

**MINUTES**  
**Approved by the Committee**  
**Medicaid Managed Care Task Force**  
**Monday, October 16, 2023**  
**10:00 A.M.**  
**Room WW55**  
**Boise, Idaho**

Members in attendance (\*via Zoom): Cochairs Senator Julie VanOrden and Representative John Vander Woude; Senators Mark Harris\*, Kevin Cook, Glenneda Zuiderveld, and Melissa Wintrow; Representatives Dori Healey, Jordan Redman, Josh Tanner, and Nate Roberts\*. Non-legislative members in attendance: Juliet Charron and Sara Stover. Legislative Services Office (LSO) staff in attendance: Elizabeth Bowen, Jill Randolph, and Grace King.

Note: Presentations and handouts provided by the presenters/speakers are posted to the Idaho Legislature's website <https://legislature.idaho.gov/sessioninfo/2023/interim/> and copies of those items are on file at the Legislative Services Office in the State Capitol. Recordings of the meeting may be available under the committee's listing on the website.

Cochair VanOrden called the meeting to order at 10:01 a.m.; a silent roll call was taken.

#### **Task Force Discussion**

- Cochair VanOrden read from House Concurrent Resolution 9 from 2023 authorizing the task force and provided a summary of what the task force had done so far. She added that she would like to hear a presentation about school-based Medicaid.
- Representative Tanner suggested looking at the history of the Medicaid budget. Cochair VanOrden referred the task force to a booklet with enrollment and expenditure comparisons.
- Senator Cook wondered if information on copays and reimbursements would be provided at this meeting. Ms. Charron referred to an email she sent to the task force members and added that she was not prepared to provide exact figures at this time. She noted that cost sharing had been turned off because of the public health emergency due to the Covid-19 pandemic.
- Cochair Vander Woude referred to an email sent by Representatives Healey, Redman, Tanner, and himself. He explained that their suggestions include legislative oversight on Value Care Organization (VCO) contracts and to have VCO contracts coincide with the state's fiscal year.
- Senator Wintrow wondered if there was a reason that VCO contracts were built to be on the calendar year instead of the fiscal year. She stated that the VCOs need more time to provide data outside of the Covid-19 pandemic to show more cost savings. She added that the Department of Health and Welfare's (DHWs) Division of Medicaid needs more staff to oversee contracts.
- Senator Cook encouraged legislative involvement in VCO and Managed Care Organization (MCO) contract oversight and to do so every six months. He added that he would like more information on the VCO incentive program. Ms. Charron explained that there was a prevention-oriented incentive program for participants and stated that she would follow up with results from the program.
- Cochair Vander Woude expressed concern with the redetermination process.
- Representative Redman suggested a fully capitated model, implementing a cap on Medicaid spending tied to the general fund's growth, and focusing on prevention and quality outcomes.

- Senator Cook stated that DHW's Division of Medicaid needs more staff to provide data analysis and contract oversight to help the Legislature evaluate the contracts.
- Senator Wintrow suggested evaluating pharmaceutical costs and hiring qualified staff at DHW to provide oversight over Medicaid contracts. She added that the VCO program should continue with increased risk and proper oversight.
- Senator Zuiderveld encouraged the task force to consider the taxpayer who doesn't benefit from the Medicaid program when making a decision.
- Cochair VanOrden asked Cochair Vander Woude to expand on his point made in his email regarding outlier claims. Cochair Vander Woude explained that any claim over \$100,000 can be excluded from the per-member, per-month cost and he believed that number should be higher or the claim outlier limit should be removed.
- Senator Wintrow stated that raising or removing the claim outlier limit would harm VCOs as they start out.
- Cochair Vander Woude stated that there should be more consistency with the VCO contracts. He added that the Legislature did not provide input or oversight when setting up the VCO contracts. He also suggested establishing a standing committee dedicated to evaluating Medicaid contracts.
- Cochair VanOrden provided an example of a legislative education committee that provided oversight over vendors.
- Senator Wintrow stated that the Legislature did not have the expertise to provide the level of oversight that was needed and should focus on providing big-picture oversight.
- Cochair VanOrden commented that providing oversight could help stabilize the Medicaid budget.
- Senator Cook stated that patients, providers, MCOs, VCOs, legislators, and DHW need to be involved in setting key indicators for Medicaid contracts. He suggested letting the VCO program grow before choosing another MCO.
- Representative Tanner said that the current system was failing and that an MCO could provide more oversight, budget stability, and data. He also suggested that the pharmacy benefit be included under the VCO model.
- Representative Roberts agreed that the Legislature could provide more oversight but the VCO program needed more time to generate data.
- Senator Harris stated that the VCO needed time to work and the Legislature had the opportunity to make tweaks to the current system to make it better.
- Representative Redman stated that the Legislature could curate the contracts the way it saw fit and that MCOs and VCOs could collaborate with each other.
- Senator Wintrow asked if the Medicaid budget was stabilizing. Ms. Charron explained that the overall Medicaid budget has grown, but the general fund's portion in the Medicaid budget has remained stable.
- Cochair VanOrden asked if there were state reforms concerning pharmacy costs that could be considered. Representative Redman suggested evaluating Pharmacy Benefit Manager (PBM) reforms and that the pharmacy benefit should be included under an MCO or VCO.
- Cochair Vander Woude expressed concern about timely reports from VCOs.
- Ms. Bowen explained the options for creating legislative oversight, such as a standing interim committee or having the germane standing committees meet during the interim. Cochair VanOrden stated that she would prefer a standing interim committee or a long-term task force to include members that were not on the germane committee. Cochair Vander Woude stated that continuing the task force limits its authority to a specific topic. Ms. Bowen explained that legislation creating a committee could make the scope of the committee broad or narrow depending on the needs of the Legislature. Senator Wintrow expressed concern that this would

create more government and impede on the germane committees, so the new committee should have a narrower scope. Cochair Vander Woude suggested that the chairs of the health and welfare committees would be the only set members on the committee and the other members would be appointed. Senator Cook stated the scope of the new committee should be limited to contract oversight. Ms. Charron explained that some information about Medicaid contracts cannot be shared in a public setting because of proprietary information.

- Senator Cook suggested evaluating copays, emergency center visits for non-emergent care, and PBMs.
- Cochair Vander Woude requested to hear from VCOs about capitation rates and pharmacy benefits.
- Senator Wintrow asked if the release of data from VCOs was dependent on DHW. Ms. Charron explained that the finalized data comes from DHW and that the program runs on an annual basis and allows for a six-month claims run-out period. She further explained that the contract runs on the calendar year because the start date was pushed out due to the Covid-19 pandemic but it was something that could be revisited. Senator Wintrow asked about risk. Ms. Charron stated that the program offered a no-risk option for the first two years of the program because of the pandemic and Medicaid expansion but the VCOs would begin to take 15% risk. Senator Wintrow asked if data would be provided more quickly if more staff was available. Ms. Charron explained that there was only one full-time employee to manage data on the program.
- Cochair Vander Woude asked what percentage of the budget was pushed into the six-month claims run-out period. Ms. Charron stated she would follow up with that information but most providers bill within the first month. Cochair Vander Woude asked if a report could be provided at the end of the year and if claims are being counted twice. Ms. Charron explained the preliminary numbers could be provided at the beginning of the year and that claims tied to dates of service are not billed twice.
- The task force discussed future meeting dates and agenda items.

The meeting was adjourned at 12:07 p.m.