

MINUTES
HOUSE HEALTH & WELFARE COMMITTEE

DATE: Thursday, January 19, 2017

TIME: 9:00 A.M.

PLACE: Room EW20

MEMBERS: Chairman Wood, Vice Chairman Packer, Representatives Hixon, Perry, Vander Woude, Redman, Gibbs, Blanksma, Hanks, Kingsley, Zollinger, Chew, Rubel

**ABSENT/
EXCUSED:** Representative(s) Perry

GUESTS: Tiffany Kinzler, Clay Lord, Joyce Broadsword, Matt Wimmer, Lori Stiles, George Gutierrez, Camille Schiller, Dave Taylor, and Frank Powell, DHW; Bill Benkula and Becky Novak, IACP; Cindy Bahcra, VA; Jim Baugh, DRI; Elizabeth Criner, ISDA, ACSCAN; Lee Flinn, Idaho Primary Care Assn.; Jay Shaw, Admin. Rules

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

MOTION: **Rep. Redman** made a motion to approve the minutes of the January 12 and 13, 2017, meetings. **Motion carried by voice vote.**

Chairman Wood turned the gavel over to **Vice Chairman Packer**.

DOCKET NO. 16-0507-1601: **Steve Bellomy**, Bureau Chief, Audits and Investigations, Department of Health and Welfare (DHW), presented **Docket No. 16-0507-1601** regarding civil monetary penalties for Medicaid providers. When violations occur, the minimum penalty is reduced from 25% of each claim line item to 10%. Allowance is made for increased penalty rates based on the severity and frequency of violations. Penalty assessments for background check requirements has been updated to apply a penalty based on each uncleared employee.

Answering questions, **Mr. Bellomy** said Medicaid continues to reach out to provide training to school districts. A violation has to be substantial and repeated to warrant a penalty. An overpayment violation would first recoup the overpaid amount and then a penalty would be assessed. Healthy Connections is used by the primary care physician for referrals to another care provider.

Matt Wimmer, Administrator, Division of Medicaid, was invited by the committee to answer a question. He stated Medicaid allows for urgent care situations when a referral cannot be obtained in a timely manner.

In response to additional questions, **Mr. Bellomy** said if an individual seeking a background check is delayed due to system issues, the client is not responsible. Any waivers issued are reviewed during the audit.

MOTION: **Rep. Redman** made a motion to approve **Docket No. 16-0507-1601**.

Bill Benkula, Idaho Association of Community Providers, testified **in support of Docket No. 16-0507-1601**. The division has agreed to provide documentation training and have also agreed to discuss their concerns about implementation, the dispute resolution process, documentation requirements, and why audits occur.

For the record, no one else indicated their desire to testify.

VOTE ON MOTION: **Vice Chairman Packer** called for a vote on the motion to approve **Docket No. 16-0507-1601**. **Motion carried by voice vote.**

DOCKET NO. 16-0319-1601: **Steve Millward**, Program Manager Certified Family Home (CFH) Program, Division of Licensing and Certification, presented **Docket No. 16-0319-1601**. Changes exempt Veterans Administration (VA) medical foster homes from additional state CFH certification, if they are caring only for veterans not receiving Medicaid benefits. The termination of admission agreement notice requirement has been increased to thirty days, unless it is being issued for any reason outside the statute.

For the record, no one indicated their desire to testify.

MOTION: **Rep. Redman** made a motion to approve **Docket No. 16-0319-1601**. **Motion carried by voice vote.**

DOCKET NO. 16-0309-1601: **Tiffany Kinzler**, Bureau Chief, Medical Care, Division of Medicaid, presented **Docket No. 16-0309-1601**, to align with the Center for Medicare and Medicaid Services (CMS) adoption of actual acquisition cost pricing methodology.

340B pharmacies purchase drugs at a discounted rate which is roughly equivalent to the average manufacturer's price minus the Medicaid rebate amount. Changes specific to 340B pharmacies clarify enrollment requirements, disclosure of their 340B status, if Idaho Medicaid participants will be given 340B acquired drugs, and claim pricing not in excess of the actual acquisition cost plus their professional dispensing fee.

Other changes ensure alignment with federal regulations. Clarification is made to the process for physician administered drug pricing and reimbursement.

For the record, no one indicated their desire to testify.

MOTION: **Rep. Rubel** made a motion to approve **Docket No. 16-0309-1601**. **Motion carried by voice vote.**

DOCKET NO. 16-0309-1602: **Tiffany Kinzler**, Bureau Chief, Medical Care, Division of Medicaid, presented **Docket No. 16-0309-1602** to both clarify requirements for the ordering and prescribing of home health services and durable medical equipment, as well as ensure federal regulation compliance. The clarifications allow home health services, usually provided in the participant's home, to be provided in any setting in which normal life activities take place, other than a hospital, intermediate care facility for the intellectually disabled, or nursing facility.

For the record, no one indicated their desire to testify.

MOTION: **Rep. Redman** made a motion to approve **Docket No. 16-0309-1602**. **Motion carried by voice vote.**

DOCKET NO. 16-0310-1601: **Sheila Pugatch**, Bureau Chief, Bureau of Financial Operations, Division of Medicaid, presented **Docket No. 16-0310-1601**, with changes to align with the recently modified federal statute for hospice reimbursement, effective January 1, 2016. The two different payment rates for routine home care result in a higher base payment rate for the first sixty days of hospice care and a reduced base payment rate for sixty-one or more days of hospice care. It encourages increased visits when more resource-intensive patient needs typically occur.

Answering questions, **Ms. Pugatch** explained the Medicaid methodology recognizes the intensity of the last seven days of life and backs into those days when making the payment calculations. The seven days is a maximum, even if the resource-intensive patient needs last longer.

For the record, no one indicated their desire to testify.

MOTION: **Rep. Gibbs** made a motion to approve **Docket No. 16-0310-1601**. **Motion carried by voice vote.**

DOCKET NO. 16-0318-1601: **Beth Kriete**, Bureau Chief, Bureau of Long Term Care, Division of Medicaid, presented **Docket No. 16-0318-1601**, a Temporary Rule effective since July 1, 2016, for Medicaid cost sharing. The Social Security Income (SSI) annual adjustments have not kept pace with increased Idaho housing and utility expenses. The amendments support an increase in the personal needs allowance from 150% of SSI to 180% of SSI for eligible waiver participants who incur a rent or mortgage expense.

The necessary funds to cover this increase were appropriated during the 2016 Legislative session and are on an ongoing basis starting in State Fiscal Year 2017.

After discussion, the committee requested **Ms. Kriete** provide the tax savings data.

MOTION: **Rep. Hixon** made a motion to approve **Docket No. 16-0318-1601**.

Jim Baugh, Executive Director, Disability Rights of Idaho, testified **in support of Docket No. 16-0318-1601**. The amounts described are not additional funds given for rent. Instead it is an increase in the amount of funds the clients are able to keep for living expenses. Persons wishing to live in their homes, especially when modified for their disability, will now stand a better chance.

For the record, no one else indicated their desire to testify.

VOTE ON MOTION: **Vice Chairman Packer** called for a vote on the motion to approve **Docket No. 16-0318-1601**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 10:15 a.m.

Representative Packer
Chair

Irene Moore
Secretary