

Department of Health & Welfare

Division of Medicaid Budget Review

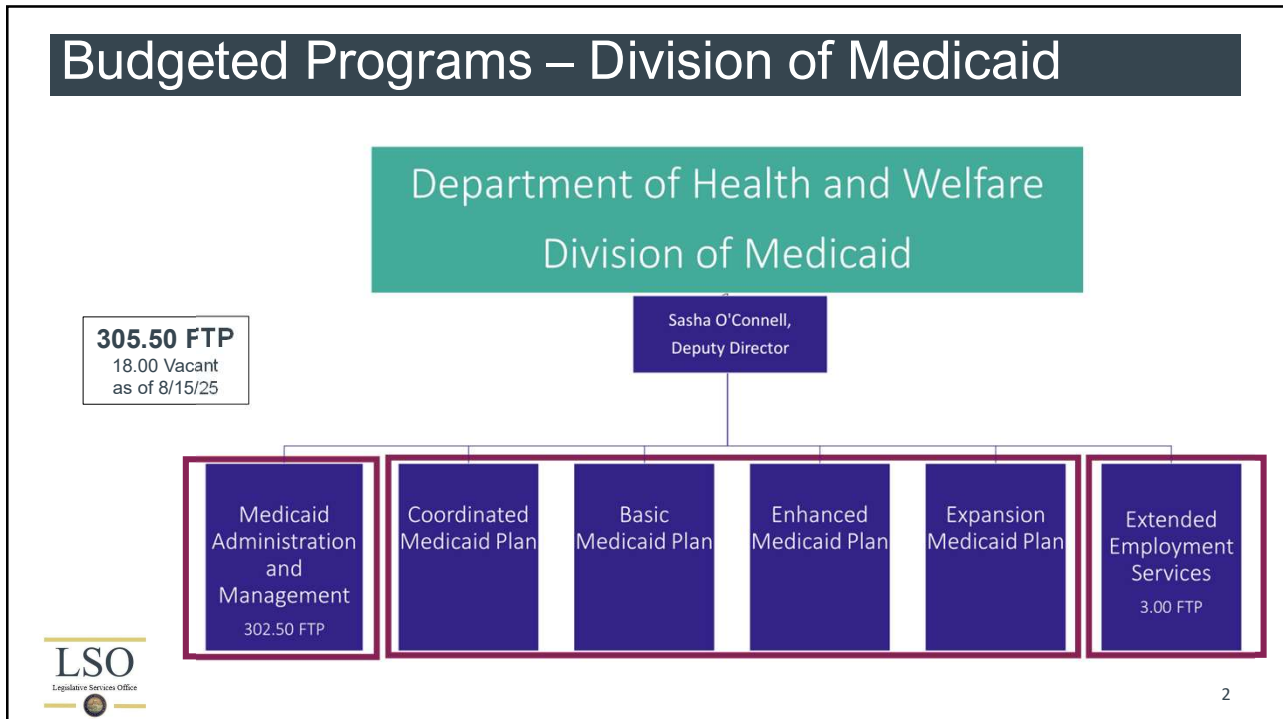
Alex Williamson,
Budget & Policy Analyst

January 29, 2026

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DHW – Division of Medicaid

The division is organized into five budgeted programs:

- **Medicaid Administration And Medical Management:** Administration of comprehensive medical coverage to eligible recipients in Idaho. Coverage is provided through traditional Medicaid, and the Children’s Health Insurance Program (CHIP). Administrative functions include managing provider payments and contracts. As of FY 2026, the program includes the following: the Medicaid Program Integrity Unit (formerly in Indirect Support Services); Idaho Behavioral Health Plan staff (formerly in Mental Health Services); and children’s developmental disability services (formerly in DD Services).
- **Coordinated Medicaid Plan:** Age 65 and older. All individuals dually eligible for Medicaid and Medicare, regardless of age, may elect to receive coverage under this plan.
- **Enhanced Medicaid Plan:** Children and adults (non-elderly) with disabilities, or other individuals with special health needs, such as foster children.
- **Basic Medicaid Plan:** Pregnant Women and Children (PWC), Family Medicaid and Idaho’s Children Health Insurance Program (CHIP). These populations are assumed to be in average health, with average levels of disease.
- **Expansion Medicaid Plan:** Beneficiaries covered in this plan have an income level of 138% of the federal poverty limit (FPL) or less. These populations are assumed to be in average health, with average levels of disease. Coverage for this population group started on January 1, 2020.
- **Extended Employment Services (EES):** A program designed to provide remunerative work and support for adults with developmental disabilities or mental illness who lack the skills and experience to obtain and maintain employment in the competitive labor market. (formerly in DD Services).



Division of Medicaid - FY 2027 Population Forecast Adjustments

Full breakout by fund & plan	Admin		Coordinated		Enhanced		Basic		Expansion		Total by category		
	General Fund	Federal Funds	General Fund	Federal Funds	General Fund	Federal Funds	General Fund	Ded. Funds	Federal Funds	General Fund		Ded. Funds	
12.62 Caseload	\$ -	\$ 486,000	\$ 8,718,500	\$ 16,248,300	\$ 8,669,600	\$ 16,157,200	\$ 5,123,000	\$ -	\$ 9,547,400	\$ 33,401,300	\$ -	\$ (6,646,700)	\$ 91,704,600
12.63 Cost-Based	\$ -	\$ -	\$ 5,200	\$ 9,700	\$ 4,366,300	\$ 8,137,200	\$ 2,411,700	\$ -	\$ 4,494,500	\$ 19,153,700	\$ -	\$ (3,811,500)	\$ 34,766,800
12.64 Mandatory Pricing	\$ -	\$ -	\$ 1,230,100	\$ 2,292,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,522,600
12.65 Utilization	\$ -	\$ -	\$ 6,960,600	\$ 12,972,200	\$ 20,091,800	\$ 37,444,000	\$ 34,628,600	\$ 62,087,600	\$ 111,126,900	\$ (46,676,200)	\$ 29,518,500	\$ (11,025,900)	\$ 257,128,100
12.81 Provider rate cut	\$ -	\$ -	\$ (2,995,200)	\$ (5,968,400)	\$ (5,866,300)	\$ (11,689,200)	\$ (11,893,400)	\$ -	\$ (23,698,700)	\$ (2,262,800)	\$ -	\$ (20,438,200)	\$ (84,812,200)
12.82 Gov Rec reductions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (22,000,000)	\$ (45,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (67,000,000)
Total by fund:	\$ -	\$ 486,000	\$ 13,919,200	\$ 25,554,300	\$ 5,261,400	\$ 5,049,200	\$ 30,269,900	\$ 62,087,600	\$ 101,470,100	\$ 3,616,000	\$ 29,518,500	\$ (41,922,300)	\$ 235,309,900

	Admin	Coordinated	Enhanced	Basic	Expansion	Category Total
12.62 Caseload	\$ 486,000	\$ 24,966,800	\$ 24,826,800	\$ 14,670,400	\$ 26,754,600	\$ 91,704,600
12.63 Cost-Based	\$ -	\$ 14,900	\$ 12,503,500	\$ 6,906,200	\$ 15,342,200	\$ 34,766,800
12.64 Mandatory Pricing	\$ -	\$ 3,522,600	\$ -	\$ -	\$ -	\$ 3,522,600
12.65 Utilization	\$ -	\$ 19,932,800	\$ 57,535,800	\$ 207,843,100	\$ (28,183,600)	\$ 257,128,100
12.81 Provider rate cut	\$ -	\$ (8,963,600)	\$ (17,555,500)	\$ (35,592,100)	\$ (22,701,000)	\$ (84,812,200)
12.82 Gov Rec reductions	\$ -	\$ -	\$ (67,000,000)	\$ -	\$ -	\$ (67,000,000)
Total by plan:	\$ 486,000	\$ 39,473,500	\$ 10,310,600	\$ 193,827,600	\$ (8,787,800)	\$ 235,309,900


	Total by Fund	Total by Plan
General Fund	\$ 53,066,500	\$ 486,000
Dedicated Funds	\$ 91,606,100	\$ 39,473,500
Federal Funds	\$ 90,637,300	\$ 10,310,600
Total 12.6X-12.8X Ask:	\$ 235,309,900	\$ 193,827,600
Total		\$ (8,787,800)
		\$ 235,309,900



Division of Medicaid - FY 2027 Population Forecast Adjustments

Full breakout by fund & plan	Admin		Coordinated		Enhanced		Basic		Expansion		Total by category		
	General Fund	Federal Funds	General Fund	Federal Funds	General Fund	Federal Funds	General Fund	Ded. Funds	Federal Funds	General Fund		Ded. Funds	Federal Funds
12.62 Caseload	\$ -	\$ 486,000	\$ 8,718,500	\$ 16,248,300	\$ 8,669,600	\$ 16,157,200	\$ 5,123,000	\$ -	\$ 9,547,400	\$ 33,401,300	\$ -	\$ (6,646,700)	\$ 91,704,600
12.63 Cost-Based	\$ -	\$ -	\$ 5,200	\$ 9,700	\$ 4,366,300	\$ 8,137,200	\$ 2,411,700	\$ -	\$ 4,494,500	\$ 19,153,700	\$ -	\$ (3,811,500)	\$ 34,766,800
12.64 Mandatory Pricing	\$ -	\$ -	\$ 1,230,100	\$ 2,292,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,522,600
12.65 Utilization	\$ -	\$ -	\$ 6,960,600	\$ 12,972,200	\$ 20,091,800	\$ 37,444,000	\$ 34,628,600	\$ 62,087,600	\$ 111,126,900	\$ (46,676,200)	\$ 29,518,500	\$ (11,025,900)	\$ 257,128,100
12.81 Provider rate cut	\$ -	\$ -	\$ (2,995,200)	\$ (5,968,400)	\$ (5,866,300)	\$ (11,689,200)	\$ (11,893,400)	\$ -	\$ (23,698,700)	\$ (2,262,800)	\$ -	\$ (20,438,200)	\$ (84,812,200)
12.82 Gov Rec reductions	\$ -	\$ -	\$ -	\$ -	\$ (22,000,000)	\$ (45,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (67,000,000)
Total by fund:	\$ -	\$ 486,000	\$ 13,919,200	\$ 25,554,300	\$ 5,261,400	\$ 5,049,200	\$ 30,269,900	\$ 62,087,600	\$ 101,470,100	\$ 3,616,000	\$ 29,518,500	\$ (41,922,300)	\$ 235,309,900

	Admin	Coordinated	Enhanced	Basic	Expansion	Category Total	Total by Fund	Admin	Total by Plan
12.62 Caseload	\$ 486,000	\$ 24,966,800	\$ 24,826,800	\$ 14,670,400	\$ 26,754,600	\$ 91,704,600	\$ 53,066,500	\$ 486,000	\$ 486,000
12.63 Cost-Based	\$ -	\$ 14,900	\$ 12,503,500	\$ 6,906,200	\$ 15,342,200	\$ 34,766,800	\$ 91,606,100	\$ 39,473,500	\$ 10,310,600
12.64 Mandatory Pricing	\$ -	\$ 3,522,600	\$ -	\$ -	\$ -	\$ 3,522,600	\$ 90,637,300	\$ 10,310,600	\$ 193,827,600
12.65 Utilization	\$ -	\$ 6,960,600	\$ 12,972,200	\$ 20,091,800	\$ 37,444,000	\$ 77,468,600	\$ 235,309,900	\$ 8,787,800	\$ (8,787,800)
12.81 Provider rate cut	\$ -	\$ (8,963,600)	\$ (17,555,500)	\$ (35,592,100)	\$ (22,701,000)	\$ (84,812,200)			
12.82 Gov Rec reductions	\$ -	\$ -	\$ (67,000,000)	\$ -	\$ -	\$ (67,000,000)			
Total by plan:	\$ 486,000	\$ 39,473,500	\$ 10,310,600	\$ 193,827,600	\$ (8,787,800)	\$ 235,309,900			




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Division of Medicaid - FY 2027 Population Forecast Adjustments

Full breakout by fund & plan	Admin		Coordinated		Enhanced		Basic		Expansion		Total by category		
	General Fund	Federal Funds	General Fund	Federal Funds	General Fund	Federal Funds	General Fund	Ded. Funds	Federal Funds	General Fund		Ded. Funds	Federal Funds
12.62 Caseload	\$ -	\$ 486,000	\$ 8,718,500	\$ 16,248,300	\$ 8,669,600	\$ 16,157,200	\$ 5,123,000	\$ -	\$ 9,547,400	\$ 33,401,300	\$ -	\$ (6,646,700)	\$ 91,704,600
12.63 Cost-Based	\$ -	\$ -	\$ 5,200	\$ 9,700	\$ 4,366,300	\$ 8,137,200	\$ 2,411,700	\$ -	\$ 4,494,500	\$ 19,153,700	\$ -	\$ (3,811,500)	\$ 34,766,800
12.64 Mandatory Pricing	\$ -	\$ -	\$ 1,230,100	\$ 2,292,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,522,600
12.65 Utilization	\$ -	\$ -	\$ 6,960,600	\$ 12,972,200	\$ 20,091,800	\$ 37,444,000	\$ 34,628,600	\$ 62,087,600	\$ 111,126,900	\$ (46,676,200)	\$ 29,518,500	\$ (11,025,900)	\$ 257,128,100
12.81 Provider rate cut	\$ -	\$ -	\$ (2,995,200)	\$ (5,968,400)	\$ (5,866,300)	\$ (11,689,200)	\$ (11,893,400)	\$ -	\$ (23,698,700)	\$ (2,262,800)	\$ -	\$ (20,438,200)	\$ (84,812,200)
12.82 Gov Rec reductions	\$ -	\$ -	\$ -	\$ -	\$ (22,000,000)	\$ (45,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (67,000,000)
Total by fund:	\$ -	\$ 486,000	\$ 13,919,200	\$ 25,554,300	\$ 5,261,400	\$ 5,049,200	\$ 30,269,900	\$ 62,087,600	\$ 101,470,100	\$ 3,616,000	\$ 29,518,500	\$ (41,922,300)	\$ 235,309,900

	Admin	Coordinated	Enhanced	Basic	Expansion	Category Total	Total by Fund	Admin	Total by Plan
12.62 Caseload	\$ 486,000	\$ 24,966,800	\$ 24,826,800	\$ 14,670,400	\$ 26,754,600	\$ 91,704,600	\$ 53,066,500	\$ 486,000	\$ 486,000
12.63 Cost-Based	\$ -	\$ 14,900	\$ 12,503,500	\$ 6,906,200	\$ 15,342,200	\$ 34,766,800	\$ 91,606,100	\$ 39,473,500	\$ 10,310,600
12.64 Mandatory Pricing	\$ -	\$ 3,522,600	\$ -	\$ -	\$ -	\$ 3,522,600	\$ 90,637,300	\$ 10,310,600	\$ 193,827,600
12.65 Utilization	\$ -	\$ 6,960,600	\$ 12,972,200	\$ 20,091,800	\$ 37,444,000	\$ 77,468,600	\$ 235,309,900	\$ 8,787,800	\$ (8,787,800)
12.81 Provider rate cut	\$ -	\$ (8,963,600)	\$ (17,555,500)	\$ (35,592,100)	\$ (22,701,000)	\$ (84,812,200)			
12.82 Gov Rec reductions	\$ -	\$ -	\$ (67,000,000)	\$ -	\$ -	\$ (67,000,000)			
Total by plan:	\$ 486,000	\$ 39,473,500	\$ 10,310,600	\$ 193,827,600	\$ (8,787,800)	\$ 235,309,900			



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2027 Governor Initiative – Budget Reduction Options

In addition to the savings from the provider rate reduction, the Governor recommends an ongoing reduction of \$22,000,000 from the General Fund and \$45,000,000 from federal funds to balance the FY 2027 budget. The service reductions needed to reach this amount are beyond the current authority of the department and **require legislative action**. As such, the department has provided a selection of proposed service reduction options the Legislature could implement in order to sustain projected expenditures for FY 2027, to include:

- Additional Reduction to Hospital Rates (\$2,076,500 GF per percentage point)
- Additional Reduction to Residential Habilitation Rates (\$21,858,900 GF)
- Removal of Administrative Costs for Managed Care Contracts (\$37,437,500 GF)
- Removal of the pharmacy benefit for non-expansion adults on Medicaid (\$40,051,300 GF)
- Removal of Adult Dental Services (\$5,512,100 GF)
- Removal of Home and Community Bases Services (\$176,564,100 GF)
- Removal of Physical, Occupational, and Speech Therapy (\$13,093,700 GF)
- Removal of Case Management (\$6,368,700 GF)
- Removal of Hospice services (\$1,479,100 GF)
- Removal of Adult Prosthetics and Orthotics (\$398,300 GF)
- Removal of Adult In-Home Nursing Services (\$258,900 GF)
- Removal of Adult Chiropractic Services (\$183,600 GF)
- Removal of Adult Audiology (\$23,200 GF)
- Removal of Adult Vision Services (\$463,400 GF)



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Please feel free to contact me with any questions at (208)334-4742 or awilliamson@lso.idaho.gov



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Appendix

Additional Division of Medicaid Information



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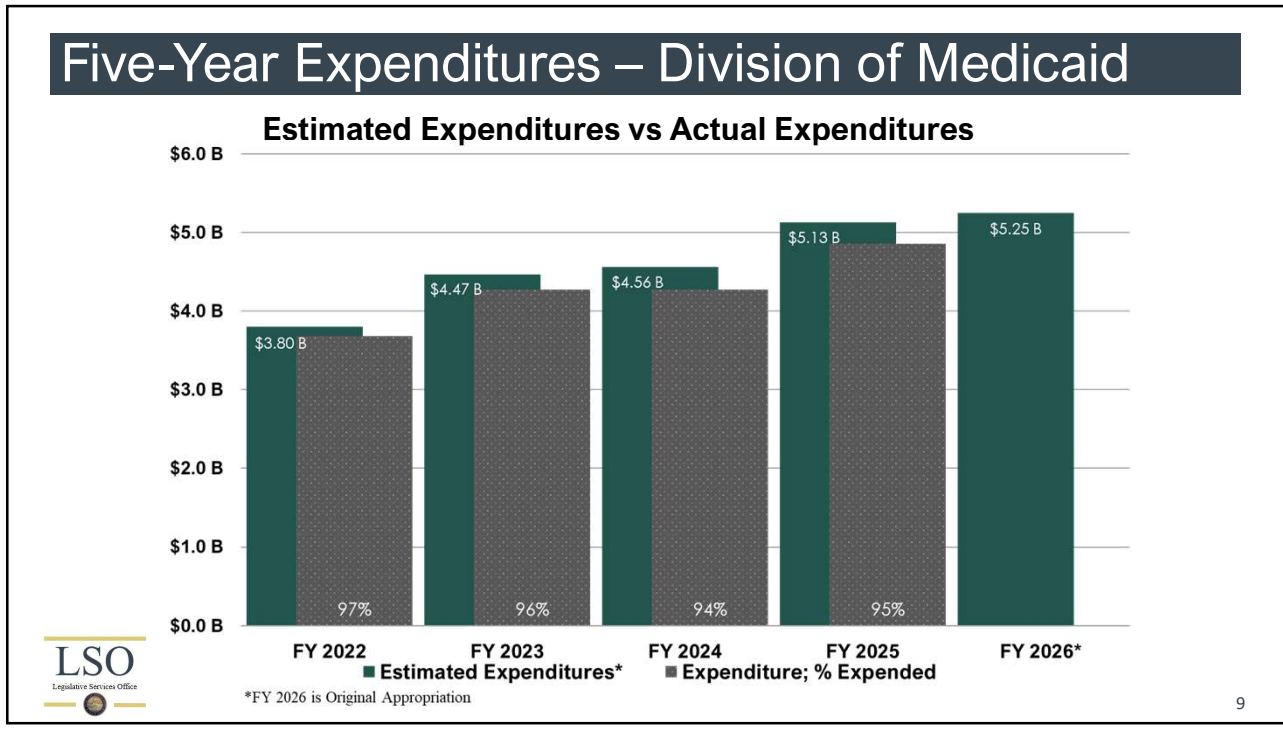
2027 Budget Request & Gov's Rec (FY27 Enhancements)						
Onetime Enhancement	Type	Agency Request		Governor's Recommendation		Gov Rec Notes
		Amount	Amount	Amount	Amount	
LBB 2-55: MMIS Procurement Year 4	Enhancement (OT)	\$102,721,300		\$102,721,300		Recommended
Total Onetime Enhancements		\$102,721,300		\$102,721,300		
Ongoing Enhancement	Type	Agency Request		Governor's Recommendation		Gov Rec Notes
		FTP	Amount	FTP	Amount	
LBB 2-57: Budget Law Exemption	Enhancement					Recommended
LBB 2-54: Hospital Assessment Fund Align - H345	Enhancement		\$0		\$0	Recommended
LBB 2-52: Estate Recovery System Contractor	Enhancement		\$2,496,600		\$2,496,600	Recommended
LBB 2-53: Medicaid Program Integrity Unit	Enhancement		\$935,000		\$935,000	Recommended
LBB 2-53: Div. of Purchasing - Medicaid Staff	Enhancement		\$0		\$198,700	Added in Gov's Rec
LBB 2-55: Population Forecast Adjustments	Enhancement		\$234,911,300		\$387,122,100	Adjusted
LBB 2-57: Gov. Initiative, Provider Rate Adj	Enhancement		\$0		(\$151,812,200)	Adjusted
Total Ongoing Base Change from Enhancements			\$238,342,900		\$238,940,200	

Hospital Assessment Enhancement includes \$349,701,600 from federal approp. to dedicated approp.

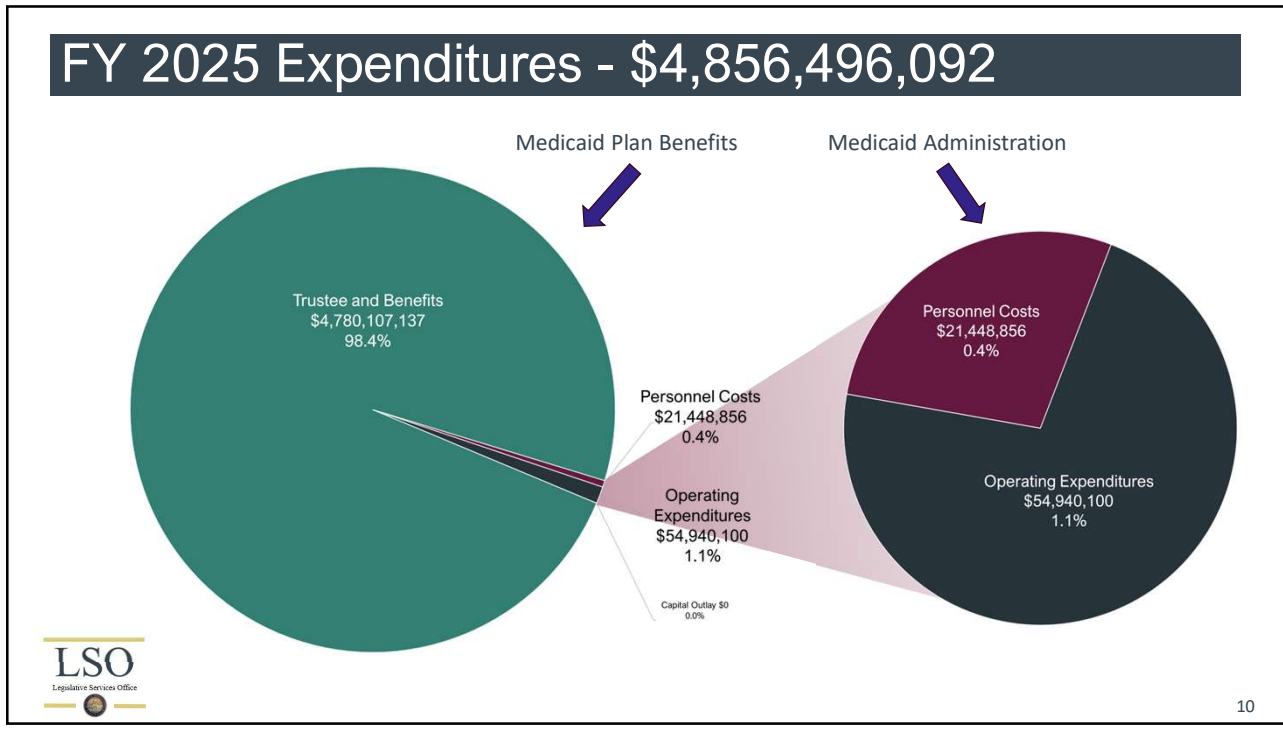
The department requests an **exemption from comparable transfer limitations originally set forth in Sections 4 and 8 of S1108 of 2025, that prohibit the transfer of personnel costs and trustee and benefit payments to any other account class.**

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FY 2025 Expenditures – Trustee & Benefit Payments

98.4% of Total Expenditures

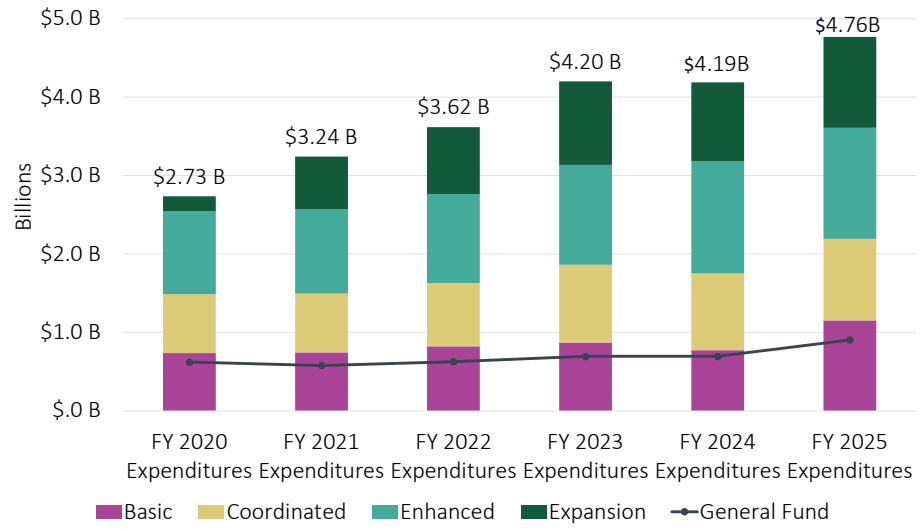
Expenditure	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	% of Total
Awards Contr & Claims	\$3,241,916,000	\$3,619,980,710	\$4,214,769,430	\$4,205,900,064	\$4,780,074,467	100.0%
Federal Payments To Subgrantees	\$1,695,995	\$721,632	\$155,000		\$27,778	0.0%
Education & Training Assistance		\$181	\$7,343	\$1,182	\$4,892	0.0%
Total	\$3,243,611,995	\$3,620,702,523	\$4,214,931,773	\$4,205,901,246	\$4,780,107,137	-



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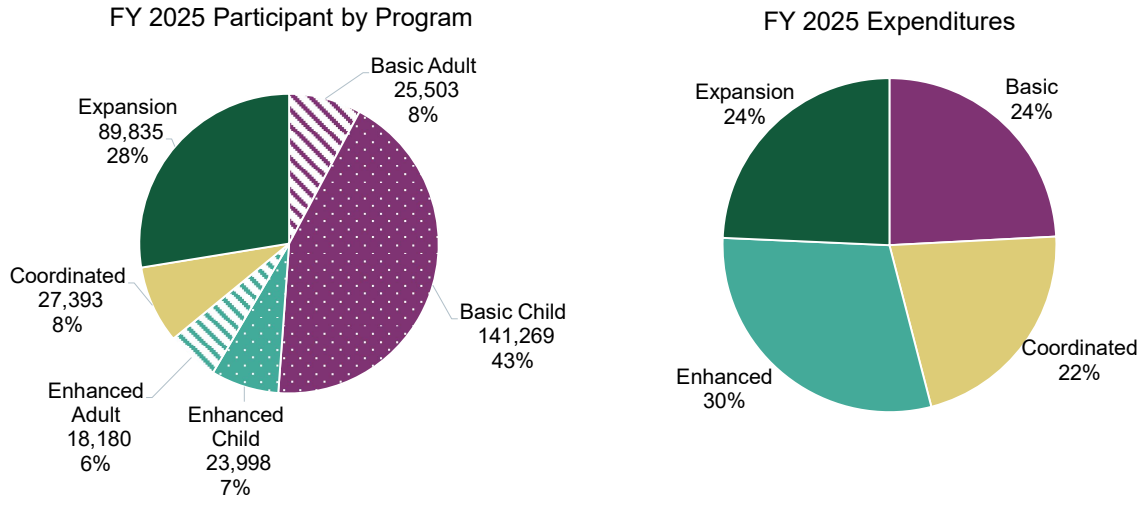
Expenditures by Medicaid Plan

Total Expenditures



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FY 2025 Participants by Medicaid Plan



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Division of Medicaid - FY 2026 Population Forecast Adjustments

Full breakout by fund & plan	Admin		Coordinated		Enhanced		Basic			Expansion	
	General Fund	Federal Funds	General Fund	Federal Funds	General Fund	Federal Funds	General Fund	Ded. Funds	Federal Funds	General Fund	Federal Funds
4.32 Increase	\$ -	\$ 2,021,300	\$ 28,468,900	\$ 18,049,600	\$ 40,277,100	\$ 25,536,000	\$ 22,938,000	\$ 23,672,900	\$ 19,936,800	\$ 908,400	\$ (74,565,000)
4.33 Provider cut	\$ -	\$ -	\$ (4,443,000)	\$ (8,508,300)	\$ (6,285,900)	\$ (12,037,300)	\$ (4,907,600)	\$ -	\$ (9,397,900)	\$ (1,579,500)	\$ (14,267,300)
Total by fund:	\$ -	\$ 2,021,300	\$ 24,025,900	\$ 9,541,300	\$ 33,991,200	\$ 13,498,700	\$ 18,030,400	\$ 23,672,900	\$ 10,538,900	\$ (671,100)	\$ (88,832,300)

	Admin	Coordinated	Enhanced	Basic	Expansion	Category Total
4.32 Increase	\$ 2,021,300	\$ 46,518,500	\$ 65,813,100	\$ 66,547,700	\$ (73,656,600)	\$ 107,244,000
4.33 Provider cut	\$ -	\$ (12,951,300)	\$ (18,323,200)	\$ (14,305,500)	\$ (15,846,800)	\$ (61,426,800)
Total by plan:	\$ 2,021,300	\$ 33,567,200	\$ 47,489,900	\$ 52,242,200	\$ (89,503,400)	\$ 45,817,200

	Total by Fund
General Fund	\$ 75,376,400
Dedicated Funds	\$ 23,672,900
Federal Funds	\$ (53,232,100)
Total 4.3X Ask:	\$ 45,817,200

	Total by Plan
Admin	\$ 2,021,300
Coordinated	\$ 33,567,200
Enhanced	\$ 47,489,900
Basic	\$ 52,242,200
Expansion	\$ (89,503,400)
Total	\$ 45,817,200



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2026 Poverty Guidelines: 48 Contiguous States

Dollars Per Year

Household/ Family Size	50%	75%	100%	125%	130%	133%	135%	138%
1	7,980.00	11,970.00	15,960.00	19,950.00	20,748.00	21,226.80	21,546.00	22,024.80
2	10,820.00	16,230.00	21,640.00	27,050.00	28,132.00	28,781.20	29,214.00	29,863.20
3	13,660.00	20,490.00	27,320.00	34,150.00	35,516.00	36,335.60	36,882.00	37,701.60
4	16,500.00	24,750.00	33,000.00	41,250.00	42,900.00	43,890.00	44,550.00	45,540.00
5	19,340.00	29,010.00	38,680.00	48,350.00	50,284.00	51,444.40	52,218.00	53,378.40
6	22,180.00	33,270.00	44,360.00	55,450.00	57,668.00	58,998.80	59,886.00	61,216.80
7	25,020.00	37,530.00	50,040.00	62,550.00	65,052.00	66,553.20	67,554.00	69,055.20
8	27,860.00	41,790.00	55,720.00	69,650.00	72,436.00	74,107.60	75,222.00	76,893.60
9	30,700.00	46,050.00	61,400.00	76,750.00	79,820.00	81,662.00	82,890.00	84,732.00
10	33,540.00	50,310.00	67,080.00	83,850.00	87,204.00	89,216.40	90,558.00	92,570.40
11	36,380.00	54,570.00	72,760.00	90,950.00	94,588.00	96,770.80	98,226.00	100,408.80
12	39,220.00	58,830.00	78,440.00	98,050.00	101,972.00	104,325.20	105,894.00	108,247.20
13	42,060.00	63,090.00	84,120.00	105,150.00	109,356.00	111,879.60	113,562.00	116,085.60
14	44,900.00	67,350.00	89,800.00	112,250.00	116,740.00	119,434.00	121,230.00	123,924.00

Note: Each individual program—e.g., SNAP, Medicaid—determines how to round various multiples of the poverty guidelines, what income is to be included, and how the eligibility unit is defined. For more information about the poverty guidelines visit: <http://aspe.hhs.gov/poverty>.

Source: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation.

