



# IDAHO

Department of  
Health and Welfare

## Idaho Department of Health & Welfare

### Senate Health & Welfare Committee

**Russ Barron**  
**Director**

**February 14, 2018**

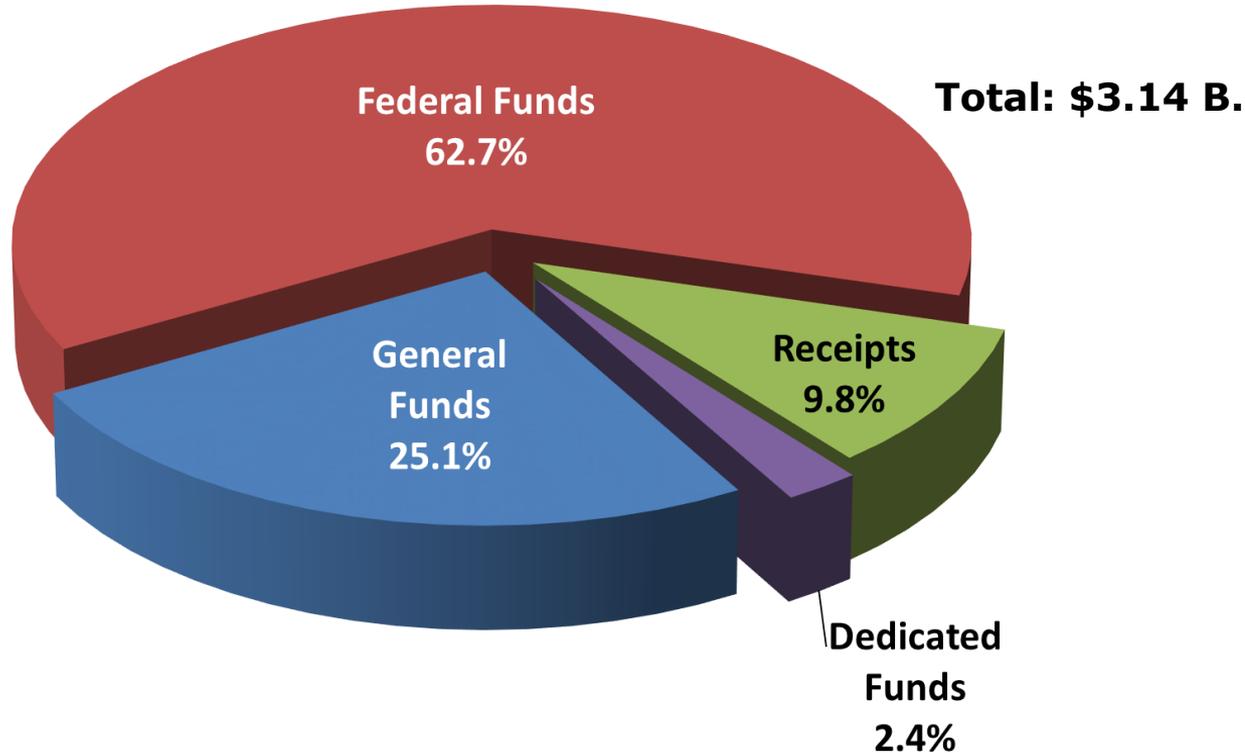


IDAHO DEPARTMENT OF  
HEALTH & WELFARE

## **Today's Presentation**

1. Budget overview
2. Medicaid cost containment strategies
3. Top General Fund budget recommendations

## SFY 2019 Recommendation by Fund Source



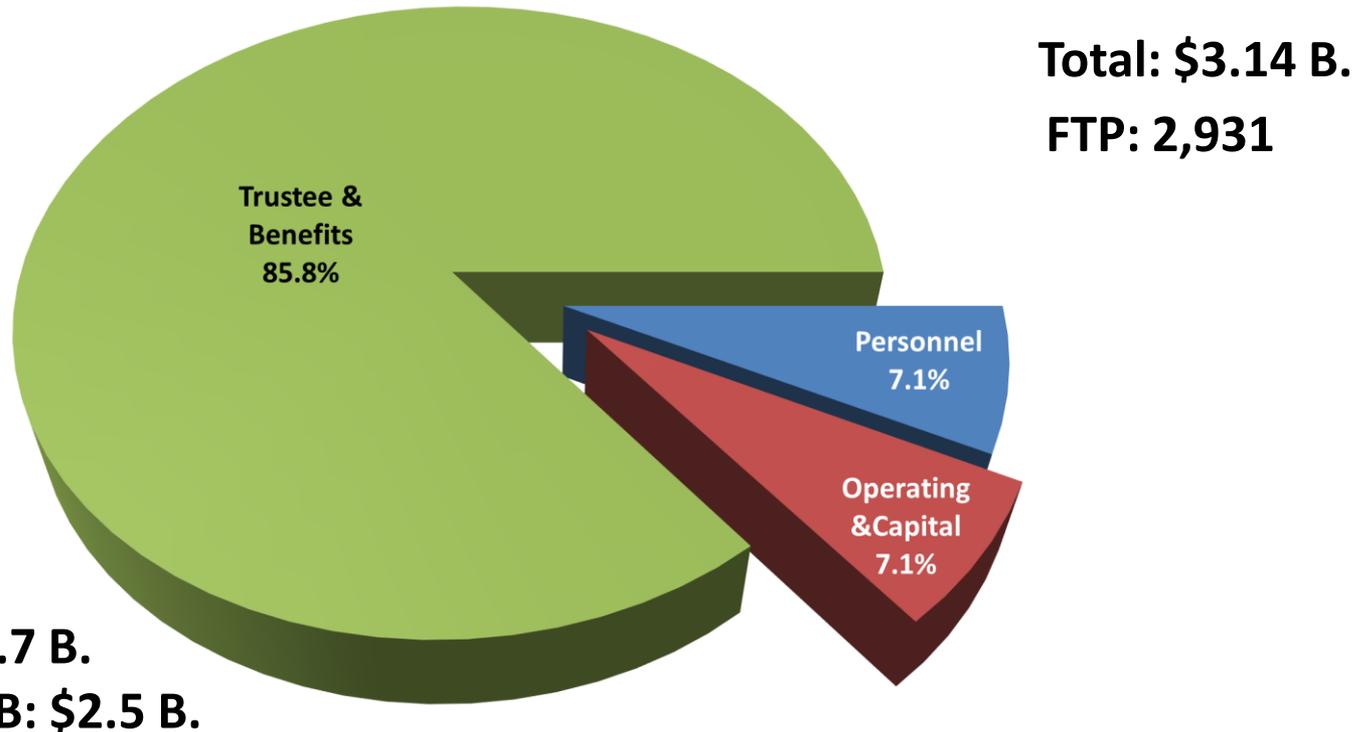
Increase from SFY 2018	
General	11.61%
Dedicated	15.11%
Receipts	-7.88%
Federal	12.53%
<b>Total</b>	<b>9.97%</b>

## Cause of More Than 55% of General Fund Increase:

- **\$35.2 M.** for Medicaid caseload, utilization and mandatory cost increases – most is for caseload growth and mandatory cost increases
- **\$7.2 M** to cover the reduction in hospital cost settlements
- **\$2.7 M.** in FMAP adjustment from 71.17% to 71.13%

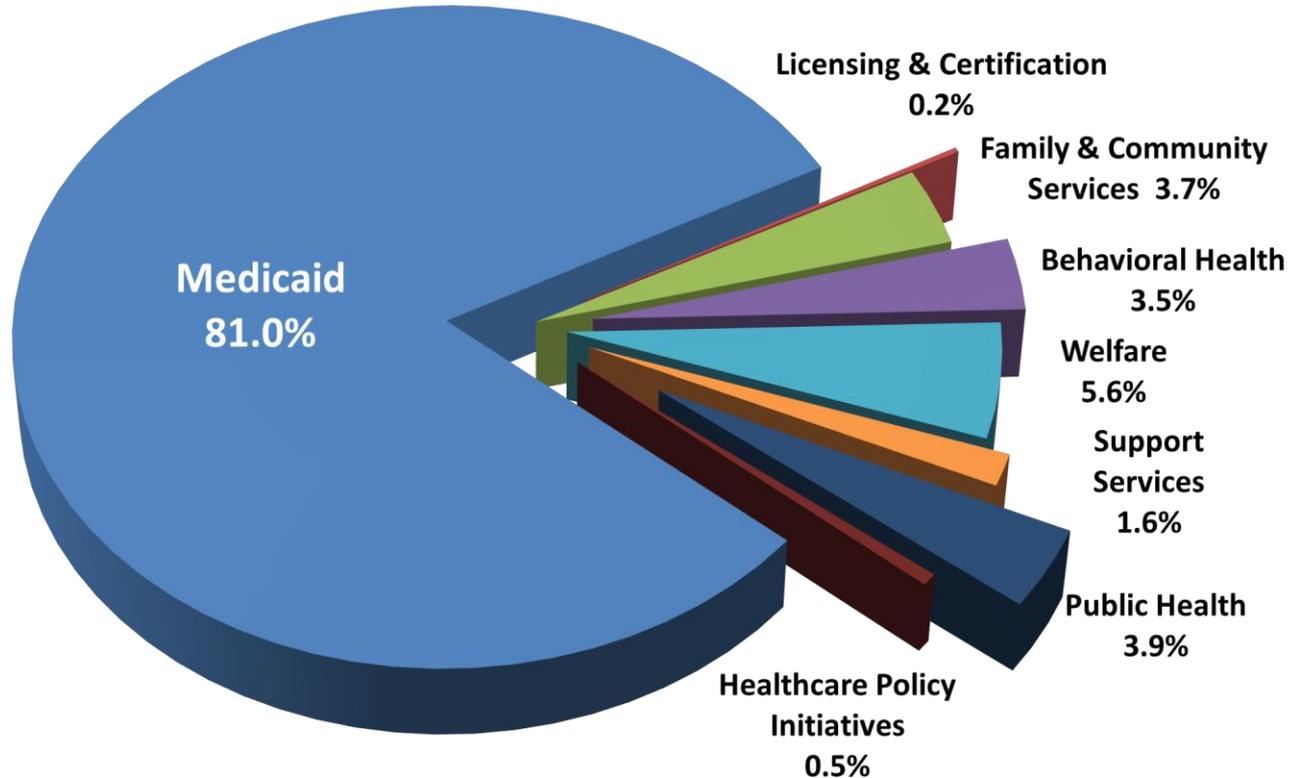


## SFY 2019 Recommendation by Category

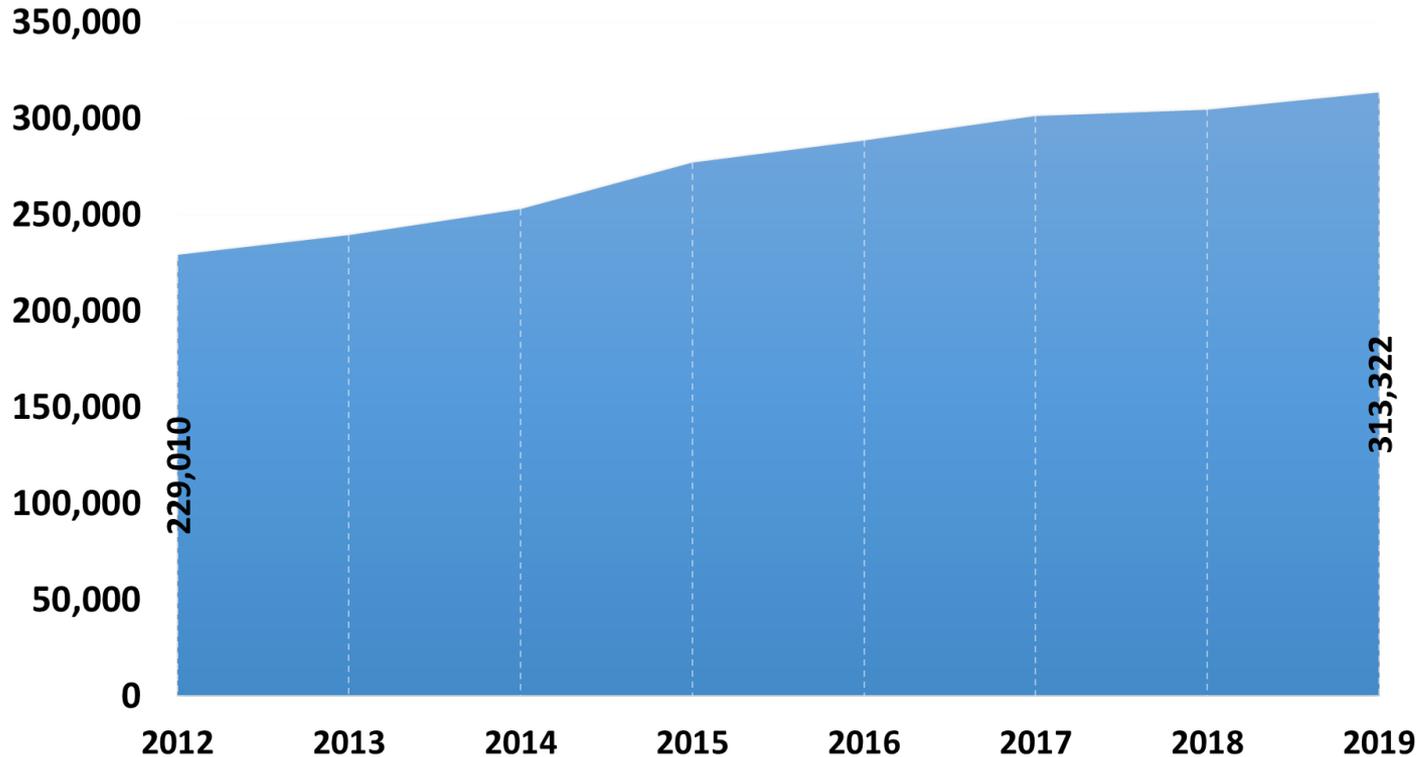


## SFY 2019 Recommendation by Program

Total: \$3.14 B.

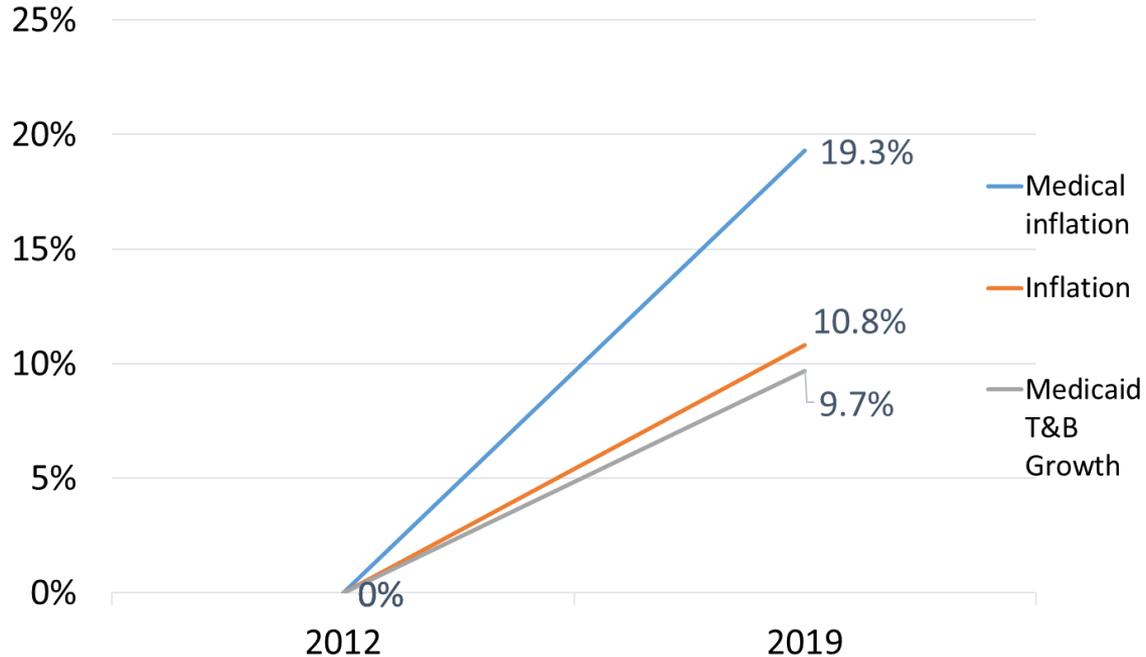


## Medicaid Enrollment Continues to Grow



**\$158 M. in  
GF increase**  
due to  
enrollment  
over 7 year  
span.

## Medicaid Cost Growth is Less Than Inflation



**\$56.9 M. GF**  
increase in  
average annual  
case cost over  
the same  
7-year span,  
due to  
inflation.

## Medicaid Payment Transformation 2012-2018

2012 - Claims processing modernization yields returns

2014 - Behavioral health managed care bends cost curve

2016 - Patient-Centered Medical Home initiative implements

2018 - First Regional Care Organizations will launch

2013 - New pharmacy reimbursement bends the cost curve

2015 - Medical Home pilot tests reimbursement theory

2017 - Second phase of Patient-Centered Medical Home payment reform launches

## **SFY 2019 Top General Fund Budget Recommendations**

1. Idaho Health Care Plan
2. Behavioral Health: Community Crisis Centers and Youth Empowerment Services
3. Technology projects to improve productivity and efficiency
4. Change in Employee Compensation

## **Idaho Health Care Plan: Dual Waivers**

This plan allows the Department of Insurance and the Department of Health and Welfare to submit applications for waivers to provide:

- Affordable, private health coverage for low-income Idaho citizens
- Temporary Medicaid coverage for some of Idaho's sickest individuals

This will result in:

- A reduction in health insurance premiums for everyone on the individual market
- A balanced risk pool for long-term sustainability of insurance markets.

## Community Crisis Center Admissions

	FY2015	FY2016	FY2017	FY2018	Total
Behavioral Health Crisis Center of Eastern Idaho (Dec. 2014)	735	1,950	2,481	1,408	6,574
North Idaho Crisis Center (Dec. 2015)	0	615	1,118	707	2,440
Crisis Center of South Central Idaho (Oct. 2016)	0	0	1,031	1,171	2,202
Pathways Behavioral Health Community Crisis Center (Dec. 2017)	0	0	0	62	62
Totals	735	2,565	4,630	3,348	11,278



## Children's Mental Health: Youth Empowerment Services

Settlement agreement of 35-year Jeff D. lawsuit to improve and expand access to children's mental health services

- Transfer of \$1.2 M in GF from Children's Mental Health to Medicaid to pay for mental health services for children in homes with income between 185% and 300% of FPL
- System updates to accommodate new assessment tool and to manage caseload and workflows: \$250,000 in GF

## Technology Projects to Improve Efficiency

### Child Welfare

**\$3.9 M. GF**

**Year 3 of 5**



- Benefits 1,600 children in foster care on any given day (~2,700 annually), their families, and their foster families
- Used to document case information
- Processes payments for foster families and generates referrals to Medicaid and Child Support

### Child Support

**\$2.7 M. GF**

**Year 3 of 3**

Idaho Child Support  
SERVICES FOR FAMILIES

- Supports more than 416,000 parents and children and more than \$205 M. in payments
- Enhances case management, financial modules, efficiency, and productivity

## Change in Employee Compensation (CEC)

- DHW turnover is up slightly from 12% in 2016 to 12.9% in 2017.
- State pay currently lags the private sector by slightly more than 20%.
- In SFY 2017, in employee exit interviews, 43% cited pay as either the primary reason for leaving, or a contributing factor to their decision to leave. This is up from 37% in SFY16.



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