

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 98, As Amended, As Amended in the Senate

BY HEALTH AND WELFARE COMMITTEE

AN ACT

1 RELATING TO MEDICAL INDIGENCY; AMENDING SECTION 31-3501, IDAHO CODE, TO RE-  
2 VISE THE DECLARATION OF POLICY TO INCLUDE DEPENDENTS; AMENDING SECTION  
3 31-3502, IDAHO CODE, TO REVISE DEFINITIONS; AMENDING SECTION 31-3504,  
4 IDAHO CODE, TO REVISE PROVISIONS RELATING TO SUBMISSION OF MEDICAL  
5 RECORDS AND MEDICAL CLAIMS AS PART OF AN APPLICATION FOR FINANCIAL AS-  
6 SISTANCE; AMENDING SECTION 31-3505, IDAHO CODE, TO REVISE TERMINOLOGY;  
7 AMENDING SECTION 31-3505A, IDAHO CODE, TO PROVIDE THAT FINDINGS OF IN-  
8 DIGENCY SHALL START ON THE DATE NECESSARY MEDICAL SERVICES ARE FIRST  
9 PROVIDED; AND AMENDING SECTION 31-3508A, IDAHO CODE, TO REVISE TERMI-  
10 NOLOGY.  
11

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

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

15 31-3501. DECLARATION OF POLICY. (1) It is the policy of this state that  
16 each person, to the maximum extent possible, is responsible for his or her  
17 own medical care and that of his or her dependents and to that end, shall be  
18 encouraged to purchase his or her own medical insurance with coverage suf-  
19 ficient to prevent them from needing to request assistance pursuant to this  
20 chapter. However, in order to safeguard the public health, safety and wel-  
21 fare, and to provide suitable facilities and provisions for the care and hos-  
22 pitalization of persons in this state, and, in the case of medically indigent  
23 residents, to provide for the payment thereof, the respective counties of  
24 this state, and the board and the department shall have the duties and powers  
25 as hereinafter provided.

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

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

33 31-3502. DEFINITIONS. As used in this chapter, the terms defined in  
34 this section shall have the following meaning, unless the context clearly  
35 indicates another meaning:

36 (1) "Applicant" means any person who is requesting financial assis-  
37 tance under this chapter.

38 (2) "Application" means the combined application for state and county  
39 medical assistance pursuant to sections 31-3504 and 31-3503E, Idaho Code.

1 In this chapter an application for state and county medical assistance shall  
2 also mean an application for financial assistance.

3 (3) "Board" means the board of the catastrophic health care cost pro-  
4 gram, as established in section 31-3517, Idaho Code.

5 (4) "Case management" means coordination of services to help meet a pa-  
6 tient's health care needs, usually when the patient has a condition that re-  
7 quires multiple services.

8 (5) "Catastrophic health care costs" means the cost of necessary medi-  
9 cal services received by a recipient that, when paid at the then existing re-  
10 imbursement rate, exceeds the total sum of eleven thousand dollars (\$11,000)  
11 in the aggregate in any consecutive twelve (12) month period.

12 (6) "Clerk" means the clerk of the respective counties or his or her de-  
13 signee.

14 (7) "Completed application" shall include at a minimum the cover sheet  
15 requesting services, applicant information including diagnosis and re-  
16 quests for services and signatures, personal and financial information of  
17 the applicant and obligated person or persons, patient rights and responsi-  
18 bilities, releases and all other signatures required in the application.

19 (8) "County commissioners" means the board of county commissioners in  
20 their respective counties.

21 (9) "County hospital" means any county approved institution or facil-  
22 ity for the care of sick persons.

23 (10) "Department" means the department of health and welfare.

24 (11) "Dependent" means any person whom a taxpayer ~~could~~ claims as a de-  
25 pendent under the income tax laws of the state of Idaho.

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

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

33 (b) Serious impairment to bodily functions; or

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

35 (13) "Hospital" means a facility licensed and regulated pursuant to  
36 sections 39-1301 through 39-1314, Idaho Code, or an out-of-state hospital  
37 providing necessary medical services for residents of Idaho, wherein a re-  
38 ciprocal agreement exists, in accordance with section 31-3503B, Idaho Code,  
39 excluding state institutions.

40 (14) "Medicaid eligibility review" means the process used by the de-  
41 partment to determine whether a person meets the criteria for medicaid cov-  
42 erage.

43 (15) "Medical claim" means the itemized statements and standard forms  
44 used by hospitals and providers to satisfy centers for medicare and medicaid  
45 services (CMS) claims submission requirements.

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

1 (17) "Medically indigent" means any person who is in need of necessary  
2 medical services and who, if an adult, together with his or her spouse, or  
3 whose parents or guardian if a minor or dependent, does not have income and  
4 other resources available to him from whatever source sufficient to pay for  
5 necessary medical services. Nothing in this definition shall prevent the  
6 board and the county commissioners from requiring the applicant and obli-  
7 gated persons to reimburse the county and the catastrophic health care cost  
8 program, where appropriate, for all or a portion of their medical expenses,  
9 when investigation of their application pursuant to this chapter, deter-  
10 mines their ability to do so.

11 (18) A. "Necessary medical services" means health care services and  
12 supplies that:

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

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

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

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

24 (e) Are the most cost-effective service or sequence of services or  
25 supplies, and at least as likely to produce equivalent therapeutic  
26 or diagnostic results for the person's illness, injury or disease.

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

28 (a) Bone marrow transplants;

29 (b) Organ transplants;

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

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

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

35 (f) Medicare copayments and deductibles;

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

38 (h) Medicaid copayments and deductibles; and

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

42 (19) "Obligated person" means the person or persons who are legally re-  
43 sponsible for an applicant including, but not limited to, parents of minors  
44 or dependents.

45 (20) "Primary and preventive health care" means the provision of pro-  
46 fessional health services that include health education and disease preven-  
47 tion, initial assessment of health problems, treatment of acute and chronic  
48 health problems and the overall management of an individual's health care  
49 services.

1 (21) "Provider" means any person, firm or corporation certified or li-  
2 censed by the state of Idaho or holding an equivalent license or certifica-  
3 tion in another state, that provides necessary medical services to a patient  
4 requesting a medically indigent status determination or filing an applica-  
5 tion for financial assistance.

6 (22) "Recipient" means an individual determined eligible for financial  
7 assistance under this chapter.

8 (23) "Reimbursement rate" means the unadjusted medicaid rate of reim-  
9 bursement for medical charges allowed pursuant to title XIX of the social se-  
10 curity act, as amended, that is in effect at the time service is rendered.  
11 Beginning July 1, 2011, and sunseting July 1, 2013~~4~~, "reimbursement rate"  
12 shall mean ninety-five percent (95%) of the unadjusted medicaid rate.

13 (24) "Resident" means a person with a home, house, place of abode, place  
14 of habitation, dwelling or place where he or she actually lived for a consec-  
15 utive period of thirty (30) days or more within the state of Idaho. A resi-  
16 dent does not include a person who comes into this state for temporary pur-  
17 poses, including, but not limited to, education, vacation, or seasonal la-  
18 bor. Entry into active military duty shall not change a person's residence  
19 for the purposes of this chapter. Those physically present within the fol-  
20 lowing facilities and institutions shall be residents of the county where  
21 they were residents prior to entering the facility or institution:

22 (a) Correctional facilities;

23 (b) Nursing homes or residential or assisted living facilities;

24 (c) Other medical facility or institution.

25 (25) "Resources" means all property, for which an applicant and/or an  
26 obligated person may be eligible or in which he or she may have an interest,  
27 whether tangible or intangible, real or personal, liquid or nonliquid, or  
28 pending, including, but not limited to, all forms of public assistance,  
29 crime victims compensation, worker's compensation, veterans benefits, med-  
30 icaid, medicare, supplemental security income (SSI), third party insurance,  
31 other insurance or apply for section 1011 of the medicare modernization act  
32 of 2003, if applicable, and any other property from any source. Resources  
33 shall include the ability of an applicant and obligated persons to pay for  
34 necessary medical services, excluding any interest charges, over a period  
35 of up to five (5) years starting on the date necessary medical services are  
36 first provided. For purposes of determining approval for medical indigency  
37 only, resources shall not include the value of the homestead on the applicant  
38 or obligated person's residence, a burial plot, exemptions for personal  
39 property allowed in section 11-605(1) through (3), Idaho Code, and addi-  
40 tional exemptions allowed by county resolution.

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

47 (27) "Third party insurance" means casualty insurance, disability ins-  
48 surance, health insurance, life insurance, marine and transportation ins-  
49 surance, motor vehicle insurance, property insurance or any other insurance  
50 coverage that may pay for a resident's medical bills.

1 (28) "Utilization management" means the evaluation of medical neces-  
2 sity, appropriateness and efficiency of the use of health care services,  
3 procedures and facilities. "Utilization management" may include, but is  
4 not limited to, preadmission certification, the application of practice  
5 guidelines, continued stay review, discharge planning, case management,  
6 preauthorization of ambulatory procedures, retrospective review and claims  
7 review. "Utilization management" may also include the amount to be paid  
8 based on the application of the reimbursement rate to those medical services  
9 determined to be necessary medical services.

10 SECTION 3. That Section 31-3504, Idaho Code, be, and the same is hereby  
11 amended to read as follows:

12 31-3504. APPLICATION FOR FINANCIAL ASSISTANCE. (1) Except as provided  
13 for in section 31-3503E, Idaho Code, an applicant or third party applicant  
14 requesting assistance under this chapter shall complete a written applica-  
15 tion. The truth of the matters contained in the completed application shall  
16 be sworn to by the applicant or third party applicant. The completed appli-  
17 cation shall be deemed consent for the providers, the hospital, the depart-  
18 ment, respective counties and board to exchange information pertaining to  
19 the applicant's health and finances for the purposes of determining medic-  
20 aid eligibility or medical indigency. The completed application shall be  
21 signed by the applicant or third party applicant, an authorized representa-  
22 tive of the applicant, or, if the applicant is incompetent or incapacitated,  
23 someone acting responsibly for the applicant and filed in the clerk's of-  
24 fice. If the clerk determines that the patient may be eligible for medic-  
25 aid, within one (1) business day of the filing of the completed application  
26 in the clerk's office, the clerk shall transmit a copy of the application and  
27 a written request for medicaid eligibility determination to the department.

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

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

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

39 (3) Follow-up necessary medical services based on a treatment plan, for  
40 the same condition, preapproved by the county commissioners, may be provided  
41 for a maximum of six (6) months from the date of the original application  
42 without requiring an additional application; however, a request for addi-  
43 tional treatment not specified in the approved treatment plan shall be filed  
44 with the clerk ten (10) days prior to receiving services. Beyond the six (6)  
45 months, requests for additional treatment related to an original diagnosis  
46 in accordance with a preapproved treatment plan shall be filed ten (10) days  
47 prior to receiving services and an updated application may be requested by  
48 the county commissioners.

1 (4) Upon application for financial assistance pursuant to this chap-  
 2 ter an automatic lien shall attach to all real and personal property of the  
 3 applicant and on insurance benefits to which the applicant may become en-  
 4 titled. The lien shall also attach to any additional resources to which it  
 5 may legally attach not covered in this section. The lien created by this  
 6 section may be, in the discretion of the county commissioners and the board,  
 7 perfected as to real property and fixtures by recording a document enti-  
 8 tled: notice of lien and application for financial assistance, in any county  
 9 recorder's office in this state in which the applicant and obligated person  
 10 own property. The notice of lien and application for financial assistance  
 11 shall be recorded as provided herein within thirty (30) days from receipt of  
 12 an application, and such lien, if so recorded, shall have a priority date as  
 13 of the date the necessary medical services were provided. The lien created  
 14 by this section may also be, in the discretion of the county commissioners  
 15 and the board, perfected as to personal property by filing with the secretary  
 16 of state within thirty (30) days of receipt of an application, a notice of  
 17 application in substantially the same manner as a filing under chapter 9,  
 18 title 28, Idaho Code, except that such notice need not be signed and no fee  
 19 shall be required, and, if so filed, such lien shall have the priority date as  
 20 of the date the necessary medical services were provided. An application for  
 21 assistance pursuant to this chapter shall waive any confidentiality granted  
 22 by state law to the extent necessary to carry out the intent of this section.

23 (5) In accordance with rules and procedures promulgated by the depart-  
 24 ment or the board, each hospital and provider seeking reimbursement under  
 25 this chapter shall submit all ~~known billings for~~ medical records and medical  
 26 claims relevant to necessary medical services provided for each an applicant  
 27 in a standard or uniform format to the department's or the board's contrac-  
 28 tor for its utilization management review within ten (10) business days of  
 29 receiving notification that the patient is not eligible for medicaid county  
 30 clerk of the obligated county within ten (10) days after receiving a request  
 31 from the county clerk; provided that, within the ten (10) day period upon a  
 32 showing of good cause if a provider presents a written request for suspen-  
 33 sion of the investigation, the time period investigation of the application  
 34 may shall be extended suspended for up to thirty (30) days. Upon receipt of  
 35 the requested documentation, the investigation shall resume. A copy of the  
 36 results of the reviewed billings medical records and medical claims shall be  
 37 transmitted by the department's or the board's contractor to the clerk of the  
 38 obligated county. Failure to provide the medical records and medical claims  
 39 within the initial ten (10) day period and the suspension period, if any,  
 40 shall result in denial of the application.

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

43 31-3505. TIME AND MANNER OF FILING APPLICATIONS FOR FINANCIAL ASSIS-  
 44 TANCE. Applications for financial assistance shall be filed according to the  
 45 following time limits. Filing is complete upon receipt by the clerk or the  
 46 department.

47 (1) A completed application for nonemergency necessary medical ser-  
 48 vices shall be filed with the clerk ten (10) days prior to receiving services  
 49 from the provider or the hospital.

1 (2) A completed application for emergency necessary medical services  
2 shall be filed with the clerk any time within thirty-one (31) days beginning  
3 with the first day of the provision of necessary medical services from the  
4 provider, except as provided in subsection (3) of this section.

5 (3) In the case of hospitalization, a completed application for emer-  
6 gency necessary medical services shall be filed with the department any time  
7 within thirty-one (31) days of the date of admission.

8 (4) Requests for additional treatment related to an original diagnosis  
9 in accordance with a preapproved treatment plan shall be filed ten (10) days  
10 prior to receiving services.

11 (5) A delayed application for necessary medical services may be filed  
12 up to one hundred eighty (180) days beginning with the first day of the provi-  
13 sion of necessary medical services provided that:

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

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

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

27 (iii) The application was filed with the appropriate agency in  
28 such a time and manner that, if approved, it would provide for pay-  
29 ment coverage of the bills included in the county application; and

30 (iv) In the discretion of the county commissioners, bills on a de-  
31 layed application which would not have been covered by a success-  
32 ful application or timely claim to the other resource(s) may be de-  
33 nied by the county commissioners as untimely; and

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

39 (b) Failure by the patient and/or obligated persons to complete the  
40 application process described in this section, up to and including any  
41 reasonable appeal of any denial of benefits, with the applicable pro-  
42 gram noted in paragraph (a) of this subsection, shall result in denial  
43 of the ~~county assistance~~ application.

44 (6) No application for financial assistance under the county medically  
45 indigent program or the catastrophic health care cost program shall be ap-  
46 proved by the county commissioners or the board unless the provider or the  
47 hospital completes the application process and complies with the time limits  
48 prescribed by this ~~section~~ chapter.

49 (7) 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 (8) In the event that a county determines that a different county is  
2 obligated, such county shall notify the applicant or third party applicant  
3 of the denial and shall also notify the county it believes to be the obli-  
4 gated county and provide the basis for the determination. An application may  
5 be filed by the applicant or third party applicant in the indicated county  
6 within thirty (30) days of the date of the initial county denial.

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

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

23 (2) The applicant and third party filing an application on behalf of an  
24 applicant to the extent they have knowledge, shall have a duty to cooperate  
25 with the clerk in investigating, providing documentation, submitting to an  
26 interview and ascertaining eligibility and shall have a continuing duty to  
27 notify the obligated county of the receipt of resources after an application  
28 has been filed.

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

31 (4) The clerk shall have forty-five (45) days to complete the investi-  
32 gation of an application for emergency necessary medical utilization man-  
33 agement services or a portion thereof.

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

39 (6) Upon completion of the interview and investigation of the appli-  
40 cation or request, a statement of the clerk's findings shall be filed with  
41 the county commissioners. Such findings of indigency shall start on the date  
42 necessary medical services are first provided.

43 SECTION 6. That Section 31-3508A, Idaho Code, be, and the same is hereby  
44 amended to read as follows:

45 31-3508A. PAYMENT FOR NECESSARY MEDICAL SERVICES BY AN OBLIGATED  
46 COUNTY. (1) Upon receipt of a final determination by the county commission-  
47 ers approving an application for financial assistance under the provisions

1 of this chapter, an applicant, or the third party applicant on behalf of  
2 the applicant, shall, within sixty (60) days, submit any remaining medical  
3 claims pursuant to the procedures provided in chapter 15, title 31, Idaho  
4 Code.

5 (2) Payment shall be made to hospitals or providers on behalf of an ap-  
6 plicant and shall be made on the next payment cycle. In no event shall pay-  
7 ment be delayed longer than sixty (60) days from receipt of the county claim.

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

11 (4) Within fourteen (14) days after the county payment, the clerk of the  
12 obligated county shall forward to the board any application for financial  
13 assistance exceeding, at the reimbursement rate, the total sum of eleven  
14 thousand dollars (\$11,000) in the aggregate per resident in any consecutive  
15 twelve (12) month period. A copy of the clerk's findings, the final decision  
16 of the county commissioners and a statement of which costs the clerk has paid  
17 shall be forwarded with the application to the board.