

STATEMENT OF PURPOSE

RS27981 / S1418

This is the FY 2021 original appropriation bill for the Department of Health and Welfare for the Division of Medicaid. It appropriates a total of \$3,115,077,600 and caps the number of authorized full-time equivalent positions at 216.00.

For benefit costs, the bill maintains the current appropriated amount for health insurance at \$11,650 per eligible FTP and temporarily removes funding for the employer's sick leave contribution rate. The bill also provides funding for the equivalent of a 2% change in employee compensation for permanent state employees, with an additional 2% increase for those in the 20 job classifications most in need of equity adjustments. This bill also provides the majority of funding needed for Medicaid expansion. Because the current enrollment in expansion is lower than forecasted the costs are expected to be lower for at least the first part of the fiscal year; if enrollment or costs increase then a supplemental appropriation may be required. The increase in nondiscretionary funding is primarily for costs related to hospital payments, overall service utilization, and for the state's share of the Children's Health Insurance Program (CHIP) increasing from approximately 7% to 17%.

The bill funds five line items, provides a 2% General Fund reduction, and includes the full fiscal impact of H351. For line items, the bill includes funding for the federally required electronic visit verification program, which is intended to reduce fraud; partial funding for the Idaho Health Data Exchange; a net-zero rate increase for ambulatory surgical centers to reduce utilization of more expensive hospital surgery costs; funding for home visiting services; and a statewide net-zero impact from the General Fund with the fund transfer from the Division of Vocational Rehabilitation. Finally, the bill provides transfer limitations that prohibit Medicaid trustee and benefit payments from leaving Medicaid.

DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).

FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2020 Original Appropriation	216.00	687,410,600	255,263,800	1,889,022,600	2,831,697,000
Supplemental Appropriations (S1393)	0.00	18,581,600	4,769,000	46,471,800	69,822,400
1% General Fund & Sick Leave (H557)	0.00	(6,897,100)	(300)	(19,700)	(6,917,100)
FY 2020 Total Appropriation	216.00	699,095,100	260,032,500	1,935,474,700	2,894,602,300
Removal of Onetime Expenditures	0.00	(19,240,000)	(4,792,600)	(68,892,300)	(92,924,900)
Restore Rescissions	0.00	6,897,100	300	19,700	6,917,100
FY 2021 Base	216.00	686,752,200	255,240,200	1,866,602,100	2,808,594,500
Benefit Costs	0.00	(31,800)	(400)	(47,900)	(80,100)
Statewide Cost Allocation	0.00	800	0	800	1,600
Annualizations	0.00	9,198,700	2,065,000	177,873,000	189,136,700
Change in Employee Compensation	0.00	123,900	1,800	187,000	312,700
Nondiscretionary Adjustments	0.00	39,973,300	300,000	49,565,300	89,838,600
FY 2021 Program Maintenance	216.00	736,017,100	257,606,600	2,094,180,300	3,087,804,000
5. Electronic Visit Verification	0.00	545,700	0	1,828,700	2,374,400
9. IHDE Connections	0.00	0	0	3,500,000	3,500,000
16. Ambulatory Surgical Centers	0.00	0	0	0	0
20. Home Visiting Services	0.00	840,000	0	1,960,000	2,800,000
21. EES Funding - VR Transfer	0.00	600,000	0	1,400,000	2,000,000
2% General Fund Reductions & H351 Fiscal Impact	0.00	(14,030,900)	15,203,200	15,426,900	16,599,200
FY 2021 Total	216.00	723,971,900	272,809,800	2,118,295,900	3,115,077,600
Chg from FY 2020 Orig Approp	0.00	36,561,300	17,546,000	229,273,300	283,380,600
% Chg from FY 2020 Orig Approp.	0.0%	5.3%	6.9%	12.1%	10.0%

Overall, the Legislature reduced the General Fund for the Department of Health and Welfare by 2.03% or \$17,568,000. Further, the department's overall appropriation was \$92,000 less than the Governor's recommendation. These reductions can be found in the six appropriation bills for the department.

Contact:

Jared Tatro
 Budget and Policy Analysis
 (208) 334-4740

DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).