

## STATEMENT OF PURPOSE

### RS27729 / H0533

This legislation addresses the county medical indigency program, the Catastrophic Health Care Cost Program, and Medicaid Expansion. On the bill's effective date, the following changes will be implemented:

- The definition of medically indigent is adjusted to individuals whose modified adjusted gross incomes does not exceed 133% of the federal poverty level
- The county medical indigency programs will end after one year
- The Catastrophic Health Care Cost Program will suspend on June 30, 2021
- Counties can continue using the charity levee to cover court-ordered involuntary mental health services
- Proposed Expansion County Contribution
  - Implement sales-tax based formula to create stabilization fund for Medicaid expansion based on quarterly count of actual Medicaid enrollees statewide
  - County cost share = 23% of state costs o DHW reports total county cost share to tax commission by the 30th of month after the calendar quarter ends
  - Quarterly collection nine months retroactive; tax commission begins collecting December 31, 2020, and every three months thereafter
  - Total county cost share for the quarter subtracted from the counties' portion of sales tax revenue sharing before existing formula calculations take place
  - Collections flow into a stabilization fund with the goal of growing a savings account to counterbalance population growth and economic downturns
  - County per member per year share capped at 3% annual growth
  - LSO review of funding formula every three years starting in 2022
- The following sections of Idaho Code are repealed (under Title 31, Counties and County Law, Chapter 35, Hospitals for Indigent Sick):
  - 31-3501: Declaration of Policy
  - 31-3502: Definitions
  - 31-3503C: Powers and Duties of the Department
  - 31-3503E: Medicaid Eligibility Determination
  - 31-3503F: Medical Home
  - 31-3504: Application for Financial Assistance
  - 31-3505: Time and manner of Filing Applications for Financial Assistance
  - 31-3505A: Investigation of Application by the Clerk
  - 31-3505B: Approval by the County Commissioners
  - 1-3505C: Powers and Duties of the Department
  - 31-3505D: Appeal of Initial Determination Denying an Application
  - 31-3505E: Hearing on Appeal of Initial Determination Denying an Application

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- 31-3505F: Arbitration
- 31-3505G: Petition for Judicial Review of Final Determination
- 31-3506: Obligated County
- 31-3507: Transfer of Medically Indigent Patient
- 31-3508: Limitations on payments for Necessary Medical Services
- 31-3508A: Payment for Necessary Medical Services by an Obligated County
- 31-3510: Rights of Subrogation
- 31-3511: Violations and Penalties
- 31-3518: Administrative Responsibilities
- 31-3520: Contract for Provision of Necessary Medical Services for the Medically Indigent
- 31-3521: Employment of Physician
- 31-3550: Declaration of Public Policy
- 31-3551: Advisory Panel for Prelitigation Consideration of Indigent Resource Eligibility Claims–Procedure
- 31-3552: Appoint and Composition of Advisory Panel
- 31-3553: Advisory Decisions of Panel
- 31-3554: Tolling of Limitation Periods During Pendency of Proceedings
- 31-3555: Stay of Court Proceedings in Interest of Hearing Before Panel
- 31-3556: Expenses for Advisory Panel members
- 31-3557: Frequency of and Agenda for Meetings
- 31-3558: Nondisclosure of Personal Identifying Information

### **FISCAL NOTE**

Average county medical indigency costs for FY13-FY19 equal \$20,235,133 statewide. Under the proposed funding formula, the state will collect at least \$6.5 million from the counties in calendar year 2020. This forecast is based on the most recent Medicaid expansion enrollee numbers of 63,007 in February 2020. For comparison, based on the Milliman forecast of 90,000+, the county contribution would reach \$9.5 million/year.

In the first year, savings to the counties over their average indigency costs will range from \$10.8M-13.7M once the indigency program ends in 2021. Cost savings will be available as program utilization decreases during the first year.

Starting in July 2021, ongoing costs will include an estimated \$70k/year for the Department of Health & Welfare when it takes over administration of final payouts and repayments for the Catastrophic Health Care Cost Program.

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