

MINUTES
HOUSE HEALTH & WELFARE COMMITTEE

DATE: Friday, February 10, 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:** None

GUESTS: Tamara Prisock, Elke Shaw-Tulloch, and Lisa Hettinger, Health & Welfare; Jim Baugh, DRI

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

MOTION: **Vice Chairman Packer** made a motion to approve the minutes for the February 2, 2017, meeting. **Motion carried by voice vote.**

Dick Armstrong, Director, Department of Health and Welfare (DHW), presented the 2018 DHW budget overview and program improvements.

Of the total \$2.88B recommended budget, 61% is from Federal Funds, a 3.5% increase, and 25% is from General Funds, a 6% increase. The increase is fueled by strategic behavioral health issues. The \$10M Receipts request includes the additional spending authority to use Receipts dollars before using General Fund dollars. The 2,910 full time personnel count remains lower than prior to the recession.

Medicaid impacts 80% of the total budget. There are 300,000 Medicaid participants, 200,000 of which are children under eighteen years of age. Idaho has one of the most conservative Medicaid eligibility programs in the nation due to coverage choices.

The Medicaid \$580 per member per month cost continues the 2013 cost decline. Attributing factors are fixed price contracting methods, private insurance enrollment, and the allowance of children-only Medicaid enrollment. The patient centered medical home (PCMH) expansion continues statewide and has been instrumental in clinic certifications and declining hospital costs.

The new Youth Empowerment Services is a result of the Jeff D. lawsuit settlement agreement. Its purpose is to improve and expand access to children's mental health services. The four-year implementation process will use Medicaid to expand services and provide \$3M in addition to the requested \$1.2M General Fund dollars. The DHW is resolved to end the lawsuit, save additional funds from legal fees, and end up with the best children's mental health system in the nation.

These services will improve school performance. They will also decrease law enforcement issues, entrance into foster care, transitions to adult criminal behavior, and continuing unmet mental health needs. Every day improved opportunities will have a far reaching impact on communities and families.

The child welfare program must improve support for foster families through retention, increased stipends, and better communication. The welfare information system modernization will help social workers by reducing document demands. Six support staff will be added to schedule appointments and drive kids to family visitations. Both changes will help social workers focus on their core mission of working with the families.

Child support provides economic security to families. Of the 160,000 cases, two thirds depend on self reliance programs, such as food stamps. The continuing child support system redesign will improve management of the \$211M moving between custodial and non-custodial parents. At this point, the redesign will address state interfaces, case and workflow managing tools, security and privacy safeguards, and self-service information for families. This will be the second year of a three-year project. The Federal Funding match is 66% or \$5.3M.

The Idaho Child Care Program (ICCP) system move from the mainframe to the Idaho Benefit Eligibility System (IBES) is almost completed. The Child Care Federal Reauthorization Act helps parents get back to work or attend college. The requested \$1M in General Funds will have a 71%, or \$2.4M, Federal Fund match.

There has been a 326% increase, over the last five years, in court ordered commitments to restore competency. Our state hospitals are not designed, equipped, or staffed for high risk, dangerously ill, violent people. Resulting significant events have included increased self-harm and assaults on staff, other patients, and property, totalling 625 incidents in FY 2016.

The three-phase psychiatric facilities plan begins July, 2017, with the temporary increase of the Department of Corrections (DOC) secure mental health beds from three to nine at an estimated cost of \$300,000. Phase two, scheduled for Fall of 2018, is the building of a sixteen-bed adolescent mental health facility in the Treasure Valley. Two-thirds of the patients now at the Blackfoot facility came from the Treasure Valley. Upon building completion, one wing at the Blackfoot facility will become available for phase three, retrofitting for twenty high-risk adult beds. This will become an all-adult facility.

The DOC estimates 35% of all felony offenders return to prison within three years of release. A 2015 analysis indicated 7,388 moderate to high risk probationers and parolees were eligible but not receiving behavioral health services. The DHW, statutorily responsible for providing services to this population, has an \$11.2M General Fund budget request to address this need. The annual cost of \$20,000 per inmate is necessary for a successful program, although it would take only 560 (8%) of the 7,388 probationers and parolees to justify the expense.

The requested employee compensation (CEC) increase for surveyors addresses their 27% turnover rate. The previous 3% CEC increase and the comprehensive benefit package have helped, but there remains more than a 20% pay rate lag behind the private sector. With low unemployment, companies are looking everywhere for their employment needs.

Answering a question, **Director Armstrong** said the additional support staff will be distributed around the state to help the social workers. The federal reports show high marks on children being safe and the state report indicated the foster family relationships needed work. Next year's budget request will include additional social workers. The \$1.1M budget's Governor's recommendation will support more medical students in Idaho

Lisa Hettinger, Deputy, DHW, stated one of the SHIP directives is to improve workforce development. This budget item specifically looks at a program with proven outcomes in keeping new physicians in Idaho by training them in the state and are able to leverage some Medicaid dollars to offset the costs of the program.

Matt Wimmer, Administrator, Division of Medicaid, was invited to answer a question. He said hospital cost settlement frequencies have been adjusted to keep rates true after noticing the annual settlements were drifting apart from the interim rates.

Responding to further committee questions, **Director Armstrong** stated the CEC increase, using performance evaluations, will be distributed on a merit basis. Private sector reimbursements come from the Trustee and Benefits through cost studies and Medicaid billing allowances.

The previous nursing home survey delinquency has been remedied. There are still outstanding residential assisted living surveys to be done. They are using regional personnel to do the surveys and are considering using part-time persons, usually retirees. The level of harm determinations, which can result in fines, have been evaluated and improvements include a different review appeal process. The DHW receives no portion of the fines and has no incentive program to find fault. Because they need all the beds and access for clients, their goal is to work with, not discourage, facilities.

The Gap population needs to be addressed. If Congress reauthorizes Medicaid eligibility in a different way, the DHW will re-purpose the funds, perhaps as a block grant. Any approved service could be deployed to this group of individuals within months.

Protecting the budget to get the job done with the minimum amount of resources is always in conflict with providers who would like more. One of the strategies being used is moving away from fee-for-service to incentive programs for better efficiency and use of dollars. Some Idaho industries are now competing with Oregon and Washington, who have increased their minimum wage. A large provider employee turnover presents quality of care issues, requiring response.

ADJOURN:

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

Representative Wood
Chair

Irene Moore
Secretary