

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