

MINUTES  
**SENATE HEALTH & WELFARE COMMITTEE**

**DATE:** Thursday, March 12, 2015

**TIME:** 3:00 P.M.

**PLACE:** Room WW54

**MEMBERS PRESENT:** Vice Chairman Martin, Senators Nuxoll, Hagedorn, Tippetts, Lee, Schmidt and Jordan

**ABSENT/ EXCUSED:** Chairman Heider and Senator Lodge

**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:** **Vice Chairman Martin** welcomed everyone in attendance and convened the meeting at 3:05 p.m. He indicated that Chairman Heider was on state business and may or may not return for the meeting.

**UC REQUEST:** **Senator Hagedorn** asked for unanimous consent to send **RS 23811** to a privileged committee for a print hearing.

**Senator Hagedorn** indicated that the RS is basically the same bill that had been heard before about the Catastrophic Fund. He and Representative Trujillo worked on the language making it clearer. The meaning of the changed language is anyone that is above 139 percent of the poverty level will not be eligible for help through the Catastrophic Fund. **Senator Tippetts** stated that he would not object to this bill being sent to print, but he was not ready to support it. His action was in support of Senator Hagedorn's hard work on this bill.

There were no objections.

**PRESENTATION:** **John Hill**, Executive Director, National Alliance for Medicaid in Education (Board), began by describing the organizational makeup of the Board. The purpose of the organization is to better understand the federal and state reimbursement programs for Medicaid services that are delivered to students enrolled in public school special education programs. The mission of the organization is to advocate for the integrity of school-based Medicaid reimbursement. There are three areas of focus. The first is to work with federal partners at the Centers for Medicare and Medicaid Services in Washington, DC as well as the U.S. Department of Education. The second is to collaborate with the national partners in Washington, DC and around the country. The third is to facilitate a learning network. That is accomplished in ways such as an annual conference, topical calls for members around the country and informal information-based sessions. He indicated that this is the only place in the country where the soul focus is how to best work with the federal government and state agencies on implementing a program that maximizes the federal return at the same time minimizing audit exceptions occurring within the program.

**Mr. Hill** went on to say that each state has to make a policy decision on how and if they want to participate in the school-based Medicaid program. All 50 states participate to one degree or another, and his main interest was to see that participation is done correctly. If states don't use the federal money, they have to pay for the mandated services themselves. His interest is to make sure that the program is used to its potential without incurring audit exceptions. The Individuals with Disabilities Education Act (IDEA) requires school districts to meet the needs of special education students. Idaho's Medicaid reimbursement rate from the federal government is almost 72 percent, the second highest rate in the country. He was concerned that Idaho was spending \$20-40 million that they should not be. He shared experiences he saw during his work in Indiana.

**Mr. Hill** stated that all public funding has responsibilities attached. Three very basic ones include matching funds, working with local and state administrations and accurate reporting. States must recognize that these are services that have been previously delivered. States would be seeking reimbursement after the fact and reimbursement would be at about a 70 percent rate. States must decide to what degree they want to pursue maximizing these funds. A big deterrent to accessing these funds is that there are policies and standards that have to be followed. Audits have to be done, and as a result audit exceptions happen. There are three main reasons for that. The first is fraud. The second is someone billing for something that is not covered to their knowledge. The third is human error, someone mistakes a date or types an incorrect code. Idaho is one of two states that actually utilizes civil penalties against public school corporations when they are looking at audits. Schools need to do their due diligence so that they know what is going on in their districts as far as billing or not billing for eligible students and costs.

If Idaho decides to expand the program, it is very important that there is investment from both the Department of Education and the Department of Medicaid. Both need to be fully in support of the program and to share information. Training needs to be given and have evaluations after such training. Clear rules and expectations about who does and doesn't get Medicaid reimbursements need to be established. Determinations need to be made about service authorizations, medical provider credentials, and medical necessity issues. **Mr. Hill** recommended that if Idaho is going to expand the program, they should look at neighboring states to see how they set up their programs. Medicaid programs vary greatly from state to state. Children's needs are different from many years ago when the Medicaid program was first started. Federal and state regulations have forced schools to become medical providers (see attachment 1). **Mr. Hill** asked for questions.

**Senator Tippetts** asked what outcome **Mr. Hill** was hoping for after his presentation. **Mr. Hill** responded that he hoped there would be a better awareness of the potential of the program. The goal of his organization is to see the program run effectively. **Senator Tippetts** asked who joins this organization and where the money comes from to support it. **Mr. Hill** said that anyone can join. Their Board is made up of state education staff, Medicaid staff, and school personnel from around the country, some professional organizations such as speech therapists, occupational therapists and other individuals. Their membership fees are \$50 annually, and other money comes from the annual conference. **Senator Tippetts** asked what incentive his organization had to send him here to talk to people in Idaho when Idaho's Health and Welfare Department is aware of this program. **Mr. Hill** stated that he was here by invitation from people in Idaho. **Senator Tippetts** said that his sources indicated that **Mr. Hill's** contact with Idaho Health and Welfare had been quite minimal. He asked why he hadn't just talked to them directly rather than coming to the Committee. **Mr. Hill** responded that he had a conversation with the State Medicaid Agency in August and had attempted to have a conversation with the State Department of Education and never got a response. Last week he had also tried to contact the State Medicaid Agency about his coming before the

Committee, and attempts to connect with them failed on both sides. Local school corporations had also contacted him and were concerned that they weren't getting the reimbursement they felt they should have. **Senator Tippetts** asked if there were Idaho school districts that were concerned that the State was not taking advantage of this program. **Mr. Hill** responded that was correct.

**Vice Chairman Martin** asked for other testimonies.

**Dave Taylor**, Deputy Director of the Department of Health and Welfare, began his comments by stating that the Department would be happy to present the history and progress that has been made over the past year in the Medicaid reimbursement area. He indicated that they had worked very closely with the Department of Education and had made a lot of progress. **Mr. Taylor** asked for questions.

**Senator Hagedorn** asked if Medicaid reimbursement was more of a Health and Welfare or a Department of Education issue. **Mr. Taylor** responded that they work very closely with the Department of Education. Regularly scheduled quarterly meetings with both the Department of Education and local school districts who are on the advisory board help to coordinate the program. There is also a person in Medicaid who is a direct liaison with the school districts to train and help them comply with the requirements. School districts become Medicaid providers, who have to comply with all the requirements of signing the agreement.

**Vice Chairman Martin** asked what Medicaid expansion has to do with this program. **Mr. Taylor** stated that the population that is already covered is not part of the GAP population. Those children would already have Medicaid coverage. **Vice Chairman Martin** asked what is currently a reimbursable item. **Mr. Taylor** responded that such items as speech pathology or physical therapy would be reimbursable.

Time was given to **Art Evans**, Bureau Chief of Developmental Services, Division of Medicaid, Department of Health and Welfare.

**Mr. Evans** began by stating that Idaho had 14 reimbursable services that schools can access and all are reimbursable under the current program. **Vice Chairman Martin** asked if there were federal mandated requirements in these areas or where the mandates were coming from. **Mr. Evans** stated that addressing IDEA was not his area of expertise. IDEA does require schools to provide a certain array of services regardless of where the funding comes from. IDEA mandates come from the federal government. **Vice Chairman Martin** asked what percent of the services provided are currently being reimbursed, and what percent of the schools were requesting reimbursement. **Mr. Evans** stated that Medicaid match is approximately 70 percent. Idaho has 174 schools districts and in 2014, 120 districts billed for Medicaid services. That expenditure totaled \$26.8 million.

**Vice Chairman Martin** asked for questions from the Committee.

**Senator Lee** asked what amount of money the State was not taking advantage of and why that was happening. **Mr. Evans** stated that he didn't have an answer for that. He had asked himself the same question. **Senator Schmidt** asked if any of the children were eligible for CHIP benefits. **Mr. Evans** stated that there were 202,000 children in the State of Idaho from birth to 18 years that qualify for some form of Medicaid. There are approximately 300,000 children in the school system and approximately 60 percent of them are eligible for some form of Medicaid.

**Vice Chairman Martin** asked for additional questions or comments from the audience or Committee.

**ADJOURNED:** There being no further business, **Vice Chairman Martin** adjourned the meeting at 3:40 p.m.

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Senator Heider  
Chair

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Erin Denker  
Secretary

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Sharon Pennington  
Assistant Secretary