Idaho Catastrophic Health Care Cost Program

Historical Overview
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Program Purpose

- To meet the needs of medically indigent in Idaho who do not qualify for State or federal health and welfare programs, but do qualify for county assistance.

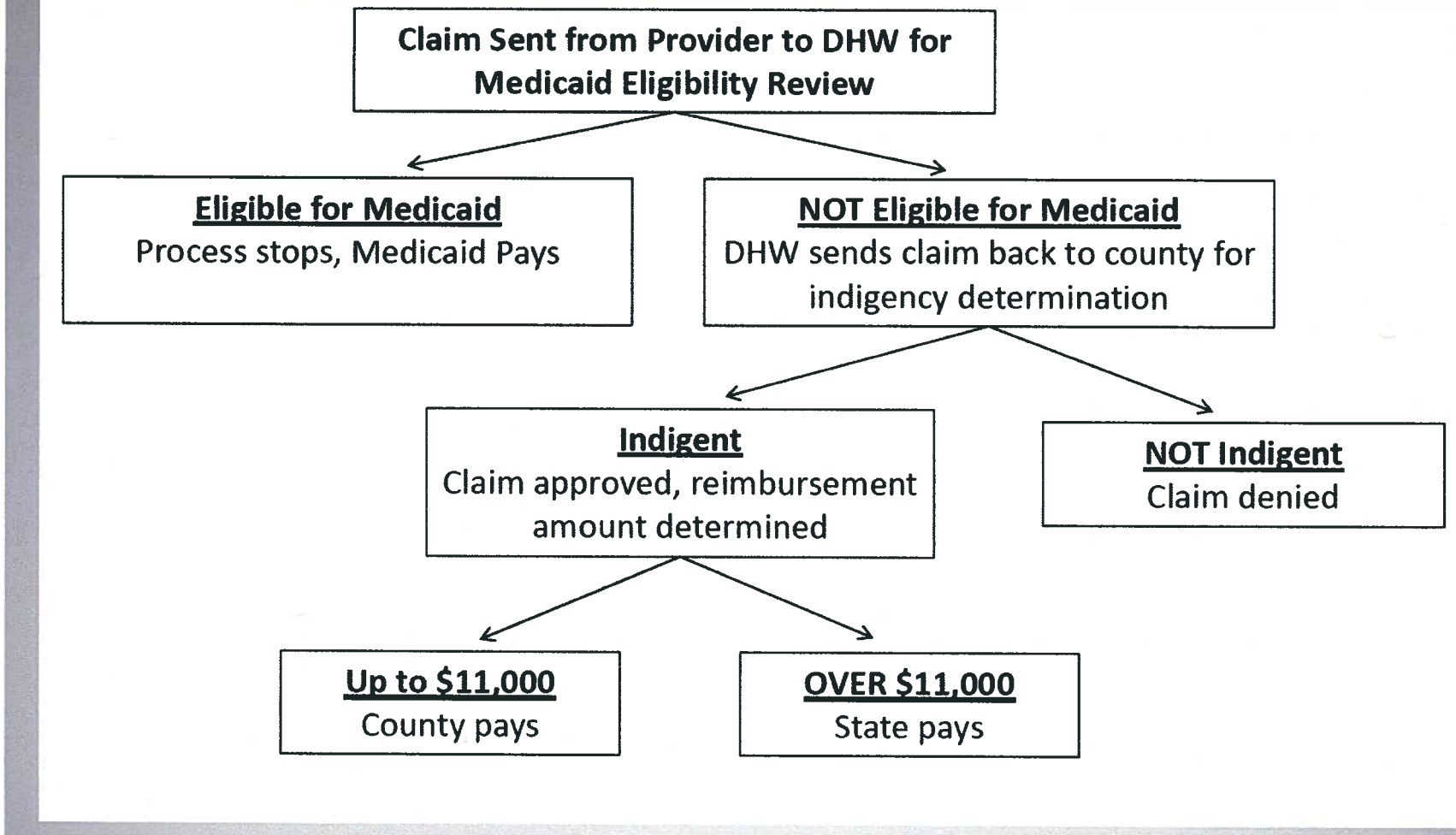
- County Assistance:
  - §31-3503: "The board of county commissioners in their respective counties shall… Care for and maintain the medically or otherwise indigent…"
  - Allows counties to levy property taxes to pay for indigent medical expenses.
- 1982: S1311, Creates CAT Program
  - Defined "Catastrophic health care costs" as those in excess of $10,000.
  - Counties paid into the account.
  - Resident county paid up to the "Catastrophic" level, then CAT Program picked up the rest.

- 1982 – 1990: Various statutory modifications, including reimbursement from indigent individuals who are able to pay. Also tied payment rates to Medicare and Medicaid reimbursement rates.
- 1991: H387, Program Overhaul
  - Removed contribution of county funds.
  - Established Catastrophic Health Care Cost Program Board.
  - Required that the State shall "fund the catastrophic health care program…"
  - Left indigency determination to counties.

- 1995: H81, State/County Partnership
  - Made counties responsible for first $10,000 of eligible claims.
  - "[The] remainder of the eligible costs of the claim shall be paid by the state catastrophic health care program."
- 1996 – 2008: Various statutory modifications, including timelines, investigation requirements, property liens, notification, etc.

- 2009: S1158, Major Program Modifications
  - Redefined "Catastrophic health care costs"; increased county deductable amount from $10,000 to $11,000.
  - Required program administrator to work with DHW on Medicaid eligibility review, utilization management.
  - Revised makeup of CAT Board: 12 Members
    - 6 county commissioners, one per IAC region;
    - 4 members of State Legislature;
    - 1 appointed by Director of DHW;
    - 1 appointed by Governor

- 2010-2011: Program Administration
  - Clarified timelines.
  - Tied reimbursement rates to unadjusted Medicaid rates (95%, until July 1, 2013).
  - Required applications from providers/hospitals.
  - Clarified how claims move through the process.
- Contract administrator until 2010; at which time the CAT Board began contracting with IAC for program admin.



Claims Process

Program Cost Summary

Year	Previous Year Bills	CAT Board Approved Cases	Reimbursed	Seatbelt Income	Orig App	Supp/Rec	State Payments (10 Year Act)	County Reported Costs	Year End Balance
2000	N/A	601	2,444,865	0	10,135,700	(4,250,000)	5,885,700	18,876,649	2,864,100
2001	N/A	724	1,152,622	0	10,735,000	0	10,015,000	24,095,681	2,657,500
2002	N/A	771	1,417,131	0	10,735,000	(400,000)	9,739,400	25,286,398	103,300
2003	250,000	808	1,665,385	0	10,435,000	1,693,800	12,123,000	28,055,418	N/A
2004	690,000	810	2,047,548	143,759	8,961,700	4,000,000	14,907,300	27,780,612	190,200
2005	170,000	849	1,948,582	165,796	12,660,500	3,675,000	18,512,100	32,518,791	212,600
2006	3,575,000	1,063	2,329,670	136,226	15,260,300	5,000,000	23,023,400	38,358,979	195,000
2007	0	969	3,176,882	121,321	20,766,800	0	20,766,800	38,366,817	245,400
2008	0	1,101	3,583,869	107,669	20,768,400	0	25,423,700	41,740,875	5,600
2009	833,110	1,187	2,932,069	139,168	20,767,700	2,500,000	23,267,700	44,516,529	2,700
2010	2,733,308	1,298	2,769,736	132,548	19,771,700	14,000,000	33,771,700	44,566,305	5,583,600
% Change		**116.0%**	**13.3%**		**95.1%**		**473.8%**	**136.1%**	

Year	Bill	Description
N/A Baseline		"Medically indigent" means any person who is in need of hospitalization and who, if an adult, together with his or her spouse, or whose parents or guardian if a minor, does not have income and other resources available to him from whatever source which shall be sufficient to enable the person to pay for necessary medical services.
		Counties are required to "Care for and maintain the medically or otherwise indigent." Idaho Code allows counties to levy a property tax up to five mills/dollar to pay for services.
1982	S 1311	Adds definitions: "Administrator" as designated by the Association of Counties; "Catastrophic health care costs" are all medical expenses for which an applicant is not liable and which are incurred by a recipient and not paid for or reimbursed during one year that exceed $10,000, or a lesser amount as determined by the negotiated insurance policy; "Recipient" is an individual determined eligible for county medical assistance based on guidelines on indigent eligibility adopted by the administrator.
		Directs administrator to establish a Catastrophic Health Care Cost Program. Requires an annual audit of the program.
		Requires counties to participate in the catastrophic health care costs program, establish eligibility guidelines, and operate the program.
		Requires counties to pay providers for services to recipients until fees reach "catastrophic" levels, after which payments will be made under the provisions of the catastrophic health care cost program.
		Establishes in the state treasury the Catastrophic Health Care Cost Account for the purposes of (1) payment of insurance premiums, (2) payment of claims, or (3) payment of expenses of administering the account. Requires each county to contribute to the account in an amount determined by the administrator. Perpetually appropriates all moneys in the account to the administrator.
1983	H 310, AA	Clarifies that eligible medically indigent individuals are required to reimburse the county for some of their medical expenses if they are able to do so. Requires monies received from recipients/applicants be credited to the county indigent fund. Makes such funds available for expenditure without being budgeted/appropriated.
		Replaces definition "Regular hospital charges" with "Reimbursement rates," which are Medicare and Medicaid reimbursement rates. Stipulates that counties shall pay an amount not to exceed the reimbursement rates for services.
		Relates property taxes required by counties for the program to market rates and establishes a maximum of 0.10% of market value.
1987	S 1182	Expands state participation in Medicaid by using county funds as match for federal funds to cover certain eligible expenses otherwise paid for by counties, charges an amount to each county (based on population), and diverts that money to the County Medical Indigency Suspense Account.

1988	S 1562, AA	Makes all records related to medical indigency confidential for purposes other than determining eligibility by county officials.
		Adds "Residency" and "residence" to definitions to mean a physical presence with a domicile. Outlines factors to determine county of residence/responsible county.
1989	S 1275	Clarifies definition of "Residency" and "residence."
1990	S 1589 (Ch. 87, Session Laws of 1990)	Directs the Department of Health & Welfare to develop an Idaho medical assistance program for low income persons who are not eligible for Medicaid or Medicare, including eligibility requirements, necessary services, payment of claims, etc. The new state program is intended to replace the existing county system.
1991	H 378	Repeals Ch. 87, Session Laws of 1990. Removes requirement of counties to participate in and administer previously defined catastrophic health care costs program.
		Removes the use of county funds to match federal Medicaid funds; statute still identifies expansion of the State Medicaid program for related purposes. Removes references and required payments to the county medical indigency suspense account.
		Establishes a Catastrophic Health Care Cost Program Board consisting of seven members; six county commissioners - one elected by each district/region established by the Idaho Association of Counties - and one member appointed by the Governor. Identifies a timeline to transition away from the previous county-run system.
		Redefines "Administrator" as "the board of the catastrophic health care cost program." Removes allowance for payment by counties of "a lesser amount [than $10,000] as determined by the negotiated catastrophic insurance policy" from definition of "Catastrophic health care costs."
		Allows the administrator/board to either contract the operation/management of the program or employ staff for the same purpose.
		Adds payments for durable medical equipment, soft organ transplants, adult dental services, adult vision services, adult hearing services, prosthetics, and "A medically needy program" to eligible Medicaid expenses (under 56-209d).
		Asserts that the State shall "fund the catastrophic health care cost program from the catastrophic health care cost account which shall provide assistance to medically indigent persons who are not eligible under the state plan for Medicaid.
		Shifts various administrative responsibilities from the Department of Health & Welfare to the administrator/board.
		Removes county responsibility for funding the Catastrophic Health Care Cost Account as previously outlined. Asserts that the account will be funded by State appropriation.
1992	H 753	Requires administrator/board to request appropriations for the maintenance and operation of the catastrophic health care program. Outlines required contribution amounts for each county to the Catastrophic Health Care Cost Account
1995	H 81	Makes counties responsible for first $10,000 of eligible claims. Asserts that the Catastrophic Health Care Cost Account shall be used to pay insurance premiums, eligible claims beyond the $10,000 county deductible, and expenses of administering the account. (H 122 appropriates $11,977,400 to the Cat Fund for FY 1995)

1996	S 1567, AA	Revises definition of "Medically indigent" to mean persons who are in need of necessary medical services. Revises definition of "Resident." Adds various new definitions.
		Under Powers and Duties, removes discussion of an ad valorem property tax by counties to pay for services.
		Adds new section regarding Powers and Duties of Administrator. Includes payment for necessary medical services for medically indigent persons where reimbursement rate for claims exceed $10,000; and to obtain annual report from each county and hospital.
		Adds new sections outlining application and investigation requirements, timelines, appeals, notification by hospitals about admittance of potentially eligible individuals, and requiring an automatic lien for all real and personal property, insurance benefits, and anything else possible at the time of application.
		Stipulates that funds recouped by reimbursement when applicant is able to pay a portion of costs shall be prorated between the county and the state in proportion to the amount paid by each entity. Allows reimbursement over time if the applicant is able to pay.
		Adds allowance for denial if applicant divests himself or herself of resources within one year prior to filing an application in order to become eligible.
		Outlines process for determining payment amounts.
		Adds allowance for counties to levy property tax to pay for nonmedical indigent assistance.
2000	H 573	Adds State residency requirement for eligibility.
2008	S 1363	Removes a provision providing that reimbursement received by a county need not be budgeted or appropriated.
2009	S 1158	Revises various definitions. Highlights include: (1) "Catastrophic health care costs" means the cost of medically necessary drugs, devices and services received by a recipient that, when paid at the then existing reimbursement rate, in aggregate exceed the sum of **eleven thousand dollars ($11,000)**..."; (2) "Department" means DHW; (3) "Necessary medical services" (see definition); (4) "Services not included" (see definition); (5) "Resources" (see definition); (6) "Utilization management" means the evaluation of medical necessity, appropriateness and efficiency of the use of health care services, procedures and facilities and may include, but is not limited to, preadmission certification, the application of practice guidelines, continued stay review, discharge planning, case management, preauthorization of ambulatory procedures, retrospective review and claims review.
		Adds to duties of county commissioners and administrator the responsibility to cooperate with the department and contractors to provide services including Medicaid eligibility review and utilization management.

		Assigns Powers and Duties to DHW, including (1) design and manage utilization management program; (2) implement Medicaid eligibility determination process for all potential applicants; (3) develop forms for initial review; and (4) to promulgate rules to implement duties and responsibilities. Also requires DHW to share financial/income information obtained through Medicaid review with counties to assist in determination of medical indigency.
		Requires counties to participate in utilization review and Medicaid eligibility review (with contribution of each county to be calculated by the department as defined in rule).
		Allows hospitals, DHW, counties, and the administrator to share information about applicant's health and finances.
		Stipulates that utilization management and the current Medicaid rate are the factors for determining amount of payment for services.
		Revises the makeup of the catastrophic health care cost program board as follows: 12 members, with 6 county commissioners - 1 from each of the 6 districts/regions established by Idaho Association of Counties - 4 members of the Legislature - with 1 each appointed by the president pro tempore of the senate, the leader of the minority party of the senate, the speaker of the house, and the leader of the minority party of the house - 1 member appointed by the director of DHW, and 1 member appointed by the Governor.
		Adds establishment of rules for the catastrophic health care cost program, in consultation with stakeholders, to administrative responsibility of administrator.
2010	H 681	Includes policy language asserting that catastrophic health care cost program and county medically indigent program are payers of last resort.
		Clarifies timelines for hospitals and counties.
		Affirms that hospitals and service providers shall participate in utilization management program and third party recovery system.
		Clarifies that overpayment by counties/the State to providers constitutes a debt of the provider to the county and the board.
2011	H 310, AA	Introduces/requires a new combined application for State and county medical assistance.
		Adds to the definition of "Reimbursement Rate" as the rate "that is in effect at the time service is rendered. Beginning July 1, 2011, and sunsetting July 1, 2013, "reimbursement rate" shall mean ninety-five percent (95%) of the unadjusted Medicaid rate."
		Requires application from providers/hospitals in order to receive payment.
		Revises the method of determining appropriate levels of payment from an amount recommended by the utilization management program and Medicaid rate to an amount based on "the appropriate reimbursement rate to those medical services determined to be necessary medical services. The board [of county commissioners] may use contractors to undertake utilization management review in any part of that analysis."
		Adds executive committee to the board consisting of chair, vice-chair, secretary and such other members as determined by the board to conduct business as delegated by the board between meetings. Provides other direction for board operations.

		Clarifies how claims flow from counties to board (31-3519). (Removes "The clerk shall forward claims exceeding eleven thousand dollars ... to the board.")
		Adds nondisclosure protections for utilization management reviewers/practitioners involved in reviews.
		Adds requirement that "A hospital shall apply pursuant to section 1011 of the Medicare modernization act of 2003 if funds are available or provide proof that funds are no longer available."