

MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Wednesday, February 11, 2015  
**TIME:** 9:00 A.M.  
**PLACE:** Room EW20  
**MEMBERS:** Chairman Wood, Vice Chairman Packer, Representatives Hixon, Perry, Romrell, Vander Woude, Beyeler, Redman, Troy, Rusche, Chew  
**ABSENT/  
EXCUSED:** None  
**GUESTS:** Art Evans, Medicaid; Marsha Bracs, CWG-Facilitator; Christine Pisani, DD Council; Kristyn Herbert and Mary Arndy, Idaho Citizens; Todd G. Craplicki and Tracy Warren, Idaho Council on Development Disabilities; Jim Baugh, DRI; Dan Blocksom, IAC; Roger Howard, LINC; Kathryn Mooney, CAT Fund; Joanne Anderson, CMAID; Bill Benkula, IRSLA.

**Chairman Wood** called the meeting to order at 9:01 a.m.

**Christine Pisani**, Executive Director, Idaho Council on Developmental Disabilities (DD), presented the redesign of the Adults with DD Work Group. She said the collaborative work group (CWG) represents a range of people with DD, service providers, advocates, agencies, and policy makers. The CWG vision is for Idaho adults with DD to enjoy the same opportunities, freedoms, and rights as their neighbors. They seek to influence the entire system, the core of which is Medicaid-paid services, to provide supports and opportunity for productive living.

Occurring at birth, DD are lifelong and affect other abilities, like speech, problem solving, and daily skills. Idaho supports 28,000 individuals with DD. An estimated 30% to 35% also have a psychiatric disability. Although the vast majority of adults do not qualify for the DD waiver, they receive Medicaid support services. The CWG has focused on Medicaid services and additional service systems to provide housing, employment, and transportation.

The DD waiver self-direction option provides a wide array of services. The new managed care model offers long-term support that is individualized and flexible.

Individuals with DD want to mirror the lives of other individuals accessing support services. The Centers for Medicaid and Medicare Services' home and community based rules are implemented with monthly updates. Data collection tools are needed to measure utilization, quality outcomes, and assist in future-need decisions.

Through studies, and national experts such as **Dr. Robin Greenfield**, Director, Associate University Centers for Excellence in DD Education, Research, and Service Director, University of Idaho, a wealth of information by those served will evaluate service provider compliance.

Responding to questions, **Ms. Pisani** stated the Division of Medicaid has a project team implementing the new federal rules, which will take five years to implement. The Council helps assure parents and people with DD are informed about the rules and compliance. At this time housing is not allowed under Medicaid and, in conjunction with employment and transportation, is a necessary service system.

**Art Evans**, Bureau Chief, DD Services, DHW, Medicaid, having been invited to respond to the question, said federal regulations stipulate use of Medicaid for housing is not allowed and it is not a part of the waiver program.

**Ms. Pisani** said other states have purchased a national data base system for regional data comparison. They do not recommend purchase of the system due to the high cost and increased staffing hours. There are new assessment tools to capture the same information.

The Work Group supports the development of quality DD managed care that is not a medical model and is flexible for each individual. Dual diagnosis individuals require a very specific expertise with different modalities.

**Jim Baugh**, Executive Director, Disability Rights of Idaho, was invited to answer a question. He said intellectual disabilities and co-occurring mental health diagnosis have been ignored nationwide. Professionals in one area lack expertise and treatment knowledge in the other. Negotiations are underway to integrate the two service systems, with adjustments for better mental health care for individuals with dual diagnoses.

The Work Group, said **Ms. Pisani**, would like preventative services and coping strategies to help people overcome living in crisis. There is also a need to develop state expertise for those with dual diagnoses. This could be done with a review of the service delivery systems and provider training programs.

**Kathryn Mooney**, Program Director, Catastrophic Healthcare Cost Program (CAT Fund). She said the CAT Fund is not a part of the Department of Health & Welfare (DHW) and does not have federal matching funds. It is funded by the General Fund and reimbursements from participants. It was created in the 1980's as a reinsurance program to protect the counties from expenses for medical care. Idaho's structure is unique. State funding was added in the 1990's along with non-emergent care coverage.

A major shift in 2009 added legislators and a DHW representative to the CAT Fund Board. This created a situation where the DHW was perceived as having management and oversight of the program. To counteract this notion, the CAT Fund Administrative Board contracts annually with the Idaho Association of Counties (IAC) to serve as program administrator and handle the daily affairs through a program director. The contract has provided medical indigency staff stability and has been an effective cost mitigating tool.

In 2011 a program was implemented to provide case medical reviews during the determination process. This program was expanded this year to allow reviews of all preauthorized services. Prior to any CAT Fund Board consideration, the physician team reviews the medical necessity and appropriateness of charges for all cases exceeding \$75,000.

Participants are ineligible for Medicaid or other government assistance programs and do not qualify for health insurance through the Health Insurance Exchange (HIX). From July 1, 2013, through June 30, 2014, the fund received \$2,525,675 in reimbursing payments. In the first six months of fiscal year 2015, the CAT Fund has received reimbursement payments of approximately \$1,216,245.

Idaho Code requires the CAT Fund Board request information from hospitals for legislative reporting. With no penalty to the providers for failing to respond, cooperation is tenuous at best. Additionally, administration and legal cost breakdown are questionable and subjective, so numbers arrive out of context and may not correspond evenly for comparison. The information received indicates just under 5,000 individuals were diverted by hospitals to the HIX, contributing to a decrease in applications.

The number of mental health cases has increased 60% in case load and 50% in dollars spent by the counties. Patient holds and involuntary commitments are handled by the DHW.

Beginning in 2004, the Catastrophic Health Care Cost Program began receiving \$5.00 for every seat belt fine collected from violations. This county revenue source began showing a decline in 2013 and totaled \$91,915 for 2014, a 28% continued decline.

**Rep. Rusche** stated the CAT Fund is a reimbursement program, not a health plan. To qualify as indigent, there have to be medically necessary services with a large enough cost to prevent a five-year payback. If those criteria are met, they pay the bill. Anyone applying has to go through Medicaid eligibility and other financing sources, although Cobra insurance continuation cannot be required. Claims for 2014 totaled \$52M. County and state costs are 15% of the claims cost, making it the least efficient way to provide compensation to hospitals and physicians.

Responding to questions, **Ms. Mooney** said claims are based on a defined reimbursement rate that is 95% of the Medicaid interim rate. The application investigatory period gleans other available resources that may divert the applicant to other programs. The CAT Fund is a payor of last resort. Cases may not be forwarded as a result of the medical review.

The CAT Fund receives its appropriated monies as a quarterly payment from the Treasurer. The balance is referred to as the "investment fund" and held in an interest bearing account.

In the case of law suits, the specific county indigent program, not the CAT Fund, is the correspondent and handles all the adjudication, hearings, and petitions. The CAT Fund has been removed from the Attorney General's list and now uses private counsel. Patients experiencing a positive financial change are worked with to get the debt paid. Liens are placed by the county at the time of application, unless the provider directly contracts with the patient. Liens are placed and then removed if another resource comes into play or the person is deemed indigent. Recouped funds below \$11,000 go to the county and over \$11,000 goes to the CAT Fund.

**ADJOURN:**

There being no further business to come before the committee, the meeting was adjourned at 10:07 a.m.

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Representative Wood  
Chair

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Irene Moore  
Secretary