MINUTES

HOUSE HEALTH & WELFARE COMMITTEE

DATE: Wednesday, January 09, 2013

TIME: 9:00 A.M.

PLACE: Room EW20

MEMBERS: Chairman Wood(27), Vice Chairman Perry, Representatives Hancey, Henderson, Hixon, Malek, Morse, Romrell, Vander Woude, Rusche, Chew

ABSENT/ EXCUSED: None.

GUESTS: Mike Skelter, All Seasons; Chris Hahn, Dieuwke Dizney-Spencer, Elke Shaw-Tulloch, Traci Berresh, Wayne Denny, Brian Baldwin, Jodi Osborn, Steve Bellomy, Department of Health & Welfare (DHW); Stacey Satterleer, American Cancer Society Career Action Network; Chris Gee, Mike Diteryde, Andrea Rasmiu, Ginger Kreiter, Shara Soon, Head Start; Kristy Sternes, Rep. Labrador Office; Colby Cameron, Sullivan & Reberger.

Chairman Wood(27) called the meeting to order at 9:00 a.m.

Dick Armstrong, Director, DHW, presented to the committee. He stated that the DHW has three segments dividing the ten departmental divisions. Citizen service access can be through Medicaid, family and community services, welfare, public health, or licensing and certification. Of the DHW's $2.52 B in appropriations, 65.1% ($1.64 B) is from federal funding, 24.5% ($617.3M) is from the state general fund, 7.9% ($199.8 M) is from billing receipts, and 2.5% ($63.4 M) is from dedicated funds. Of the total appropriation, 86.2% ($2.17 B) covers benefits for Idaho citizens, with the remainder split between operating and personnel expenses. Medicaid is the largest divisional expense, with a total 2014 recommendation of $2.52 B. Two independent programs are the Special Needs Assistance Program (SNAPS), which is federally funded, and the enforcement of the Child Support Program, which annually transfers approximately $2 M between parents via enforcement transactions.

Russ Barron, Administrator, DHW Division of Welfare, described their self-reliance programs. He said that of their $143.5 M budget, which is 5.7% of the DHW total budget, 55% goes towards benefits. 70% of their budget is federal funding, determining their program rules and requiring compliance to protect the funding. Mr. Barron explained that six of their ten programs are handled by state employees and the remaining four are contracted management services. He stated that assistance programs have different rules and requirements due to federal input; however, the state-run programs have more flexibility.

Challenges include those pertaining to workloads, federal Medicaid compliance, and the single-day issuance of food stamps. Through the use of temporary staffing, tandem employment training programs, and private grants, they are addressing the workforce demands. The food stamp plan will be changed to a ten-day issuance in 2014.

Ross Edmunds, Administrator, Division of Behavioral Health, stated that his division handles mental health, psychiatric hospitalization and substance abuse. They serve twenty-five thousand people a year through seven state regions. He discussed the need for local input and influence, integrated treatment, clearly defined roles and responsibilities, maximum efficiency with measurable maximum effectiveness, and recovery-oriented consumer driven programs.

Access to behavioral health services is expected to improve with the increase of individuals with insurance coverage that includes behavior health benefits. Changes to Title 39 Chapter 31, Idaho Code are also expected to add to the transformation effort. Division challenges include the evolution of the overall system, Idaho's high suicide rate, and continued work on a seamless care system between corrections and community.

Rob Luce, Administrator, Division of Family and Community Services (FACS), stated that their statutory obligations include child protection, foster care, adoption, 2-1-1 CareLine, individuals with developmental disabilities (DD), the Indian Child Welfare Act, and interstate compact. Mr. Luce talked about the Child Welfare Program, the Service Integration Program, and the Individuals with DD Program. In 2012, the Child Welfare Program was ranked #1 in the United States and has the smallest expenditure of any state.

Mr. Luce stated that the most common myth is that the department takes kids into their care. He stressed that before any child can be placed with the DHW, law enforcement must determine imminent endangerment and a court hearing must determine abuse, abandonment or neglect. He said that the emotional drain faced by their staff poses a serious ongoing challenge.

Elke Shaw-Tulloch, Administrator, Division of Public Health, stated that her division addresses population health through targeted efforts promoting healthy lifestyles and prevention activities. Their $105.3 M 2014 budget is distributed to the community through contracts to local health districts, hospitals, universities and private partners. Challenges being addressed on an ongoing basis include disease detection and response, the changing role with health care reform, and shifting to electronic data sharing.

Tamara Prisock, Administrator, Division of Licensing and Certification, described the creation and purpose of her division. She said they insure compliance with applicable federal and state statutes and rules, while promoting individual rights, well being, safety, dignity, and the highest level of functional independence. They survey, inspect, license, and certify thirteen types of health facilities to receive medicare/medicaid payments within state compliance. Their current challenges include modernization of business processes, retention of registered nurses as surveyors, and balancing enforcement with education.

Responding to questions, **Director Armstrong** stated that staff reductions occurred at the Southwest Idaho Treatment Center (SWITC) with no loss of effectiveness when the number of patients decreased. Other staff reductions have resulted in improved automation and productivity. **Ross Edmunds** explained that data is maintained on a community level with no regional collection process at this time. He will look at other state models to find a method of collecting the information. **Tamara Prisock** said that RN retention is an issue since the recession compression did not decrease the health delivery system growth.

Upon further questions, **Ross Edmunds** stated that, with a smaller array of services, they are serving more people today than during the recession, while experiencing a reduction in the clinical need service population and an increase in medication management individuals. He said that the children's program becomes a challenge if the information from the family results in immediate crisis as the first contact, instead of before it becomes an emergency. Mr. Edmunds emphasized that the move to insurance company service coverage will be a huge improvement and create solutions, especially with community boards and implementation. **Russ Barron** replied that citizenship eligibility is interfaced with Homeland Security.

Director Armstrong responded to a committee question, stating that interagency councils and groups meet regularly, including meetings with the courts for improvement of processes. Additionally, IT councils meet to discuss system inter-operability. It is the DHW policy that they find the best systems to integrate and offer them to other agencies at no charge.

Paul Leary, Administrator, Division of Medicaid, described the history of Medicaid and how it differs from Medicare. He said that each state plan determines the particulars and is the basis for federal financial participation. Subsequent amendments must be reviewed and approved by the federal government. Waivers allow expansion of coverage, provision of services not otherwise offered, expansion of home and community services, and beneficiary required managed care enrollment. Idaho waivers are the Aged and Disabled (A&D) Waiver, DD Waiver, Assertive Community Treatment team (ACT) Early and Children DD Waiver, the 1115 Demonstration Waiver, and the 1915b Waiver.

Optional benefits, such as prescription drugs, are expected to change with the Affordable Care Act. **Mr. Leary** described the basic, enhanced and coordinated plans. He said it is a continuing journey to develop basic plans around individual needs. Federal funding is based on the Federal Medical Assistance Program (FMAP). Beyond the FMAP formula, advanced planning projects, such as the Medicaid Management Information System (MMIS) improvement program, can receive higher rates of funding. 96.4% of the annual division funds are spent on participant benefits. He explained that the cost driver dollars are reduced by manufacturer, federal and supplemental rebates.

The Medicaid Division is moving from fee-for-service to outcome-based reimbursement. Exploring alternative models became necessary due to unsustainable growth and cost, economic climate budget pressures, and the potential influx of over 100,000 new eligibles. 2011 legislation directed an improved delivery system, review of managed care options, the move to an accountable system of care with improved outcomes, focus on high cost populations, and inclusion of specific elements.

The Bureau of Developmental Disability Services (BDDS), manages policy for children's and adults' DD services, operations and quality assurance for adult services, collaborates with Family and Community Services (FACS), and oversees eligibility determinations and budget calculations for children and adults. Their goals are full implementation of the Children's Benefit Redesign, school based services, and continued participation in the DD Council Collaborative Work Group.

The Bureau of Long Term Care develops, interprets and communicates policies consistent with current law and executive goals. They administer the various waivers and programs, monitoring quality assurance and coordinating operation and policy implementation. Their initiatives include the A&D Waiver, Idaho Home Choice, and integrating care for dual eligible individuals. Idaho Home Choice, also known as "money follows the person," has moved 64 individuals from institutionalization into the community where they receive better care at less cost.

Additional bureaus are the Bureau of Medical Care, Office of Mental Health and Substance Abuse, Bureau of Financial Operations and the Medicaid System Support Team.

Responding to questions, **Mr. Leary** stated that FMAP is based on the state average income and can fluctuate with economic changes. The formula is set in statute and can only be changed through the federal legislature. The current Idaho rate is 71% federal funds and will increase to 71.64% in the second quarter of 2014 state fiscal year, thus lowering the general fund budget requirement.

Mr. Leary said that a point and quality curve will be seen with managed care process outcomes. Building patient center medical homes saves costs in the long term and is most effective with chronic conditions. Models must include patient compliance and personal health care responsibility, which becomes an issue.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 10:54 a.m.

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Representative Wood(27) Chair	Irene Moore Secretary