

# REQUEST FOR INFORMATION

**To:** Senator Van Burtenshaw, Representative Fred Wood, & Representative Britt Raybould  
**From:** Jared Tatro, Principal Budget & Policy Analyst, Legislative Services Office, Budget Division  
**Date:** 9/4/2019  
**Re:** Idaho's Current Approach to Funding Medicaid Expansion

On August 26, 2019, you requested information on how Idaho is funding the state's share of Medicaid expansion. Specifically, you asked for the state's share of costs, General Fund cost offsets, Catastrophic Health Care Cost Program (CAT) impacts, and the use of the Millennium Income Fund. The total annualized cost for Medicaid expansion in FY 2021 is estimated at \$411,563,000 with the 10% state share at \$41,156,300. The table below reflects the state's share only and assumes the Legislature will fund the Medicaid Expansion Program using the same funding method as in FY 2020, which included \$9,267,000 from the General Fund and \$10,757,400 from the Millennium Income Fund.

## Idaho's Share of Medicaid Expansion Costs, Appropriated in FY 2020, & Requested in FY 2021

Line	FY 2020 (6 months As Appropriated)	FY 2021 (Requested)
A	<b>(\$20,024,400)</b>	<b>(\$41,156,300)</b>
<b>Estimated Costs for the State's Share of Medicaid Expansion</b>		
B	<b><u>GENERAL FUND COST OFFSETS<sup>1</sup></u></b>	
C	\$3,300,900	\$6,601,800
D	\$6,801,000	\$13,206,300
E	\$0	\$1,698,300
F [=C+D+E]	<b>\$10,101,900</b>	<b>\$21,506,400</b>
<b>Total General Fund Cost Offsets</b>		
G [=A+F]	<b>(\$9,922,500)</b>	<b>(\$19,649,900)</b>
<b>Remaining Costs After Cost Offsets</b>		
H	\$0	\$8,000,000
CAT Fund - Reduced Expenditure Need <sup>5</sup>		
I [=G+H]	<b>(\$9,922,500)</b>	<b>(\$11,649,900)</b>
<b>Remaining Costs After CAT Fund Reductions</b>		
K	\$10,757,400	\$10,734,800
Millennium Income Funds <sup>6</sup>		
L [=I+K]	<b>\$834,900</b>	<b>(\$915,100)</b>
<b>State Share (Shortfall)/Excess</b>		

<sup>1</sup> Cost offsets are appropriations that can be removed from their current budget and applied to the Medicaid Expansion Program.

<sup>2</sup> IDOC did not include cost offsets for the Community-Based Substance Abuse Treatment Program in its FY 2021 original budget submission. LSO and DFM are having discussions with IDOC about these cost offsets. This table includes those estimated cost offsets because they align with the FY 2020 Governor's Budget Recommendation and legislative action in S1162 (2019). IDOC also had a Millennium Income Fund cost offset of \$1,039,100 in FY 2020 and a similar amount is expected to be offset in FY 2021. These offsets are included in the Millennium Income Fund information (line K) in the table; see note 6 for additional information.

<sup>3</sup> DHW did not include a cost offset in the original budget submission for the Substance Abuse Treatment and Prevention Program. The department has indicated to LSO and DFM that they will be requesting \$805,300 from the General Fund as a cost offset in its revised budget request and that amount is included here in line D.

<sup>4</sup> For the Judicial Branch cost offsets, this analysis assumes that the caseload for problem-solving Drug Courts is similar to IDOC and the DHW. This amount could be increased to about \$2.5 million or reduced to \$0 depending on how the Legislature uses the Judicial Branch's analysis. The Judicial Branch is required to submit its budget by November 1.

<sup>5</sup> The CAT Program had almost \$18 million in expenditures in FY 2019. The program has estimated expenditures at \$15 million or \$3 million less than what was initially projected for FY 2020. The program estimates expenditures at \$10 million for FY 2021, or about \$8 million less than what was spent in FY 2019.

<sup>6</sup> Assumes the Millennium Income Fund appropriation for IDOC is eliminated as originally proposed in the Governor's FY 2020 Recommendation and supported by the Legislature in S1162 (2019). This analysis assumes the growth in the Millennium Income Fund will be used for Medicaid expansion costs. The Legislature could also appropriate the \$4.8 million cash balance from the Millennium Income Fund, which was retained in the income fund by the Legislature for Medicaid expansion costs.