

MINUTES
SENATE HEALTH & WELFARE COMMITTEE

DATE: Wednesday, January 16, 2019

TIME: 3:00 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Martin, Vice Chairman Souza, Senators Heider, Lee, Harris, Burtenshaw, Bayer, and Jordan

ABSENT/ EXCUSED: Senator Nelson

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: **Chairman Martin** called the meeting of the Senate Health and Welfare Committee (Committee) to order at 3:02 p.m.

STATEWIDE BUDGET OVERVIEW: **Paul Headlee**, Division Manager, Budget and Policy Analysis, Legislative Services Office (LSO), provided a statewide budget overview. He described how a budget is built and the relationship between the Governor's Recommendation and an agency request. He walked the Committee through the front-end section of the Legislative Budget Book (LBB) and reviewed the maintenance of current operations (MCO); a relatively high increase in agency requests at 5.5 percent, with a corresponding Governor's recommendation of 5.3 percent.

DISCUSSION: **Chairman Martin** asked Mr. Headlee for his opinion on what was driving that increase. **Mr. Headlee** pointed to an increase in the PERSI (Public Employee Retirement System of Idaho) employer's contribution to the fund, along with the K-12 salary ladder increase, as statutory drivers. Mr. Headlee went on to review new line items that come with a lot of scrutiny: agency requests at 10.3 percent(base and new requests), and the Governor's Recommendation at 6.8 percent for overall budgets. Mr. Headlee pointed to the agencies' and Governor's Recommendation side-by-side comparison. Mr. Headlee detailed some line items that included cash transfers from the General Fund and dedicated funds, benefit reductions, maintenance budgets, and employee compensation recommendations.

Vice Chairman Souza inquired if the transfers were part of the Governor's 6.8% and **Mr. Headlee** explained that outgoing fund transfers do not count as expenditures from the General Fund. In a follow-up question, **Vice Chairman Souza** wondered about reducing benefits and taking dollars from the Rainy Day Fund. **Mr. Headlee** noted that benefit claims are increasing while reserves are dropping.

Mr. Headlee then provided an overview of the General Fund. **Chairman Martin** noted that a significant percentage of the total General Fund budget goes to Health and Human Services. **Senator Jordan** inquired about the impact of the federal government shutdown. **Mr. Headlee** reported that his division has not, at this time, undertaken that analysis, but stated that our state agencies have been asked to identify their federal funds.

AGENCY BUDGET DETAILS: **Jared Tatro**, Principal Budget & Policy Analyst, LSO, presented health and human services budget details and an overview of the Department of Health and Welfare (DHW) budgets. There are currently 325,000 Idahoans participating in some welfare program (down from prior years).

DISCUSSION: **Senator Jordan** asked what the average stay on a given welfare programs was. **Mr. Tatro** did not have that information, but referred members to the DHW publication, "Facts, Figures, and Trends". **Vice Chairman Souza** requested mileage on replacement vehicles and was informed by **Mr. Tatro** that it is between 120,000 and 155,000, adding that replacement need is not based solely on mileage, but also on wear and tear. **Vice Chairman Souza** conjectured that Medicaid expansion would be funded exclusively from the General Fund. In response, **Mr. Tatro** explained that, per the Governor's recommendation, the expansion would be funded out of all fund sources for the first six months, including the Millennium Fund. Other large line items include Child Welfare, Non-Emergency Medical Transportation, and staffing for Suicide Prevention and Awareness. **Senator Jordan** inquired why certain line items for dental care were not included in the Governor's Recommendation. **Mr. Tatro** responded that there were no staff present from the Division of Financial Management to respond.

Mr. Tatro reviewed the Division of Medicaid, providing information on the basic plan. He noted that 73.8 percent of the caseload are children and represent the lower expenses, while the elderly and disabled make up a much smaller percentage, but most of the costs. He then gave side-by-side details before concluding Medicaid with a brief history and summary of the division.

Mr. Tatro introduced the Catastrophic Health Care Program, explaining that, for those qualifying, a county pays up to \$11,000 toward an individual's medical expenses. If a client is unable to pay medical debt after five years, the state pays the remaining debt. The Governor's recommendation has been reduced, in anticipation of Medicaid expansion.

Mr. Tatro then touched briefly on the Public Health Districts (PHD), and Office of Drug Policy (ODP). The PHDs receive General Fund and Millennium Fund appropriations, and their remaining expenses are continuously appropriated. The ODP's request matches the Governor's Recommendation.

Jill Randolph, Budget & Policy Analyst, LSO, presented four straightforward budgets: Vocational Rehabilitation, the Commission for the Blind and Visually Impaired, the State Independent Living Council, and the Commission on Aging, as outlined in the Legislative Budget Book.

Maggie Smith, Budget & Policy Analyst, LSO, presented the budgets for five independent medical boards responsible for licensing medical professionals in Idaho. The Board of Medicine is not included under Health and Human Services; it is a self-governing agency. License fees pay for board activities.

ADJOURNED: There being no further business at this time, **Chairman Martin** adjourned the meeting at 4:20 p.m.

Senator Martin
Chair

Margaret Major
Secretary