

IN THE SENATE

SENATE BILL NO. 1424

BY FINANCE COMMITTEE

AN ACT

1 APPROPRIATING MONEYS TO THE DEPARTMENT OF HEALTH AND WELFARE FOR MEDIC-
2 AID FOR FISCAL YEAR 2015; LIMITING THE NUMBER OF AUTHORIZED FULL-TIME
3 EQUIVALENT POSITIONS; PROVIDING FOR GENERAL FUND TRANSFERS TO THE CO-
4 OPERATIVE WELFARE FUND; DIRECTING EXPENDITURES FOR TRUSTEE AND BENEFIT
5 PAYMENTS; PROVIDING LEGISLATIVE INTENT FOR PROGRAM INTEGRITY; RE-
6 QUIRING MONTHLY MEDICAID TRACKING REPORTS; PROVIDING FOR TRANSFER OF
7 APPROPRIATIONS BETWEEN CERTAIN PROGRAMS; PROVIDING LEGISLATIVE INTENT
8 FOR REPORTING ON THE IMPLEMENTATION OF HOUSE BILL NO. 260, AS ENACTED
9 BY THE FIRST REGULAR SESSION OF THE SIXTY-FIRST IDAHO LEGISLATURE; RE-
10 QUIRING QUARTERLY REPORTS ON MEDICAID MANAGED CARE IMPLEMENTATION; AND
11 PROVIDING GUIDANCE FOR EMPLOYEE COMPENSATION.
12

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

14 SECTION 1. There is hereby appropriated to the Department of Health and
15 Welfare, the following amounts to be expended according to the designated
16 programs and expense classes, from the listed funds for the period July 1,
17 2014, through June 30, 2015:

	FOR	FOR	FOR		
	PERSONNEL	OPERATING	TRUSTEE AND		
	COSTS	EXPENDITURES	BENEFIT	TOTAL	
			PAYMENTS		
22	I. MEDICAID ADMINISTRATION AND MEDICAL MGMT:				
23	FROM:				
24	Cooperative Welfare (General)				
25	Fund	\$5,525,300	\$7,326,900	\$469,200	\$13,321,400
26	Idaho Health Insurance Access Card				
27	Fund		152,000		152,000
28	Cooperative Welfare (Dedicated)				
29	Fund		9,083,800		9,083,800
30	Cooperative Welfare (Federal)				
31	Fund	<u>8,959,800</u>	<u>28,210,100</u>	<u>1,638,600</u>	<u>38,808,500</u>
32	TOTAL	\$14,485,100	\$44,772,800	\$2,107,800	\$61,365,700

	FOR	FOR	FOR	
	PERSONNEL	OPERATING	TRUSTEE AND	
	COSTS	EXPENDITURES	BENEFIT	TOTAL
			PAYMENTS	
1				
2				
3				
4				
5	II. COORDINATED MEDICAID PLAN:			
6	FROM:			
7	Cooperative Welfare (General)			
8	Fund		\$83,629,500	\$83,629,500
9	Hospital Assessment			
10	Fund		15,135,300	15,135,300
11	Cooperative Welfare (Dedicated)			
12	Fund		46,700	46,700
13	Cooperative Welfare (Federal)			
14	Fund		<u>229,367,800</u>	<u>229,367,800</u>
15	TOTAL		\$328,179,300	\$328,179,300
16	III. ENHANCED MEDICAID PLAN:			
17	FROM:			
18	Cooperative Welfare (General)			
19	Fund		\$292,927,800	\$292,927,800
20	Idaho Health Insurance Access Card			
21	Fund		1,524,200	1,524,200
22	Hospital Assessment			
23	Fund		4,406,400	4,406,400
24	Cooperative Welfare (Dedicated)			
25	Fund		142,939,700	142,939,700
26	Cooperative Welfare (Federal)			
27	Fund		<u>669,913,400</u>	<u>669,913,400</u>
28	TOTAL		\$1,111,711,500	\$1,111,711,500
29	IV. BASIC MEDICAID PLAN:			
30	FROM:			
31	Cooperative Welfare (General)			
32	Fund		\$102,468,400	\$102,468,400
33	Idaho Health Insurance Access Card			
34	Fund		2,166,100	2,166,100
35	Hospital Assessment			
36	Fund		10,458,300	10,458,300
37	Cooperative Welfare (Dedicated)			
38	Fund		1,813,600	1,813,600

1			FOR	
2		FOR	FOR	TRUSTEE AND
3	PERSONNEL	OPERATING	BENEFIT	
4	COSTS	EXPENDITURES	PAYMENTS	TOTAL
5	Cooperative Welfare (Federal)			
6	Fund		<u>415,127,100</u>	<u>415,127,100</u>
7	TOTAL		\$532,033,500	\$532,033,500
8	GRAND TOTAL	\$14,485,100	\$44,772,800	\$1,974,032,100
			\$2,033,290,000	

9 SECTION 2. FTP AUTHORIZATION. In accordance with Section 67-3519,
10 Idaho Code, the Department of Health and Welfare is authorized no more than
11 two hundred ten (210) full-time equivalent positions for the Medicaid Admin-
12 istration and Medical Management Program at any point during the period July
13 1, 2014, through June 30, 2015, unless specifically authorized by the Gover-
14 nor. The Joint Finance-Appropriations Committee will be notified promptly
15 of any increased positions so authorized.

16 SECTION 3. GENERAL FUND TRANSFERS. As appropriated, the State Con-
17 troller shall make transfers from the General Fund to the Cooperative
18 Welfare Fund, periodically, as requested by the director of the Department
19 of Health and Welfare and approved by the Board of Examiners.

20 SECTION 4. TRUSTEE AND BENEFIT PAYMENTS. Notwithstanding the provi-
21 sions of Section 67-3511, Idaho Code, funds budgeted in the trustee and
22 benefit payments expenditure class shall not be transferred to any other
23 expense class during fiscal year 2015.

24 SECTION 5. PROGRAM INTEGRITY. Notwithstanding any other provisions of
25 law, it is hereby declared to be the intent of the Legislature that the De-
26 partment of Health and Welfare shall be required to provide those services
27 authorized or mandated by law in each program, only to the extent of funding
28 and available resources appropriated for each budgeted program.

29 SECTION 6. MEDICAID TRACKING REPORT. The Department of Health and Wel-
30 fare, Medicaid Division and Indirect Support Services Division, shall de-
31 liver on a monthly basis to the Legislative Services Office and the Division
32 of Financial Management a report that compares the Medicaid budget as appro-
33 priated, distributed by month for the year, to actual expenditures and re-
34 maining forecasted expenditures for the year. The report shall also include
35 a forecast, updated monthly, of the next fiscal year's anticipated trustee
36 and benefit expenditures. The format of the report, and the information in-
37 cluded therein, shall be determined by the Legislative Services Office and
38 the Division of Financial Management.

39 SECTION 7. TRANSFER OF APPROPRIATIONS. Notwithstanding the provisions
40 of Section 67-3511, Idaho Code, funding provided for the trustee and bene-
41 fit payments expenditure class in the Medicaid Division may be transferred

1 in excess of ten percent (10%) among the Coordinated Medicaid Plan, Enhanced
 2 Medicaid Plan, Basic Medicaid Plan, and Medicaid Administration and Medical
 3 Management Program, but shall not be transferred to any other budgeted pro-
 4 grams or expenditure class within the Department of Health and Welfare dur-
 5 ing fiscal year 2015.

6 SECTION 8. REPORTING ON IMPLEMENTATION OF HOUSE BILL NO. 260 OF 2011.
 7 The Medicaid Division shall report on a quarterly basis the status of the
 8 implementation of House Bill No. 260, as enacted by the First Regular Ses-
 9 sion of the Sixty-first Idaho Legislature, to the Legislative Services Of-
 10 fice and the Division of Financial Management. The report shall, at a mini-
 11 mum, include benefit modification implementation updates on both long-term
 12 and short-term changes and actual cost savings realized as a result of those
 13 changes compared to estimated savings for each modification. The format of
 14 the report, and information contained therein, shall be determined by the
 15 Legislative Services Office and the Division of Financial Management.

16 SECTION 9. MEDICAID MANAGED CARE IMPLEMENTATION. The Medicaid Division
 17 shall provide quarterly reports to the Division of Financial Management and
 18 the Legislative Services Office on progress in integrating managed care
 19 approaches into the state Medicaid system. The format of the report, and
 20 information contained therein, shall be determined by the Legislative Ser-
 21 vices Office and the Division of Financial Management.

22 SECTION 10. EMPLOYEE COMPENSATION. It is the intent of the Legisla-
 23 ture, working cooperatively with the Governor's Office, the Division of
 24 Human Resources, and the Division of Financial Management, to progress to-
 25 ward the goal of funding a competitive salary and benefit package that will
 26 attract qualified applicants, retain employees committed to public service
 27 excellence, motivate employees to maintain high standards of productivity,
 28 and reward employees for outstanding performance by:

- 29 1) Adjusting the compensation schedule upwards by 1% to move the salary
 30 structure toward market; and
- 31 2) Continuing the job classifications that are currently on payline
 32 exception to address specific recruitment or retention issues; and
- 33 3) Funding an ongoing 1% salary increase for state employees, and funding
 34 the equivalent of a one-time 1% bonus for state employees, based upon
 35 employee merit, with flexibility in distribution as determined by
 36 the agency directors.

37 The Legislature also finds that investing in state employee compensa-
 38 tion should remain a high priority even in tough economic times, and there-
 39 fore strongly encourages agency directors, institution executives and the
 40 Division of Financial Management to approve the use of salary savings to pro-
 41 vide either one-time or ongoing merit increases for deserving employees and
 42 also to target employees who are below policy compensation. Such salary sav-
 43 ings could result from turnover and attrition, or be the result of innova-
 44 tion and reorganization efforts that create savings. Such savings should be

1 reinvested in employees. Agencies are cautioned to use one-time funding for
2 one-time payments and ongoing funding for permanent pay increases.