MINUTES

SENATE HEALTH & WELFARE COMMITTEE

DATE:	Tuesday, January 14, 2014
TIME:	3:00 P.M.
PLACE:	Room WW54
MEMBERS PRESENT:	Chairman Heider, Vice Chairman Nuxoll, Senators Lodge, Hagedorn, Guthrie, Martin, Lakey, Schmidt
ABSENT/ EXCUSED:	Senators Lodge, Bock
NOTE:	The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Heider** called the meeting to order at 3:02 p.m. and welcomed the audience. He asked the secretary to take a silent roll. He announced that Senator Bock and Senator Lodge were excused from attending the meeting.

PASSED THE GAVEL: Chairman Heider passed the gavel to **VIce Chairman Nuxoll** for the pending rule review, who then called upon Kristen Mathews to present the first pending rule.

DOCKET NO. 16-0304-1301 **Rules relating to the Food Stamp Program in Idaho (Pending): Kristen Mathews**, Program Manager with the Idaho Department of Health and Welfare, for the Division of Welfare (Department), stated that the Idaho Food Stamp Program (SNAP) provides food assistance to Idaho's neediest families, and is one hundred percent funded by the United States Department of Agriculture Food and Nutrition Services (FNS).

She advised the Committee that there are three proposed rule changes that permit aligning State policies with SNAP requirements and Department processing standards. The first rule change mandates that the State per federal regulations exclude federal tax refunds and earned income tax credits from counting as a resource when determining food stamp benefits. The exclusion lasts for a period of twelve months from the date the refund or tax credit is received.

Ms. Mathews furthered that the second rule change is to allow a flat rate, or standard deduction, for medical expenses for elderly and disabled individuals, thus improving customer service to Idaho's most vulnerable populations by streamlining the application process. In order to streamline, the Department requested and was granted a waiver form FNS to offer a standard medical expense deduction. A person who can show they spend more than $35 each month in out-of-pocket qualifying medical expenses will receive a standard medical expense deduction, under the approved waiver. The Standard Medical Expense deduction of $144 will be applied to help calculate the total amount of food stamp benefits the individual receives.

She concluded that the third proposed rule change is to streamline and align the Idaho Administrative Procedures Act (IDAPA) with food stamp regulations in the Code of Federal Regulations (CFR) that require how a state must act upon reported changes in an open food stamp case. The proposed rule change eliminates the detail in IDAPA so the Department may implement practices that align with any changes made to the CFR.

Supporting documents related to this testimony have been archived and can be accessed in the office of the Committee Secretary (see attachment #1).

Senator Lakey asked if the requirements are federal rules that Idaho is trying to mirror, or are they rules that we feel are appropriate for Idaho. **Ms. Mathews** responded that rules one and three are mandated by the federal regulations, and that there is a requirement to offer a medical expense deduction to elderly and disabled individuals, if they can show that they have $35 or more a month in out-of-pocket medical expenses. There was a proposal regarding the structure of how the medical expense deduction would be offered.

Senator Lakey asked for clarification, and used the example that if someone received a federal income tax refund, is that not counted toward their income for twelve months. **Ms. Mathews** replied that Senator Lakey was correct, and that if a person received a federal income tax refund or credit, it is not counted for the first twelve months. **Senator Lakey** then asked if that was regardless of the amount of the refund, and **Ms. Mathews** confirmed that the amount does not matter.

Senator Guthrie referred to page 158, and asked that if the federal tax refund is not counted, could that make a person eligible for a higher benefit. **Ms. Mathews** replied that benefits are calculated on income, resources and expenses, so in some cases, it could result in a higher benefit amount for the participant, but from the standpoint of the State and processing, it should not increase the cost to Idaho to process that application.

Senator Guthrie then pointed out that such a scenario could drive up the amount of federal dollars spent for food stamps, and asked if the increase was a known number. **Ms. Mathews** responded that, at this point, the amount would be unknown.

Senator Lakey asked what the consequences would be if these rules were not adopted. **Ms. Mathews** responded that the consequences would be to the State, since the state is required to comply with federal regulations that are set and govern the food stamp program, and the result could be a fine.

Vice Chairman Nuxoll asked if Idaho had been fined at some point in the past. **Russ Barron**, the Administrator for the Division of Welfare, approached the podium and responded that Idaho has been fined in the past, but it was for poor performance and not for noncompliance.

MOTION: **Chairman Heider** moved, seconded by **Senator Martin**, to adopt **Docket No. 16-0304-1301**. The motion carried by **voice vote**; however, **Senator Lakey** voted nay and wished to be recorded as such.

DISCUSSION: **Vice Chairman Nuxoll** then asked Ms. Mathews for clarification regarding the associated temporary rule. **Ms. Mathews** introduced Dennis Stevenson, Administrative Rules Coordinator, and deferred to him to assist in clarification. **Mr. Stevenson** indicated that he had spoken to the Chairman prior to the meeting, and explained that this temporary rule will not go into effect until July 1, 2014, as outlined in the Notice of Pending Rule. He furthered that a temporary rule will expire at the end of the legislative session, and because this rule will not be in effect until July 1, a gap will result. He recommended the Committee approve the extension of the temporary rule, which will then be returned to the House for their approval, and then operations will continue under the temporary rule until July 1, in which time the rule will become final. He continued that there needed to be a motion to adopt the temporary rule.

MOTION: **Senator Hagedorn** moved, seconded by **Senator Schmidt**, that **Temporary Rule 16-0304-1301** be extended until July 1 until the permanent rule becomes effective. The motion carried by **voice vote**.

DOCKET NO. 16-0305-1301

Rules relating to the eligibility for aid to the Aged, Blind and Disabled (AABD) (Pending): Callie Harrold, AABD Program Specialist for the Department of Health and Welfare (specializing in Medicaid eligibility), indicated to the Committee that there are a number of language changes made to this rule that align language with other programs, but do not change eligibility for Idaho's population. She stated to the Committee that when an individual is determined eligible for services, the Department of Health and Welfare (Department) assesses their income situation and determines an appropriate amount that the participant must contribute to their cost of service, referred to as a share of cost. Once a share of cost has been determined, the Department reimburses the provider for the cost of service, minus the share of cost. The provider then bills the participant for the share of cost and collects that portion of the total cost for service.

Participants are required to report changes in their financial situation that may change their share of cost. Typically this is done within the required 10 day time frame, and the Department can adjust the share of cost for future months, if necessary. Occasionally, participants fail to report changes in a timely manner, and the Department is made aware of the required adjustments to the participant's required share of cost some time after the fact. In such situations, the Department may need to go back and adjust the share of cost retroactively.

When changes to a participant's financial situation are reported after the fact, the Department determines if adjustments to the share of cost are needed, even if the bills to the provider have already been paid. Historically, when a participant reports new or additional income or a change in financial circumstance, the Department would collect the additional money owed from the provider. This rule change allows the collection of the additional money owed for the share of cost directly from the participant. The reason the change was made is because adjustments in the share of cost that increase the amount owed by the participant is more appropriate for the Department to collect directly from the participant, since past bills have already been billed and collected from the provider. This rule was discussed and negotiated with providers to ensure providers could depend on the share of cost amount communicated at the beginning of a month, and to ensure proper billing could occur.

Ms. Harrold informed the Committee that the second item in this docket concerned the definition of service animal, which removes the language indicating that a service animal needs to be trained by a recognized school. The rule now reflects that the animal must be trained. This change was made in response to a request from Division of Operational Services, Human Resources, to broaden the definition of service animals per civil rights consideration.

Ms. Harrold advised that there are no anticipated cost impacts to the State with either of these rule changes.

Supporting documents related to this testimony have been archived and can be accessed in the office of the Committee Secretary (see attachment 2).

Senator Martin asked what citizen's verification entailed. He cited that on page 170, it mentions citizen verification, but page 167 states a citizen includes a citizen of the United States and non-citizen nationals of the United States. He inquired what is a non-citizen national.

Ms. Harrold replied that in her experience with Medicaid, a non-citizen who would be eligible for Medicaid would be a legal permanent resident who has met the five-year bar, or has been in the country for five continuous years.

Senator Hagedorn asked about the change in the definition of child on page 167, where a child is now any individual from birth through the end of the month of his nineteenth birthday. He asked if that change was a State change or a federal code change. **Ms. Harrold** indicated that the change was made to align all the Medicaid programs, so that the definition of child is consistent. Sometimes a child is on multiple Medicaid programs, and the age spread of that child differs.

Ms. Harrold returned to the question that Senator Martin posed earlier, furthering that refugees, who are not citizens, were also eligible for Medicaid.

Vice Chairman Nuxoll asked why the term "non-citizen national" was being used.

Ms. Harrold responded that the language is federal, and she is uncertain as to the reason of the language.

Vice Chairman Nuxoll asked if the changes in the rule had to do with terminology and definitions, and **Ms. Harrold** concurred.

Senator Martin observed that the terms "national of the United States or nationals of the United States" were listed throughout the document, and asked for clarification.

Lori Wolff, Deputy Administrator for the Idaho Department of Health and Welfare, approached the podium and stated that she would attempt to explain the non-citizen nationals. She stated that non-citizen nationals include individuals from Puerto Rico and other American territories.

MOTION: **Senator Schmidt** moved, seconded by **Senator Martin**, to adopt **Docket No. 16-0305-1301**. The motion carried by **voice vote**.

DOCKET NO. 16-0306-1301 **Rules relating to the Refugee Medical Assistance (Pending Rule): Callie Harrold** stated that this docket contains rule changes to the Refugee Medicaid eligibility section. She explained to the Committee that refugees are individuals who have been living in internment camps in their respective countries, sometimes for years. They are chosen without warning to leave to be "re-homed" to another country, and typically have no choice in the matter. They are given one hour to pack what belongings they can fit into a shoe box and say good-by to their families before they begin travelling to their new destination. Often these refugees have aided the United States or our allies in conflicts involving their countries, which have made them a target. These are individuals who are in desperate need of intervention and assistance, including medical assistance.

Ms. Harrold informed the Committee that while there were a number of language changes made to this Refugee Medicaid rule, most of these changes did not change the eligibility for this population, but rather aligned language with family Medicaid. She pointed out that there was a policy change which removed reference to a resource limit. Resources include bank accounts, vehicles, and real property. The resource limit was removed due to the changes with the new Modified Adjusted Gross Income (MAGI) methodology and to align refugee determinations to those new rules. Refugees who are eligible to receive refugee medical assistance have been in the country less than eight months and have typically either left all resources behind, exhausted them trying to get out of their country, or have never had any resources of value. There are no anticipated cost impacts to the State with this rule change.

Supporting documents related to this testimony have been archived and can be accessed in the office of the Committee Secretary (see attachment 3).

Senator Martin commended those involved in this program, and inquired as to the number of individuals involved per year. **Ms. Harrold** replied that the number of refugee Medicaid participants, as of December 2013, was 195.

MOTION: **Senator Martin** moved, seconded by **Chairman Heider**, to adopt **Docket No. 16-0306-1301**. The motion carried by **voice vote**.

DOCKET NO. 16-0402-1301 **Rules relating to the Idaho Telecommunication Service Assistance Program (ITSAP) Rules (Pending Rule): Sara Herring**, Program Specialist of the Idaho Department of Health and Welfare, gave an overview of ITSAP. She stated that ITSAP began in Idaho in 1987 and is a state-level program which historically has augmented the Federal Communication Commission's Lifeline program. The purpose of this program is to help low income households have vital phone service: for emergencies, to connect with potential employers, and to obtain access to medical assistance. Combined, the Lifeline program and ITSAP program can provide a reduction of up to $11.75 a month in low income household's phone bills. This amount is a combination of a $9.75 reduction from the federal Lifeline program, and a $2.50 reduction from the Idaho ITSAP program. These reductions in costs are funded by surcharges that all phone subscribers pay as part of their monthly phone bill. The ITSAP Rules and Statute were presented during the 2013 Legislative Session. The Rules were presented and passed early in the session. The Statute was presented and passed later in the session, but changes were made that created an inconsistency between Rule and Statute. **Ms. Herring** stated the purpose to come before the Committee was to incorporate those statutory changes from the 2013 Legislative Session in rule, and align the ITSAP Rules with Statute.

Supporting documents related to this testimony have been archived and can be accessed in the office of the Committee Secretary (see attachment 4).

Senator Schmidt asked if the charge collected is on all phone services, both land line phones and cell phones. **Ms. Herring** confirmed that it was. She furthered that on a cell phone bill, there is a charge listed for ITSAP. **Senator Schmidt** then asked if the benefit of the $11.75 is provided to any phone service. **Ms. Herring** explained that it can be provided on a land line or a cell phone, but not all cell phone providers are ITSAP providers. They have to be an approved telephone communication provider to participate in the ITSAP program.

MOTION: **Senator Hagedorn** moved, seconded by **Senator Lakey**, to adopt **Docket No. 16-0402-1301**. The motion carried by **voice vote**.

DOCKET NO. 16-0612-1301 **Rules relating to the Idaho Child Care Program (ICCP) (Pending Rule): Ericka Medalen**, Program Manager with the Department of Health and Welfare, Division of Welfare, advised that ICCP provided critical work in the form of child care subsidies to families, to assist with child care expenses so that parents can maintain employment or complete their higher education. Eligibility in the child care program requires parents to meet income guidelines and be participating in an eligible activity. She furthered that the pending rule before the Committee will provide clarification around in-home child care. In-home child care is unique in that children are cared for by a child care provider in the child's own home instead of being taken to a child care center, group or family provider. If a family qualifies for ICCP and requests in-home child care, they must have certain criteria to be granted this type of care.

Ms. Medalen furthered that in Idaho, there is a rule that all ICCP providers must have a health and safety inspection; however, there is the ability to exempt in-home settings from this requirement. These children should still be assured a safe environment, and recognizing that these children are in their own home, the belief is that Idaho can best achieve that rule ensuring health and safety through training instead of an inspection.

Supporting documents related to this testimony have been archived and can be accessed in the office of the Committee Secretary (see attachment 5).

Chairman Heider asked if there were in-home inspections in the past? Are they being discontinued now, or are we saying that they are not needed any longer. **Ms. Medalen** responded that there have not been in-home inspections in the past, which is in conflict with our rule, which states that all of our ICCP providers must have a health and safety inspection.

Senator Guthrie asked who pays for the health and safety training, and what is the amount for each. **Ms. Medalen** said it is all through federal funds, but she did not know the cost of each.

Senator Martin asked clarification of "in-home". Did that mean in the child's home or in another home? **Ms. Medalen** replied that it is in the child's home.

Vice Chairman Nuxoll inquired about the type of training and how much time is spent on training. **Ms. Medalen** replied that they will supply the same level of training to the child care provider as if an inspection were taking place, but it will not be a pass-or-fail. The health districts are contracted to go out statewide to provide those inspections, and they usually take one or two hours to complete an inspection of their home, and it covers everything from food safety, CPR and first aid, hazardous items in the home, child abuse and neglect, and other things that are listed in the rules. **Vice Chairman Nuxoll** asked if it was actual training or inspecting, and **Ms. Medalen** replied that it was training. The child care providers are educated on all the aspects listed in the rules to ensure that they are adequately informed and refreshed on their responsibilities.

Senator Hagedorn asked if there were restrictions on having the provider be another family member. **Ms. Medalen** responded that there cannot be a family member caring for a child and receiving the subsidy.

Senator Lakey asked for clarification on how the program works. These are for individuals that go into someone's home to take care of their children while they are at work. Are there funds available for parents to put their children into day-care versus in-home care? **Ms. Medalen** replied that this would be the same funding source, so federal dollars to the Idaho Child Care Program; however, most families in ICCP take their children out of the home to a child care center, to a group or to a family center in their community. This is for a small number of individuals who, based on their circumstances that have been approved through the Department, do not have the ability to take their child outside of their home. **Senator Lakey** asked for an example of what would qualify people. **Ms. Medalen** gave the example of a family with a child with a disability: the rule states it would do harm to the child or children in an out-of-home center to have the child taken out.

MOTION: **Senator Martin** moved, seconded by **Chairman Heider**, to adopt **Docket No. 16-0612-1301**. The motion carried by **voice vote**.

DOCKET NO. 16-0612-1302 **Rules relating to policy for households with shared custody of a minor child (Pending): Ms. Medalen** informed the Committee that the pending rule will align the Child Care Program with food stamps so that families who were working or going to school can expect a consistent message and expectation for program eligibility. She furthered that Idaho currently has used a first-come-first-served approach in joint custody situations. The first parent to apply was allowed to include the child in their household, regardless of the amount of time the child lived with that parent. In practice, this allowed a parent who had their child only one day per month to receive ICCP benefits for that child, even though the other parent was responsible for providing for the child the remainder of the month.

In an effort to more equitably determining eligibility and ensuring consistency across programs, the proposed rule states that when two households are requesting assistance for the same child, the child will be considered a member of the household where the child lives fifty-one percent or more of the time. This determination will be based on where the child spends the majority of nights during the month.

Supporting documents related to this testimony have been archived and can be accessed in the office of the Committee Secretary (see attachment 6).

Senator Schmidt asked in the instance where custody has yet to be determined, would those parents be eligible to apply for these benefits. **Ms. Medalen** responded that if the parents are waiting for determination of primary custody, the first parent to apply would then receive benefits. Once the determination had been made through the legal system and proper legal documentation had been provided, the benefits would be modified accordingly.

MOTION: **Senator Hagedorn** moved, seconded by **Senator Guthrie**, to adopt **Docket No. 16-0612-1302**. The motion carried by **voice vote**.

DOCKET NO. 16-0612-1401 **Rules relating to the calculation of co-pays for parents with children eligible of ICCP (Pending Fee Rule): Ms. Medalen** asked the Committee to extend this temporary rule that will align the student co-pay requirements with the current practices in operation. In November of this past year, the Department implemented a new co-pay structure to be in compliance with the federal regulations which state that child care co-pays for families must be based on income and not the cost of care. The co-pay for non-working students should be updated to reflect these changes. The proposed rule states that students who are not working at least ten hours a week will now have a flat-rate co-pay based on part-time or full-time school status. She furthered that the goal is that the ICCP help families return to work or pursue an education leading to sustainable and meaningful employment.

Supporting documents related to this testimony have been archived and can be accessed in the office of the Committee Secretary (see attachment 7).

Vice Chairman Nuxoll inquired if the change was from a sliding scale to a flat rate. **Ms. Medalen** replied that for a non-working student who is not working ten hours per week, it is a flat-rate co-pay.

Senator Hagedorn asked if there were any other schools that a student could be enrolled in besides high school or GED students, such as a charter school or a home-school. **Ms. Medalen** referred to **Genie Sue Weppner**, Program Manager with the Division of Welfare, stated that it includes anyone who is in undergraduate education or a GED; attending college (including a two-year college) is an eligible activity. **Senator Hagedorn** replied that the definition of students in this proposed fee rule is only high school or GED students, and wondered if the student were in home-schooling and not in high school, were they precluded from being eligible. **Ms. Weppner** replied that she was unaware of such a circumstance in the past, and that this is not a new form of the policy, but rather a rewording of the policy so that it complies with the co-pay structure.

MOTION: **Senator Hagedorn** moved, seconded by **Senator Schmidt**, to adopt **Docket No. 16-0612-1401**. The motion carried by **voice vote**.

DOCKET NO. 16-0301-1302 AND DOCKET NO. 16-0301-1301

Rules relating to the eligibility for health care assistance for families and children (Pending Rule): Lori Wolff, Deputy Administrator in the Department of Health and Welfare for the Division of Welfare (Department), who stated that she was presenting **Docket No. 16-0301-1302**, which is a re-write of IDAPA chapter 16.03.01 of the Medicaid eligibility rules governing the family Medicaid program. She advised that she also requested approval of **Docket No. 16-0301-1301**, which is a repeal of the old chapter of rules which governed the Family Medicaid program. These rules became effective January 1, 2014 and coincide with the effective date of the federal legislative changes to Medicaid eligibility rules often referred to as Modified Adjusted Gross Income (MAGI). The previous rules governing family Medicaid sunsetted as of December 31, 2013. The rule changes are a modification to the previous budget methodologies for how eligibility is calculated for our family Medicaid populations; however, the new rules do not expand Medicaid. The current income limits and coverage groups will remain the same, meaning that the rules do not expand coverage to any groups that are not currently covered under previous Idaho Medicaid rules. All of these are mandatory rule changes, and there are no optional changes with the Affordable Care Act changes in this chapter.

Vice Chairman Nuxoll asked if both **Docket No. 16-0301-1301** and **16-0301-1302** were being presented simultaneously. **Ms. Wolff** replied that she was going to present the rewrite first. **Vice Chairman Nuxoll** asked if these rules were new, and **Ms. Wolff** replied that many of the things in the rules were brought over from the old chapter, and that she would highlight the significant things that change.

Ms. Wolff advised the Committee that the anticipation was that these new rules would be cost neutral. Although income calculations are simplified and certain income that was counted in the past may not be counted today, the rules also eliminate most of the current expense deductions and provide a standard five percent deduction to account for expenses paid by the family. These changes are expected to make some people who were not eligible under prior rules, now eligible under the new rules; but these changes will also make some individuals currently receiving Medicaid ineligible under new 2014 rules.

Ms. Wolff continued that the major topics that she will cover in these rule changes include:

1. Coverage Categories,
2. Income Calculations,
3. How resources are counted,
4. How expense considerations change,
5. Household composition, and
6. Presumptive eligibility rules.

Ms. Wolff explained that it is important to understand the categories of eligibility covered under the new rules. These coverage categories include:

1. Children under the age of 19 that could be eligible for Medicaid or CHIP.
2. Pregnant women.
3. Adults with children living in their home.

Ms. Wolff stated that these changes do not apply to the Elderly and Disabled Medicaid program, often called AABD Medicaid, which covers individuals who are over the age of 65 or disabled. There are several changes to how income is counted to determine eligibility. The primary change is that new rules simplify the income that is counted and takes into account the tax household when computing income. The new rules generally state that all taxable income is counted toward a family's eligibility where non-taxable income is not counted.

4. Some income types that fall under the non-countable income include:

- Child support income
- Educational income
- Veteran's income
- Worker's compensation
- Tribal income excluded by federal law
- SSI income

The new rules also eliminate a resource test for pregnant women and adults with children applying for Medicaid. There was no resource test for children in the previous rules.

Under prior rules, households could provide receipts for expenses and certain income disregards were allowed for certain categories. To simplify this process, the new rules allow for a five percent standard deduction which will be applied to afamily's gross income and all other income disregards and expense allowances will end.

Household composition is a critical factor in determining eligibility because it determines whose income counts toward household members' eligibility. The major change in the new rules determines household composition based on tax filing status rather than on "who lives in the home and who is related". For example, under the old rules, a step-parent's income did not count toward the spouse's children's eligibility where today, under the new rules, the step parent's income could count toward eligibility.

Ms. Wolff continued by stating that a final major change to eligibility under the new rules is the requirement to allow qualified hospitals in Idaho to make presumptive eligibility decisions for Medicaid. The new federal rules allow for hospitals to make presumptive eligibility decisions for anyone who falls under the MAGI eligibility categories. What this means is that hospitals can perform a screening of the individual while they are at the hospital receiving services and apply basic Medicaid eligibility rules for an early determination of eligibility. The Department is required to enroll these individuals in Medicaid and then complete a full determination of eligibility. If the individual is determined "ineligible" based on the full Medicaid determination, Medicaid coverage is still provided during the period of the presumptive eligibility decision to the time the full Medicaid determination is made by the Department. The Department has worked closely with the hospital association in Idaho to put together a business design that will allow compliancy with federal law, but minimize risks to the integrity of the eligibility process.

Ms. Wolff concluded her presentation by mentioning a few things in the rules that do not change:

1. An individual must complete an application and have all information verified prior to an eligibility decision.
2. An individual must be a citizen or meet legal residency requirements to be eligible for Medicaid in Idaho.
3. An individual must be a resident of the state of Idaho to receive Medicaid in Idaho.
4. An individual must meet the income limits in their specific coverage category.
5. If you are an adult, you must be pregnant, have children in your home, be disabled or over the age 65 to receive Medicaid in Idaho (no expansion).

Supporting documents related to this testimony have been archived and can be accessed in the office of the Committee Secretary (see attachment 8).

Senator Hagedorn asked what are the requirements of residency. **Ms. Wolff** replied that the rule states the person must be a resident in the state of Idaho, which is verified by checking the address and driver's license. **Senator Hagedorn** then asked about the section of the rule that states that coverage is provided until eligibility is decided: if it is determined that someone is ineligible, how is the money paid recovered? **Ms. Wolff** responded that he was referring to the presumptive eligibility with hospitals; if the hospital is making the decision and gathering the information, and the Department makes a decision at a later date, the time lapse between that has been taken into account. Our business process that has been put into place to help assure that it does not happen, with the investments that have been made in the Medicaid Readiness Project, we have new verifications, new phone system, and the ability to do phone applications. When someone is in the hospital and they are applying for services, they have a direct line into our Department, and we have a group of people who will take the call, take the application immediately. So the presumptive decision and the full Medicaid determination is actually minutes apart instead of weeks apart. Hospitals also have a quality standard on them in order to be a qualified hospital. We put a standard of ninety percent accuracy for them, referring to us. If that accuracy is not met, they can be disqualified and can no longer make presumptive eligibility decisions.

Senator Guthrie inquired when is the decision made to rewrite a chapter rather than show it as strike-outs and additions, and show as amended. Is there a certain threshold reached? **Ms. Wolff** replied that options had been discussed in presenting these rules, but because definition clarity was necessary, due to the significant number of changes, and also because we are entering a new phase where it is old rules under Medicaid and new rules, we thought it would be more prudent to rewrite the chapter.

Senator Schmidt asked what is the definition of spouse and married couples, and how do they work with the Tax Commissions' rules. **Ms. Wolff** replied that for the purposes of determining eligibility, if they are a filing household, we will apply their tax filing status. On their federal return, they claim to be married and filing jointly, we will use that status as the primary tax filer, and then any dependents listed on their federal form. That's what we will use to determine eligibility. If they do not file taxes, then the definition of married couples (married, living in a home in Idaho) will be utilized.

Senator Hagedorn asked what happens if a married couple was eligible to file on a federal form, but was not eligible to file as a married couple on a state form; how would that determination be made? **Ms. Wolff** answered that because this is a federal program, we will take their federal tax filing status. What matters more is who the primary tax filer is and who their dependents are, because in that situation, we count their income toward everyone in the household. So the marital status, when we are actually looking at tax filing, really doesn't matter. It's more the primary tax filer and their dependents. The marriage status only really comes into play if they are non-filers.

Senator Martin asked the Vice Chairman if both dockets were to be voted on together. **Vice Chairman Nuxoll** replied that **Docket No. 16-0301-1302** would be done first, which is the rewrite.

MOTION: **Senator Martin** moved, seconded by **Senator Schmidt**, to adopt **Docket No. 16-0301-1302**. The motion carried by **voice vote**.

MOTION: **Senator Schmidt** moved, seconded by **Senator Martin**, to adopt **Docket No. 16-0301-1301**. The motion carried by **voice vote**.

Senator Schmidt commented that this was one of the most clear presentations of MAGI eligibility that he has heard.

PASSED THE GAVEL: Vice Chairman Nuxoll passed the gavel back to the Chairman.

ADJOURNED: **Chairman Heider** thanked everyone, expressed his appreciation, and adjourned the meeting at 4:20 p.m.

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Senator Heider
Chair

Linda Hamlet
Secretary