

MINUTES
HOUSE HEALTH & WELFARE COMMITTEE

DATE: Monday, February 06, 2023

TIME: 9:00 A.M.

PLACE: Room EW20

MEMBERS: Chairman Vander Woude, Vice Chairman Erickson, Representatives Blanksma, Kingsley, Mitchell, Dixon(24), Gallagher, Healey (Galloway), Redman, Wheeler, Chew, Rubel, Roberts

**ABSENT/
EXCUSED:** None

GUESTS: 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.

Chairman Vander Woude called the meeting to order at 9:00 a.m.

MOTION: **Rep. Dixon (24)** made a motion to approve the minutes of the January 26, 2023, meeting. **Motion carried by voice vote.**

Michael Heifetz, Director, Sellers Dorsey, presented information regarding the interim report on Idaho Medicaid Cost Containment, in compliance with a Request For Proposal (RFP). The first phase of the evaluation reviews short-term cost containment methods in the interim report. The next report will be a long-term review of the program with suggested areas of cost reduction.

When giving recommendations, the access to care and workforce are of foremost consideration. Stakeholders include legislators, member families, and many others.

The fiscal year (FY) 2022 Medicaid claims expenditures reflect the highest weekly expenses for non-hospital medical and pharmacy categories. Hospital claims provide the highest expenditures.

The target general fund savings of \$45M was exceeded by the report recommendations, which totalled \$65.7M. Of the thirteen areas for savings, professional services (\$21M) is the largest amount. The report recommends an across-the-board 7.5% rate decrease for professional services, although such a dramatic reduction could lead to access challenges.

He further explained the suggested savings for hospital reimbursements, developmental disabilities services, value-based purchasing initiatives, adult dental benefits. Withholding school based service (SBS) claims will improve processing. An increased provider assessment for long-term care nursing facilities will generate additional federal revenue. Transportation recommendations include reducing both per-member per-month and ambulance rates.

Recommendations include reductions in the pay-to-cost ratio, reimbursements, and single case agreement expenditures. Standardization and compliance are recommended for rate reviews and wage pass-through requirements. It is suggested the primary care case management program and adult dental benefits be removed or suspended.

After the next steps are completed the final recommendations will be made in April, 2023, as stipulated in the RFP.

Answering questions, **Mr. Heifetz** said the decisions are not easy to make and some will have minimal impact. These are short-term cost savings. The down-stream effects could include access issues. Any general fund reductions will also reduce the federal match funds. The final recommendation will be unique to Idaho. The pharmacy increased costs have a base driver in the number of high-end products being prescribed. The Medicaid team is providing good management with their limited ability for negotiation of pharmaceutical products. A possible long-term component is a waiver giving the team permission to talk to drug companies in a more effective way.

The Medicaid team is doing an impressive job, but will hit critical mass in a couple of areas in the near future. There is no statewide consensus for adult dental benefits. Federal agreement will be needed because Medicaid is a partnership between Idaho and the federal government.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 10:06 a.m.

Representative Vander Woude
Chair

Irene Moore
Secretary