or provider  
 38 due and owing to the obligated county and the board. Such indebtedness may  
 39 include circumstances where the applicant is subsequently determined to  
 40 be eligible for third party insurance, medicaid, medicare, supplemental  
 41 security income, crime victims compensation, worker's compensation, other  
 42 available insurance or other third party sources.

43       (4) The obligated county and the board shall have a first lien prorated  
 44 between such county and the board in proportion to the amount each has paid.  
 45 The obligated county and the board may request a refund from a hospital or  
 46 provider in the amount of the overpayment, or after notice, recover such in-  
 47 debtedness by deducting from and setting off the amount of the overpayment to  
 48 a hospital or provider from any outstanding amount or amounts due and payable  
 49 to the same hospital or provider pursuant to the provisions of this chapter.

1 SECTION 19. That Section 31-3510, Idaho Code, be, and the same is hereby  
2 amended to read as follows:

3 31-3510. RIGHT OF SUBROGATION. (1) Upon payment of a claim for nec-  
4 essary medical services pursuant to this chapter, the obligated county and  
5 the catastrophic health care costs program board making such payment shall  
6 become subrogated to all the rights of the hospital and other providers and  
7 to all rights of the medically indigent person against any third parties who  
8 may be the cause of or liable for such necessary medical services. The de-  
9 partment board may pursue collection of the county's and the administrator's  
10 board's subrogation interests.

11 (2) Upon any recovery by the recipient against a third party, the  
12 obligated county and the board shall pay or have deducted from their re-  
13 spective subrogated portion thereof, a proportionate share of the costs  
14 and attorney's fees incurred by the recipient in obtaining such recovery,  
15 provided that such proportionate share shall not exceed twenty-five percent  
16 (25%) of the subrogated interest unless one (1) or more of the following  
17 circumstances exist:

18 (a) Otherwise agreed;

19 (b) If prior to the date of a written retention agreement between the  
20 recipient and an attorney, the obligated county and the board have  
21 reached an agreement with the third party, in writing, agreeing to pay  
22 in full the county and the board's subrogated interest.

23 SECTION 20. That Section 31-3510A, Idaho Code, be, and the same is  
24 hereby amended to read as follows:

25 31-3510A. REIMBURSEMENT. (1) Receipt of financial assistance pur-  
26 suant to this chapter shall obligate an applicant to reimburse the county  
27 from which assistance is received and the catastrophic health care costs  
28 program board for such reasonable portion of the financial assistance paid  
29 on behalf of the applicant as the board county commissioners may determine  
30 that the applicant is able to pay from resources over a reasonable period of  
31 time. Cash amounts received shall be prorated between the county and the  
32 state board in proportion to the amount each has paid.

33 (2) A final determination shall not relieve the applicant's duty to  
34 make additional reimbursement from resources if the board county commis-  
35 sioners subsequently finds within a reasonable period of time that there has  
36 been a substantial change in circumstances such that the applicant is able to  
37 pay additional amounts up to the total claim paid on behalf of the applicant.

38 (3) A final determination shall not prohibit the board county commis-  
39 sioners from reviewing a petition from an applicant to reduce an order of re-  
40 imbursement based on a substantial change in circumstances.

41 (4) The automatic lien created pursuant to the chapter may be filed and  
42 recorded in any county of this state wherein the applicant has resources and  
43 may be liquidated or unliquidated in amount. Nothing herein shall prohibit  
44 an applicant from executing a consensual lien in addition to the automatic  
45 lien created by filing an application pursuant to this chapter. In the event  
46 that resources can be located in another state, the clerk may file the lien  
47 with the district court and provide notice to the recipient. The recipient  
48 shall have twenty (20) days to object, following which the district court



1 shall enter judgment against the recipient. The judgment entered may there-  
2 after be filed as provided for the filing of a foreign judgment in that juris-  
3 diction.

4 (5) The county shall have the same right of recovery as provided to the  
5 state of Idaho pursuant to sections 56-218 and 56-218A, Idaho Code.

6 (6) The board county commissioners may require the employment of such  
7 of the medically indigent as are capable and able to work and whose attending  
8 physician certifies they are capable of working.

9 (7) That portion of the moneys received by a county as reimbursement  
10 that are not assigned to the state catastrophic health care fund shall be  
11 credited to the county indigent fund.

12 (8) If, after a hearing, the final determination of the board county  
13 commissioners is to require a reimbursement amount or rate the applicant be-  
14 lieves excessive, the applicant may seek judicial review of the final deter-  
15 mination of the board county commissioners in the manner provided in section  
16 31-1506, Idaho Code.

17 SECTION 21. That Section 31-3511, Idaho Code, be, and the same is hereby  
18 amended to read as follows:

19 31-3511. VIOLATIONS AND PENALTIES. (1) Any applicant or obligated  
20 person who willfully gives false or misleading information to the depart-  
21 ment, board, a hospital, a county or an agent thereof, or to any individual  
22 in order to obtain necessary medical services as or for a medically indigent  
23 person, or any person who obtains necessary medical services as a medically  
24 indigent person who fails to disclose insurance, worker's compensation,  
25 resources, or other benefits available to him as payment or reimbursement  
26 of such expenses incurred, shall be guilty of a misdemeanor and punishable  
27 under the general provisions for punishment of a misdemeanor. In addition,  
28 any applicant or obligated person who fails to cooperate with the depart-  
29 ment, board or a county or makes a material misstatement or material omission  
30 to the department in a request for medicaid eligibility determination,  
31 pursuant to section 31-3503E4, Idaho Code, or a county in an application  
32 pursuant to this chapter shall be ineligible for nonemergency assistance  
33 under this chapter for a period of two (2) years.

34 (2) The board county commissioners shall not have jurisdiction to hear  
35 and shall not approve an application for necessary medical services unless  
36 an application in the form prescribed by this chapter is received by the  
37 clerk in accordance with the provisions of this chapter.

38 (3) The board county commissioners may deny an application if material  
39 information required in the application or request is not provided by the ap-  
40 plicant or a third party or if the applicant has divested himself or herself  
41 of resources within one (1) year prior to filing an application in order to  
42 become eligible for assistance pursuant to this chapter. An applicant who  
43 is sanctioned by federal or state authorities and loses medical benefits as  
44 a result of failing to cooperate with the respective agency or making a mate-  
45 rial misstatement or material omission to the respective agency shall be in-  
46 eligible for assistance pursuant to this chapter for the period of such sanc-  
47 tion.

1 (4) If the ~~board~~ county commissioners ~~fail~~ to act upon an application  
 2 within the timelines required under this chapter, the application shall be  
 3 deemed approved and payment made as provided in this chapter.

4 (5) An applicant may appeal a decision rendered by the ~~board~~ county  
 5 commissioners pursuant to this section in the manner provided in section  
 6 31-1506, Idaho Code.

7 SECTION 22. That Section 31-3512, Idaho Code, be, and the same is hereby  
 8 amended to read as follows:

9 31-3512. JOINT COUNTY HOSPITALS. Recognizing the need of hospitals  
 10 for the public welfare and the burden for one (1) county to finance the cost  
 11 of such construction, operation and maintenance thereof within its own  
 12 boundaries under certain circumstances, the ~~boards of~~ county commissioners  
 13 in their respective counties shall have the power to jointly and severally  
 14 enter into contracts or agreements with one (1) or more adjoining counties  
 15 to construct, operate and maintain joint county hospitals, either within  
 16 or without the boundaries of such counties, upon a finding of each such  
 17 ~~board~~ county commissioners that there is a public necessity requiring the  
 18 financing of such hospital facilities jointly with one (1) or more adjoining  
 19 counties. The ~~boards of~~ county commissioners shall have the same powers to  
 20 operate, finance and bond for such joint county hospitals as they would have  
 21 for a county hospital.

22 SECTION 23. That Section 31-3513, Idaho Code, be, and the same is hereby  
 23 amended to read as follows:

24 31-3513. ELECTION FOR ISSUANCE OF BONDS. The county commissioners  
 25 may, when they deem the welfare of their counties require it, or when  
 26 petitioned thereto by a number of resident taxpayers of their respective  
 27 counties equal to five percent (5%) of the number of persons voting for the  
 28 secretary of state of the state of Idaho, at the election next preceding the  
 29 date of such petition, submit to the qualified electors of said county at  
 30 any election held as provided in section 34-106, Idaho Code, the proposition  
 31 whether negotiable coupon bonds of the county to the amount stated in such  
 32 proposition shall be issued and sold for the purpose of providing such  
 33 hospital, hospital grounds, nurses' homes, nursing homes, residential  
 34 or assisted living facilities, shelter care facilities, medical clinics,  
 35 superintendent's quarters, or any other necessary buildings, and equipment,  
 36 and may on their own initiative submit to the qualified electors of the  
 37 county at any general election the proposition whether negotiable coupon  
 38 bonds of the county to the amount stated in such proposition shall be issued  
 39 and sold for the purpose of providing for the extension and enlargement  
 40 of existing hospital, hospital grounds, nurses' homes, nursing homes,  
 41 residential or assisted living facilities, shelter care facilities, medical  
 42 clinics or grounds, superintendent's quarters, or any other necessary  
 43 buildings, and equipment, and when authorized thereto by two-thirds (2/3)  
 44 vote at such election, shall issue and sell such coupon bonds and use the  
 45 proceeds therefrom for the purposes authorized by such election. Said  
 46 proposition may be submitted to the qualified electors at an election held  
 47 subject to the provisions of section 34-106, Idaho Code, if the ~~board of~~

1 county commissioners shall by resolution so determine. No person shall be  
2 qualified to vote at any election held under the provisions of this section  
3 unless he shall possess all the qualifications required of electors under  
4 the general laws of this state.

5 The ~~board~~ county commissioners shall be governed in calling and holding  
6 such election and in the issuance and sale of such bonds, and in the providing  
7 for the payment of the principal and interest thereon by the provisions of  
8 ~~sections 31-1901 through 31-1909~~ chapter 19, title 31, Idaho Code, and by the  
9 provisions of chapter 2, title 57, Idaho Code; provided, however, that when  
10 such bonds have been issued and sold and a period of two (2) years or more has  
11 elapsed from the date of sale of said bonds and for any reason the proceeds  
12 from the sale of said bonds or other moneys appropriated for the purpose for  
13 which said bonds were issued, have not been used for the purpose for which  
14 they were appropriated or said bond issue made, the ~~board~~ county commission-  
15 ers may, with the written consent of all of the bondholders first having been  
16 obtained, submit to the qualified electors, as herein defined, the question  
17 of spending such moneys for a definite purpose. The purpose for which it is  
18 decided to spend such moneys shall be clearly and plainly stated on the bal-  
19 lot. If a majority of the qualified electors shall vote in favor of spending  
20 such moneys for the purpose stated, the ~~board of~~ county commissioners shall  
21 proceed in the same manner as if such different purpose had been the origi-  
22 nal purpose for such bond issue or appropriation. Provided, further that if  
23 less than a majority of the qualified electors shall vote in favor of spend-  
24 ing such moneys for such different purpose, or if no such election should be  
25 had, when all of the bonds shall have been retired, such excess moneys shall  
26 be placed in the general fund.

27 SECTION 24. That Section 31-3514, Idaho Code, be, and the same is hereby  
28 amended to read as follows:

29 31-3514. INTERNAL MANAGEMENT -- ACCOUNTS AND REPORTS. Such facilities  
30 as referred to in section 31-3503(2), Idaho Code, may suitably provide for  
31 and accept other patients and must charge and accept payments from such other  
32 patients as are able to make payments for services rendered and care given.  
33 The ~~board of~~ county commissioners may make suitable rules and regulations  
34 for the management and operation of such property by a suitable board of con-  
35 trol, or otherwise, or for carrying out such hospital uses and purposes under  
36 a lease of the same.

37 The boards or officers or lessees of such hospital property shall render  
38 accounts and reports to the county commissioners as may be required by the  
39 ~~board~~ county commissioners; and shall render accounts and deliver over any  
40 and all moneys received by them for the county to the county treasurer to be  
41 credited to the operation expense of hospitals and indigent sick and other-  
42 wise dependent poor of the county in such manner as provided by law for the  
43 handling of funds of this kind.

44 Said board of control may permit persons from out of the county where  
45 such hospital is located to be admitted for hospitalization to such hospi-  
46 tal. As to such cases special rates for the use and service of such hospital  
47 may be provided which rates shall apply equally to all such patients who do  
48 not pay taxes within the county where such hospital is located. The purpose  
49 of providing such special rates shall be to compel persons living out of the

1 county where such hospital is located, and who receive hospitalization in  
 2 such hospital, to bear a just burden of the cost of construction and mainte-  
 3 nance of such hospital.

4 SECTION 25. That Section 31-3515, Idaho Code, be, and the same is hereby  
 5 amended to read as follows:

6 31-3515. LEASE OR SALE. Such counties acting through their ~~boards of~~  
 7 county commissioners shall have the right to lease such hospitals upon such  
 8 terms and for such a length of time as they may decide, or to sell the same;  
 9 provided, however, that no such lease or sale, except those leases entered  
 10 into between such counties and the Idaho health facilities authority as pro-  
 11 vided in section 31-836, Idaho Code, shall be final or valid unless and until  
 12 it has been approved by a majority of the qualified electors of said county  
 13 voting on such question at an election held subject to the provisions of sec-  
 14 tion 34-106, Idaho Code; except if a hospital district has been created under  
 15 the provisions of chapter 13, title 39, Idaho Code, ~~a board of~~ county commis-  
 16 sioners shall have the right to lease, as provided in section 31-836, Idaho  
 17 Code, such hospitals within a created hospital district to the hospital dis-  
 18 trict without submitting the question of lease or sale to the qualified elec-  
 19 tors of the county or the respective hospital district.

20 SECTION 26. That Section 31-3515A, Idaho Code, be, and the same is  
 21 hereby amended to read as follows:

22 31-3515A. CONVEYANCE, LEASE OF COUNTY HOSPITAL TO NONPROFIT CORPORA-  
 23 TION. (1) As an alternative to the procedure set forth in section 31-3515,  
 24 Idaho Code, counties acting through their respective ~~boards of~~ county com-  
 25 missioners may convey or lease county hospitals, and the equipment therein,  
 26 subject to the following conditions:

27 (a) The entity to which the hospital is to be transferred shall be a non-  
 28 profit corporation;

29 (b) No lease term shall exceed ninety-nine (99) years. This subsection  
 30 supersedes that part of section 31-836, Idaho Code, which is inconsis-  
 31 tent herewith;

32 (c) The governing body of the nonprofit corporation must be composed  
 33 initially of the incumbent members of the board of hospital trustees, as  
 34 individuals. The articles of incorporation must provide for a member-  
 35 ship of the corporation which is:

36 (i) Broadly representative of the public and includes residents  
 37 of each incorporated city in the county and of the unincorporated  
 38 area of the county; or

39 (ii) A single nonprofit corporate member having articles of  
 40 incorporation which provide for a membership of that corpora-  
 41 tion which is broadly representative of the public and includes  
 42 residents of each incorporated city in the county and of the  
 43 unincorporated area of the county.

44 The articles must further provide for the selection of the governing  
 45 body by the membership of the corporation, or exclusively by a parent  
 46 corporation which is the corporate member, with voting power, and not  
 47 by the governing body itself, except to fill a vacancy for the unexpired

1 term. The articles must further provide that no member of the governing  
2 body shall serve more than two (2) consecutive three (3) year terms.

3 (d) The nonprofit corporation must provide care for indigent patients,  
4 and receive any person falling sick or maimed within the county.

5 (e) The transfer agreement must provide for the transfer of patients,  
6 staff and employees, and for the continuing administration of any  
7 trusts or bequests or maintenance of records pertaining to the existing  
8 public hospital.

9 (f) The transfer or lease agreement shall provide for a transfer or  
10 lease price which shall be either of the following:

11 (i) The acceptance of all assets and assumption of all liabilities;  
12 or

13 (ii) Such other price as the commissioners and the nonprofit corporation  
14 may agree.

15 (2) If any hospital which has been conveyed pursuant to this section  
16 ceases to be used as a nonprofit hospital, unless the premises so conveyed  
17 are sold and the proceeds used to erect or enlarge another nonprofit hospital  
18 for the county, the hospital so conveyed reverts to the ownership of  
19 the county. If any hospital which has been leased pursuant to this section  
20 ceases to be used as a nonprofit hospital, the lease shall terminate.

21 (3) The provisions of section 31-808, Idaho Code, with respect to the  
22 sale and disposition of real and personal property owned by the county, shall  
23 not apply to transactions covered by section 31-3515, Idaho Code, and this  
24 section.

25 SECTION 27. That Section 31-3517, Idaho Code, be, and the same is hereby  
26 amended to read as follows:

27 31-3517. ESTABLISHMENT OF A CATASTROPHIC HEALTH CARE COST PRO-  
28 GRAM. (1) The governing board of the catastrophic health care cost program  
29 created by the counties pursuant to a joint exercise of powers agreement,  
30 dated October 1, 1984, and serving on June 30, 1991, is hereby continued as  
31 such through December 31, 1992, to complete the affairs of the board, to  
32 continue to pay for those medical costs incurred by participating counties  
33 prior to October 1, 1991, until all costs are paid or the moneys in the  
34 catastrophic health care cost account contributed by participating counties  
35 are exhausted, and to pay the balance of such contributions back to the  
36 county of origin in the proportion contributed. County responsibility  
37 shall be limited to the first eleven thousand dollars (\$11,000) per claim.  
38 The remainder of the eligible costs of the claim shall be paid by the state  
39 catastrophic health care cost program.

40 (2) Commencing October 1, 1991, a catastrophic health care cost program  
41 board is hereby established, and the board shall be the administrator of the  
42 catastrophic health care cost program. This board shall consist of twelve  
43 (12) members, with six (6) county commissioners, one (1) from each of the six  
44 (6) districts or regions established by the Idaho association of counties,  
45 four (4) members of the legislature, with one (1) each being appointed by the  
46 president pro tempore of the senate, the leader of the minority party of the  
47 senate, the speaker of the house of representatives and the leader of the mi-  
48 nority party of the house of representatives, one (1) member appointed by

1 the director of the department of health and welfare, and one (1) member ap-  
2 pointed by the governor.

3 (a) The county commissioner members shall be elected by the ~~boards of~~  
4 county commissioners of the member counties of each district or region,  
5 with each board of county commissioners entitled to one (1) vote. The  
6 process and procedures for conducting the election and determining the  
7 members shall be determined by the board itself, except that the elec-  
8 tion must be conducted, completed and results certified by December 31  
9 of each year in which an election for members is conducted. The board  
10 recognized in subsection (1) of this section shall authorize and con-  
11 duct the election in 1991.

12 (b) The term of office of a member shall be two (2) years, commencing  
13 on January 1 next following election or appointment, except that for  
14 commissioner members elected in 1991, the commissioner members from  
15 districts or regions 1, 3 and 5 shall serve for a term of one (1) year,  
16 and the commissioner members from districts or regions 2, 4 and 6  
17 shall serve for a term of two (2) years. Members may be reelected or  
18 reappointed. Election or appointment to fill vacancies shall be for the  
19 balance of the unexpired term.

20 (c) The member appointed by the governor shall be reimbursed as pro-  
21 vided in section 59-509(b), Idaho Code, from the catastrophic health  
22 care cost account.

23 (d) At the first meeting of the board in January of each year, the board  
24 shall organize by electing a chair, a vice-chair, and such other offi-  
25 cers as desired.

26 (3) The legislative council shall cause a full and complete audit of  
27 the financial statements of the program as required in section 67-702, Idaho  
28 Code.

29 (4) The ~~administrator~~ board shall submit a request to the governor and  
30 the legislature in accordance with the provisions of chapter 35, title 67,  
31 Idaho Code, for an appropriation for the maintenance and operation of the  
32 catastrophic health care program.

33 SECTION 28. That Section 31-3518, Idaho Code, be, and the same is hereby  
34 amended to read as follows:

35 31-3518. ADMINISTRATIVE RESPONSIBILITY. (1) The ~~administrator~~ board  
36 shall, in order to facilitate payment to providers participating in the  
37 county medically indigent program and the catastrophic health care cost  
38 program, have on file the reimbursement rates allowed for all participating  
39 providers of medical care. However, in no event shall the amount to be paid  
40 exceed the usual, reasonable, and customary charges for the area.

41 (2) The ~~administrator~~ board may contract with an independent contrac-  
42 tor to provide services to manage and operate the program, or the ~~administra-~~  
43 ~~tor~~ board may employ staff to manage and operate the program.

44 (3) The ~~administrator~~ board shall develop rules for a catastrophic  
45 health care cost program after consulting with the counties, organizations  
46 representing the counties, health care providers and organizations repre-  
47 senting health care providers.

48 (4) The ~~administrator~~ board shall submit all proposed rules to the leg-  
49 islative council for review prior to adoption, in a manner substantially the

1 same as proposed executive agency rules are reviewed under chapter 52, ti-  
 2 tle 67, Idaho Code. Following adoption, the ~~administrator board~~ shall sub-  
 3 mit all adopted rules to the legislature for review in a manner substantially  
 4 the same as adopted executive agency rules are reviewed under chapter 52, ti-  
 5 tle 67, Idaho Code. The legislature, by concurrent resolution, may modify,  
 6 amend, or repeal any rule of the ~~administrator board~~.

7 SECTION 29. That Section 31-3519, Idaho Code, be, and the same is hereby  
 8 amended to read as follows:

9 31-3519. PAYMENT FOR SERVICES. Each board of county commissioners  
 10 shall make payments to hospitals or providers for ~~covered~~ necessary medical  
 11 services provided to the medically indigent as follows:

12 (1) Upon receipt of a final determination by the county commissioners  
 13 approving an application for ~~necessary medical services~~ financial assis-  
 14 tance under the provisions of this chapter, an applicant, a hospital or  
 15 provider, or the third party on behalf of the applicant, shall, within sixty  
 16 (60) days, submit ~~the claim to the department for its utilization management~~  
 17 ~~review pursuant to section 31-3503C, Idaho Code. The department shall~~  
 18 ~~forward the reviewed claim to the responsible county. The forwarded claim~~  
 19 ~~shall be~~ a county claim pursuant to the procedures provided in chapter 15,  
 20 title 31, Idaho Code.

21 (2) Payment shall be made to hospitals or providers on behalf of an ap-  
 22 plicant and shall be made on the next payment cycle. In no event shall pay-  
 23 ment be delayed longer than sixty (60) days from receipt of the ~~department's~~  
 24 ~~reviewed county claim~~.

25 (3) Payment to a hospital or provider pursuant to this chapter shall be  
 26 payment of the debt in full and the hospital or provider shall not seek addi-  
 27 tional funds from the applicant.

28 (4) In no event shall a county be obligated to pay a claim, pursuant to  
 29 this chapter, in an amount which exceeds the reviewed claim as determined by  
 30 the department's utilization management program.

31 (5) The ~~department clerk~~ shall forward claims exceeding eleven thou-  
 32 sand dollars (\$11,000) per recipient in a consecutive twelve (12) month pe-  
 33 riod to the ~~catastrophic health care cost program board~~ within fourteen (14)  
 34 days after approval of an application along with a statement of which costs  
 35 the clerk has or intends to pay.

36 (6) The ~~catastrophic health care cost program board~~ shall, within  
 37 forty-five (45) days after approval by the ~~administrator board~~, submit the  
 38 claim to the state controller for payment.

39 SECTION 30. That Section 31-3520, Idaho Code, be, and the same is hereby  
 40 amended to read as follows:

41 31-3520. CONTRACT FOR PROVISION OF NECESSARY MEDICAL SERVICES FOR THE  
 42 MEDICALLY INDIGENT. The ~~boards of~~ county commissioners in their respective  
 43 counties, may contract for the provision of necessary medical services to  
 44 the medically indigent of the county and may, by ordinance, limit the pro-  
 45 vision of and payment for nonemergency necessary medical services to a con-  
 46 tract provider. They shall require the contractor to enter into a bond to the  
 47 county with two (2) or more approved sureties, in such sum as the ~~board~~ county

1 commissioners may fix, conditioned for the faithful performance of his du-  
2 ties and obligations as such contractor, and require him to report to the  
3 ~~board~~ county commissioners quarterly all persons committed to his charge,  
4 showing the expense attendant upon their care and maintenance.

5 SECTION 31. That Section 31-3521, Idaho Code, be, and the same is hereby  
6 amended to read as follows:

7 31-3521. EMPLOYMENT OF PHYSICIAN. The ~~board~~ county commissioners may  
8 employ a physician to attend, when necessary, the patients of the county hos-  
9 pital, provided, however, that the ~~board of~~ county commissioners may enter  
10 into contracts with groups of licensed physicians for medical attendance  
11 upon patients of the county hospital or other persons receiving medical  
12 attendance at county expense. They may provide for the employment, at some  
13 kind of manual labor, of such of the patients as are capable and able to work  
14 and the attending physicians must certify to the person in charge or lessee  
15 of the county hospital the names of such of the patients as are incapable of  
16 manual labor, and when any such patient becomes capable the physician shall  
17 certify that fact.