

MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Wednesday, January 18, 2012

**TIME:** 1:30 P.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** Representative Loertscher

**GUESTS:** Wendy Norbom, Kami Norbom, Amika Dupree, Doug McKnight, Ruth McKnight, Kathie Garrett, Mike Sandvig, John Tanner, National Alliance on Mental Illness; Christine Tiddens, and Lancus Rossi, Catholic Charities of Idaho; Debby Ransom, Eric Brown, Frank Powell, Department of Health and Welfare (DHW); Michael Wilson, Idaho Residential Support Living Association (IRSLA); Delanie Valentine, Easter Seals-Goodwill; Ed Hawley, Department of Administration; Corey Surber, Saint Alphonsus; David Simnitt, Medicaid; Elwood Kleaver, Department of Insurance; Joie McGarvin, America's Health Insurance Plan; Katherine Hansen, Community Partnerships of Idaho; Colby Cameron, Sullivan Reberger Eiguren.

**Chairman McGeachin** called the meeting to order at 1:31 p.m.

**MOTION:** **Rep. Bilbao** made a motion to approve the minutes of the January 12, 2012, meeting. **Motion carried by voice vote.**

**PRESENTATION:** **Richard Armstrong**, Director, Department of Health & Welfare (DHW) presented to the committee on "Medicaid Readiness". He discussed briefly the correlation between the Patient Protection & Affordable Care Act (PPACA), Medicaid rules and eligibility, Exchange rules and Internal Revenue Service (IRS) rules.

**Director Armstrong** stated that there are three federal requirements that will be handled in phases over the next 23 months. He added that pending Supreme Court rulings will impact phases two and three. The first phase, simplification, involves modifications which have long been considered by several programs, including Medicaid. Medicaid expansion of eligibility to all qualifying adults is the second phase. The final phase addresses connection to insure data and information is shared, requirements are met and systems are streamlined.

He then explained the distinctions and funding options of Medicaid readiness and the exchange, which is yet to be determined and defined by the federal government. The enhanced match on new eligible populations will gradually decrease by 2020 and the subsidy management portion will be coordinated with the IRS.

Connection will require the systems to interface with an exchange to share eligibility information. Real time enrollment will use a new seamless application process, with integration of application portals.

**Director Armstrong** remarked that the DHW goals are to effectively implement the required law, insure technology or functionality implemented provides overall value to the system, and implement it in line with the federal information release.

The total cost for Medicaid readiness is \$34.8M. Of that amount, \$23.1M modifies Idaho's Benefit and Eligibility System (IBES), \$4.5M modifies Medicaid Management Information System (MMIS), and \$7.2M improves the technology infrastructure.

Phase one will deal with current system interface issues and archaic paper-based verification processes. It will improve customer service, adding 24-hour service, and provide for a disaster recovery system. These solutions would be more costly under welfare funding at 50/50 than with the Medicaid Enhanced Funding at 90/10. This phase uses the bulk of the funds and will take 14 months of the 23-month project. During that time he expects the federal government to provide more information on the exchange program. Additional programs, such as the Temporary Assistance for Families in Idaho (TAFI), Idaho Child Care Program (ICCP), Aid to the Aged, Blind and Disabled (AABD), and Food Stamp Program (FS) will also benefit from the system-wide improvements.

Phase two, which is expected to be implemented in October, 2013, will address modifications to IBES which were not done when it was purchased and will insure Idaho can meet the new federal reporting requirements. The improvements will allow for 100,000 new eligible clients. The date and phase allow for compliance of new federal rules to insure certification and pending legal rulings.

Phase three deals with federal compliance, requiring interface with the exchange, real-time data sharing, reporting continuity, and integration of portals.

**Director Armstrong** remarked that the phases were designed to provide immediate improvements early and often. The changes will also improve long-term business value and administrative processes. Once completed, the Medicaid program will be more effective with capacity gains and reduced future costs.

Responding to questions, **Director Armstrong** stated that the original IBES cost was \$250M, with additional implementation costs of \$27M for IBES and \$36M for MMIS. All costs have been paid. He also indicated that the information shared with the IRS will be provided through Medicaid applications, and not necessary for those applying directly to the Exchange, unless they apply first for Medicaid eligibility. The template referred to in federal law does not exist yet, only bits and pieces. He anticipates that this and other guidelines will be provided closer to the 2013 deadline, which was a consideration when the phases were designed. Medicaid does not require each state have the same system, so he expects that the portal connectivity will follow those guidelines.

**Director Armstrong** answered additional questions, stating that the few existing companies who could design and sell exchange systems are already working with the federal government at a better rate than they could get from states such as Idaho. The uniqueness of IBES and it's connection with Molina makes it more improbable that any outside company could offer a package that would be attractive. He shared his concerns about meeting the federal deadline, stating that he had sent a letter to Secretary Sebelius and has had no response. He then stated that previous discussions indicate some federal leniency, although it is restricted since this is a statute.

**DOCKET NO.  
16-0417-1101**

**Eric Brown**, Program Supervisor, State Licensing and Certification (the Department) presented **Docket No. 16-0417-1101** which clarifies the certification requirements for residential habilitation agency providers, the health and safety critical incident reporting requirements, and certification enforcement procedures.

Responding to a question, **Mr. Brown** stated that there was no contest to any of the language in the rules, but there was discussion about the reporting process. He added that they are working with providers at this time to remedy their concerns.

**Michael Wilson**, Representative, Idaho Residential Supportive Association, spoke in opposition to **Docket No. 16-0417-1101**, stating that **Section 404.04** involves critical incident reporting and is of concern because they do not define what the approved process is and what constitutes an incident rising to "critical" level. This lack of a clear definition can lead to over reporting and lack of efficiency. Protocol requires basic reporting with additional supporting documentation submitted within a time frame that is not stated in this section. There is also no exception for weekend or holiday reporting, although the Department is closed. Larger agencies may need a full time employee to comply with the additional paperwork necessary. His association is also concerned that passing **Docket No. 16-0417-1101** without changes will diminish the incentive for the Department to work with providers to capture data in a better way. Mr. Wilson requested that the committee reject **Section 404.04**.

In response to questions, **Mr. Wilson** said assurances today that the Department will continue working on this issue are good, but are not binding if there are staff changes in the future.

**MOTION:** **Rep. Wood** made a motion to approve **Docket No. 16-0417-1101**.

In support of the motion, **Rep. Wood** stated that both the DHW and the legislature share a willingness to assure that industry is not burdened by too many regulations, bearing in mind that patient safety is paramount.

**SUBSTITUTE MOTION:** **Rep. Thayn** made a motion to approve **Docket No. 16-0417-1101** with the exception of **Section 404.04**.

**Eric Brown** was called upon to answer a question posed by the committee regarding working on the definition while the docket is before the committee. He stated that the Department and provider association are working on defining the process and the Bureau Chief is heading the team that is writing the procedure, and the two groups are working actively together to get a final product that will not burden the providers.

Upon additional questions, **Mr. Brown** deferred to **David Simnitt**, Deputy Administrator, Division of Medicaid, who stated that they are working on the process, but are not sure how long it will take. He stated he would commit to continue to clear up the issue since federal assurances are required for impact and monitoring authority. In response to another committee question, Mr. Simnitt stated that this issue was addressed after incidences of death and injury.

**VOTE ON SUBSTITUTE MOTION:** **Chairman McGeachin** called for a vote on the substitute motion to accept **Docket No. 16-0417-1101** with the exception of **Section 404.04**. **Motion carried on voice vote.** **Reps. Wood, Rusche** and **Chew** asked to be recorded as voting NAY.

**DOCKET NO. 16-0319-1101:** **Debby Ransom**, Bureau Chief, Licensing and Certification, presented **Docket No. 16-0319-1101**, which aligns with **HB260** and the DHW 2012 appropriation. The staff administering the certification process for Certified Family Homes (CFH) is now solely funded by fees. These rules are associated with a one-time, non-refundable application fee of \$150 and a monthly certification fee of \$25 which is invoiced quarterly. The rules allow the Department to take action against the certificate if the provider does not pay the certification fees. In situations where the CFH is a family, the resident would still be eligible to received Home and Community Based waiver services.

In response to questions from committee members, **Ms. Ransom** stated that reduction of the next month's payment as a response to non-payment of quarterly invoices would have to go through the Molina system and would not be as clean a process. Additionally part of the opposition to the rule changes refers to the lack of CFH cost-of-living increases.

**David Simnitt**, Deputy Administrator, Division of Medicaid, stated, in response to a request by the committee for clarification, that there had been a minor increase in CFH income under the 2007 Rehabilitation Program, but he did not know the dollar amount.

**MOTION:** **Rep. Thayn** made a motion to approve **Docket No. 16-0319-1101** with the exception of **Subsection 02**.

**Chairman McGeachin** spoke in opposition to the motion, commenting that this was part of the Medicaid budget reduction, follows the intent of HB260 to meet financial obligations, and was negotiated with the association representing CFH although it may not speak for all of CFH.

**Rep Bilbao** spoke in support of the motion, stating that he is having difficulty since some CFH are struggling, acknowledging that although the reduction was passed, he thought something less than the \$25 would be more appropriate.

**SUBSTITUTE MOTION:** **Rep. Roberts** made a motion to approve **Docket No. 16-0319-1101**

**Rep. Roberts** spoke in support of the motion, stating that the issue was debated in the last legislature as part of budget scenarios and is one of those things that were part of the package. If there is interest in changing what was approved, then separate legislation needs to be presented to remove the fees since the fiscal impact on the general fund would be debated. This reflects code changes made last year.

**ROLL CALL VOTE ON SUBSTITUTE MOTION:** **Rep. Roberts** requested a roll call vote on **Docket No. 16-0319-1101**. **Motion passed by a vote of 6 AYE, 3 NAY, and 1 ABSENT. Voting in favor of the motion: Reps. Shepherd, Thayn, Wood(27), Guthrie, Roberts, McGeachin. Voting in opposition to the motion: Reps. Bilbao, Rusche, Chew. Absent: Rep. Loertscher.**

**RS 20876** **Rep Phylis King** presented **RS 20876**, which affects the Early Childhood Coordinating Council. This legislation is similar to **SB 1080** and updates language, allows the collection of donated funds, connects stakeholders and codifies what is already in practice under Executive Order No. 2011-13F. It also changes the age range from 0-8 years to 0-5 years. This change was deemed necessary since education handles the needs from age 5.

**MOTION:** **Rep. Rusche** made a motion to introduce **RS 20876**. **Motion carried on voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 3:15 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary