

MINUTES  
JOINT MEETING

**HOUSE HEALTH & WELFARE COMMITTEE**  
**SENATE HEALTH & WELFARE COMMITTEE**

<b>DATE:</b>	Monday, January 23, 2023
<b>TIME:</b>	9:00 A.M.
<b>PLACE:</b>	Room WW02
<b>MEMBERS:</b>	Chairman Vander Woude, Vice Chairman Erickson, Representatives Blanksma, Kingsley, Mitchell, Dixon(24), Gallagher, Healey, Redman, Wheeler, Chew, Rubel, Roberts Chairman VanOrden, Vice Chairman Zuiderveld, Senators Lee, Harris, Bjerke, Wintrow, Taylor
<b>ABSENT/ EXCUSED:</b>	None
<b>GUESTS:</b>	The sign-in sheet will be retained in the committee secretary's office; following the end of session the sign-in sheet will be filed with the minutes in the Legislative Library.  <b>Chairman Vander Woude</b> called the meeting to order at 9:02 a.m. He reminded the committee pursuant to Idaho Code §56-267, subsection 7, the House and Senate Health and Welfare committees must review Medicaid expansion and make a recommendation to the legislature whether or not the expansion should remain in effect. This presentation provides the information necessary to make the recommendation.  <b>Dave Jeppesen</b> , Director, Department of Health and Welfare (DHW) said the DHW is committed to providing legislators with the information to make necessary decisions. All Department members will be available for any questions or follow-up.  <b>Juliet Charron</b> , Administrator, Medicaid Division, DHW, came before the committee. As of January, 2023, there are approximately 145,000 enrolled Medicaid participants. The expansion provides coverage to non-disabled adults whose annual household income falls below 138% of the federal poverty level (FPL). She shared the profiles of a few individuals who, through the expansion, have improved their health and can now better support their families.  The top utilization categories are pharmacy, inpatient hospital services, outpatient hospital services, and non-hospital medical visits. When compared to the traditional adult population, the average utilization is lower.  The expansion was implemented at the beginning of the COVID-19 pandemic. Since implementation, 867 participants have had inpatient hospital stays (\$21.3M) and 6,715 have had outpatient hospital visits (\$3.4M). Without the expansion, the cost of providing care to uninsured and under-insured individuals would have fallen to the state, counties and providers.  Serious mental illness (SMI) was diagnosed in 24% of the expansion participants in state fiscal year (SFY) 2022. The number of participants requiring behavioral health (BH) hospital stays totaled 2,400. Additional impacts tied to BH needs were: 2,500 emergency room (ER) visits, 4,600 partial hospitalization admissions, and outpatient BH services for 13,000 participants.

As a prevention focus, participants are assigned a Primary Care Provider to support their use of services. There were 154,815 primary care visits for expansion members in SFY22. Preventive services are prioritized to keep the expansion population healthy, reduce avoidable hospitalizations, and contain costs.

The Families First Coronavirus Response Act (FFCRA) mandated continuous Medicaid enrollment throughout the federal COVID-19 Public Health Emergency (PHE) for nearly all of those enrolled in Medicaid on or after March 18, 2020.

As of April 1, 2023, the Consolidated Appropriations Act of 2023 ended the continuous enrollment requirement. Beginning February 1, 2023, it will take six months to complete the redeterminations and notify individuals protected by the FFCRA if they no longer qualify. The DHW has identified 151k Medicaid participants to notify. Of that group, approximately 67k are expansion participants. Some participants are expected to move to Your Health Idaho (YHI).

Medicaid expansion is 22.90% of the Medicaid budget. The current federal funding amount is \$.90 out of every dollar spent.

The budget drivers include case load increases, higher than projected service utilizations, higher adult coverage cost, supplemental payment to hospitals (UPL), and reimbursement rate fee schedule updates.

The SFY24 Medicaid expansion budget request of \$1,035,766,800 consists of \$803,028,800 in federal funds, \$67,423,200 in general funds, \$20,901,600 in dedicated funds (including UPL), and \$144,413,300 in receipts.

Methods of cost containment include participation in the Healthy Connections Value Care. Through this method primary care providers focus on prevention and are paid for value over volume. The expansion population has been included as of performance year two, which is 2023.

The Division of Financial Management contracted with a consultant to review Medicaid cost containment opportunities. The interim report was published in December and is being reviewed. Most of the recommendations are not specific to Medicaid expansion.

Since the Medicaid expansion was implemented in 2020, providers have seen lower costs and increased revenue. The burden on Idaho and the counties to help the indigent and uninsured population has been alleviated. The federal match now includes BH costs. Through reduced health care costs and increased productivity, a healthier workforce is supported.

Without Medicaid expansion, approximately \$77.7M from general funds would be needed as ex-participants access services. Of the \$77.7M, \$28,877,642 would be utilized for BH, \$1.9M for public health, \$12M for the Catastrophic Health Care Program (CAT), \$24M to help the medically indigent, \$708k for the drug courts, and \$10,242,200 for the Department of Correction.

Participants would lose access to potential life-saving care, such as cancer treatment. Coverage gaps would impose financial pressures on providers. Lack of preventative care access could lead to increased ER use, which is more costly. The increased local government burden could lead to the need for local taxes and higher rates for charity care. Employers not offering health insurance would be faced with a less healthy workforce.

Answering questions, **Ms. Charron** explained states adopting the expansion early in the process received a 100% federal match, which had reduced to 90% when Idaho proceeded with the expansion. Removal of participants from the program is not retroactive. She reiterated the SFY24 request reflects a decrease in general funds and an increase in federal funds based on the UPL and receipts.

The eligibility system has the staff and technology to support ongoing determinations. This has given Idaho an edge over other states who have not done ongoing determinations and the lengthy process they face. This has also provided the ineligible participants quality information for the six-month completion plan.

The PHE prohibits any recovery of funds. The Centers for Medicare and Medicaid Services (CMS) would prohibit eligibility termination prior to completion of the redetermination process. Should the process not be followed, Idaho would be at risk for a federal disallowance and loss of funds.

Responding to a request, **Ms. Charron** gave an update on the waivers filed for the Medicaid expansion. The 1115 waiver for BH inpatient services was approved and implemented. The YHI or Medicaid choice waiver was determined by CMS to be incomplete and would have no further action. CMS just informed them both the Work Requirement Demonstration and the Family Planning Services waivers will have no action taken during this administration.

Statutes exist for the Department's team to connect participants with primary care providers upon enrollment. Statute also requires a co-pay for non-emergency ER visits.

Individuals with an annual household income at 138% FPL or higher are ineligible for Medicaid expansion and are referred to YHI, where they may be eligible for a tax credit to reduce the insurance cost.

**Ms. Charron** explained every state offers different Medicaid services and FPLs. Idaho has a basic benefits package with the addition of adult dental services. She noted geography becomes a challenge for connecting rural participants and providers. The projected expansion cost underestimated the service utilization and case load. There is no Medicaid advertising beyond general information available on their website. A number of Health Connection resources are also found on the website.

**Shane Leach**, Administrator, Division of Self-Reliance, was invited to answer a committee question. He said beginning February 1, 2023, over six months, batches of 30k eligibility notices will be sent out each month. CMS requires the recipients to have sixty days to respond to the notices.

Answering questions, **Ms. Charron** stated she will provide the following follow up information: the impact of not continuing Medicaid expansion, the amount of pharmacy and psychotropic drug spending for this population, a breakdown of provider types within the primary care network, the correlation between Idaho and other states for the number of disabled participants, the participants impacted by the estate recovery program, information on the use of hormone therapy within the program, the dental spend outside of preventative care, original expansion projections vs. actual costs (year-by-year format), and information, if possible, for ER visits pre and post Medicaid expansion. She will also provide additional information on cost recovery for out-of-state Medicaid eligible individuals. She said the information would be provided to the committees by Friday, January 27, 2023.

**ADJOURN:**

There being no further business to come before the committee, the meeting adjourned at 10:19 a.m.

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Representative Vander Woude  
Chair

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Irene Moore  
Secretary