

Division of Medicaid

Analyst: Randolph

Historical Summary

OPERATING BUDGET	FY 2022 Total App	FY 2022 Actual	FY 2023 Approp	FY 2024 Request	FY 2024 Gov Rec
BY PROGRAM					
Medicaid Admin & Medical Mgmt	82,443,100	61,512,300	115,931,200	142,395,000	144,233,600
Coordinated Medicaid Plan	707,605,400	806,724,900	824,472,700	935,435,900	914,310,000
Enhanced Medicaid Plan	1,338,254,500	1,132,358,200	1,413,070,100	1,449,200,300	1,442,244,400
Basic Medicaid Plan	828,843,900	821,275,200	848,867,000	1,135,420,600	1,199,664,800
Expansion Medicaid Plan	842,403,300	856,233,000	842,368,000	1,035,766,800	1,035,766,800
Total:	3,799,550,200	3,678,103,600	4,044,709,000	4,698,218,600	4,736,219,600
BY FUND CATEGORY					
General	643,903,800	641,026,200	830,051,800	983,608,700	896,983,500
Dedicated	433,487,900	424,533,200	440,330,900	612,740,800	696,166,200
Federal	2,722,158,500	2,612,544,200	2,774,326,300	3,101,869,100	3,143,069,900
Total:	3,799,550,200	3,678,103,600	4,044,709,000	4,698,218,600	4,736,219,600
Percent Change:	0.0%	(3.2%)	10.0%	16.2%	17.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	17,647,700	17,251,700	19,128,100	19,550,600	20,529,200
Operating Expenditures	62,868,200	40,149,500	72,365,400	98,406,700	98,736,700
Trustee/Benefit	3,719,034,300	3,620,702,400	3,953,215,500	4,580,261,300	4,616,953,700
Total:	3,799,550,200	3,678,103,600	4,044,709,000	4,698,218,600	4,736,219,600
Full-Time Positions (FTP)	213.00	213.00	213.00	213.00	213.00

Division Description

The Division of Medicaid is responsible for administering plans to finance and deliver health services for people at risk due to low income and other factors, such as youth, old age, pregnancy, or disability. Services are provided pursuant to state and federal Medicaid requirements. The division is organized into five budgeted programs.

MEDICAID ADMINISTRATION and MEDICAL MANAGEMENT: Includes expenditures for administration of a comprehensive program of medical coverage to eligible recipients in Idaho. Coverage is provided through traditional Medicaid (Title XIX), and the Children's Health Insurance Program (CHIP) (Title XXI). Administrative functions include managing provider payments, contracting with state agencies and universities for medical management, and conducting drug utilization reviews and individual assessments.

COORDINATED MEDICAID PLAN: Beneficiaries covered in this plan primarily consist of those who are 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: Medicaid-eligible group primarily made up of children and adults (non-elderly) with disabilities, or other individuals with special health needs, such as foster children. Individuals included in this plan, may elect to remain in this plan after they turn 65 years old.

BASIC MEDICAID PLAN: Medicaid-eligible group primarily consisting of 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.

Division of Medicaid

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Analysis of Funds

	FY 2022 Total App	FY 2022 Actual	FY 2022 Variance	FY 2023 Approp	FY 2024 Request	FY 2024 Gov Rec
Cooperative Welfare (General) 22003	643,903,800	641,026,200	(2,877,600) (0.4%)	830,051,800	983,608,700	896,983,500
Hospital Assessment 21900	36,081,000	27,738,200	(8,342,800) (23.1%)	42,381,000	84,229,800	84,229,800
Cooperative Welfare (Dedicated) 22005	381,828,400	381,216,500	(611,900) (0.2%)	382,364,600	495,724,000	575,724,000
Idaho Millennium Income 49900	15,578,500	15,578,500	0 0.0%	15,585,300	15,587,000	19,012,400
Proposed New Fund 99999	0	0	0 0.0%	0	17,200,000	17,200,000
Cooperative Welfare (Federal) 22002	2,722,158,500	2,612,544,200	(109,614,300) (4.0%)	2,774,326,300	3,101,869,100	3,143,069,900
Total:	3,799,550,200	3,678,103,600	(121,446,600) (3.2%)	4,044,709,000	4,698,218,600	4,736,219,600

Division of Medicaid

Division Profile

Analyst: Randolph

Medicaid Plans: Caseloads and Trustee and Benefit Payments (All Funds)

	FY 2022 Expenditures		FY 2023 Orig Approp		FY 2024 Request	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Basic Plan						
Caseload	217,328	52.0%	220,143	50.9%	207,067	50.3%
Budget	\$821,275,200	22.7%	\$848,867,000	21.6%	\$1,135,420,600	24.9%
Average Case	\$3,779		\$3,856		\$5,483	
Enhanced Plan						
Caseload	45,966	11.0%	46,404	10.7%	46,641	11.3%
Budget	\$1,132,358,200	31.3%	\$1,413,070,100	36.0%	\$1,449,200,300	31.8%
Average Case	\$24,635		\$30,451		\$31,071	
Coordinated Plan						
Caseload	30,741	7.4%	32,407	7.5%	32,944	8.0%
Budget	\$806,724,900	22.3%	\$824,472,700	21.0%	\$935,435,900	20.5%
Average Case	\$26,243		\$25,441		\$28,395	
Expansion Plan						
Caseload	123,570	29.6%	133,850	30.9%	124,812	30.3%
Budget	\$856,233,000	23.7%	\$842,368,000	21.4%	\$1,035,766,800	22.7%
Average Case	\$6,929		\$6,293		\$8,299	
Total						
Caseload	417,605	100%	432,804	100%	411,464	100%
Budget	\$3,616,591,300	100%	\$3,928,777,800	100%	\$4,555,823,600	100%
Average Case	\$8,660		\$9,077		\$11,072	

This top table also contains the payments for Disproportionate Share Hospital (DSH), and Upper Payment Limits (UPL), and other non-claims specific contracts.

FY 2021 and FY 2022 Medicaid Claims Expenditures by Service Grouping

	FY 2021			FY 2022		
	Amount	Avg Weekly Users	PUPW	Amount	Avg Weekly Users	PUPW
Hospital	\$785,361,975	17,398	\$868	\$843,992,865	18,452	\$880
Developmental Disability Services	\$397,383,555	6,842	\$1,117	\$460,560,306	6,805	\$1,302
Pharmacy	\$421,164,787	36,085	\$224	\$527,040,157	41,012	\$247
Medical (Non-Hospital)	\$336,828,598	40,517	\$160	\$367,577,955	44,315	\$160
Mental Health	\$180,275,794	688	\$5,042	\$215,941,970	571	\$7,274
Long Term Services & Supports	\$76,017,538	1,928	\$758	\$73,984,787	1,616	\$880
School Based Services	\$40,395,760	1,686	\$461	\$49,440,189	1,598	\$595
Durable Medical Equipment	\$34,221,121	5,462	\$120	\$36,091,427	4,845	\$143
Transportation Services	\$51,892,127	467	\$2,136	\$56,895,932	482	\$2,270

This table represents paid claims, where PUPW stands for per user per week.

Division of Medicaid

Comparative Summary

Analyst: Randolph

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2023 Original Appropriation	213.00	830,051,800	4,044,709,000	213.00	830,051,800	4,044,709,000
1. Public Health Emergency (PHE)	0.00	(68,418,000)	158,615,700	0.00	(99,518,000)	161,289,700
2. Youth Empwmt Svcs to Medicaid	0.00	122,500	245,000	0.00	122,500	245,000
3. MMIS Procurement	0.00	17,200,000	48,500,000	0.00	17,200,000	48,500,000
4. Early and Periodic Screening Assmt	0.00	50,000	100,000	0.00	50,000	100,000
5. Receipt Authority	0.00	(14,933,200)	29,029,000	0.00	(14,933,200)	29,029,000
6. Upper Payment Limit Increase	0.00	0	266,525,300	0.00	0	266,525,300
FY 2023 Total Appropriation	213.00	764,073,100	4,547,724,000	213.00	732,973,100	4,550,398,000
Executive Carry Forward	0.00	1,181,300	5,587,900	0.00	1,181,300	5,587,900
FY 2023 Estimated Expenditures	213.00	765,254,400	4,553,311,900	213.00	734,154,400	4,555,985,900
Removal of Onetime Expenditures	0.00	(31,055,000)	(267,452,200)	0.00	(31,055,000)	(301,226,200)
Base Adjustments	0.00	80,387,600	80,387,600	0.00	111,487,600	111,487,600
FY 2024 Base	213.00	814,587,000	4,366,247,300	213.00	814,587,000	4,366,247,300
Personnel Benefit Costs	0.00	70,400	175,900	0.00	70,400	175,900
Statewide Cost Allocation	0.00	(1,300)	(2,700)	0.00	(1,300)	(2,700)
Change in Employee Compensation	0.00	65,700	164,600	0.00	260,800	652,900
Nondiscretionary Adjustments	0.00	146,415,900	236,391,500	0.00	69,695,000	153,091,500
FY 2024 Program Maintenance	213.00	961,137,700	4,602,976,600	213.00	884,611,900	4,520,164,900
1. Behavioral Health Plan	0.00	21,600,000	72,000,000	0.00	21,600,000	72,000,000
2. Emergency Medical Transportation	0.00	41,000	20,082,000	0.00	41,000	20,082,000
7. Homes w/ Adlt Res Tmt to Medicaid	0.00	830,000	3,160,000	0.00	830,000	3,160,000
37. Quality Improvement Org Contract	0.00	0	0	0.00	75,000	300,000
38. Youth Empwmt Svcs Admin Funding	0.00	0	0	0.00	123,100	246,200
39. Managed Care Compliance Review	0.00	0	0	0.00	140,000	560,000
40. KW Lawsuit Consultant	0.00	0	0	0.00	165,000	330,000
41. Enhanced Federal Match Reversion	0.00	0	0	0.00	(10,700,000)	39,132,400
42. Hospital Assessment Fund	0.00	0	0	0.00	0	80,000,000
Human Resources Consolidation	0.00	0	0	0.00	97,500	244,100
FY 2024 Total	213.00	983,608,700	4,698,218,600	213.00	896,983,500	4,736,219,600
Change from Original Appropriation	0.00	153,556,900	653,509,600	0.00	66,931,700	691,510,600
% Change from Original Appropriation		18.5%	16.2%		8.1%	17.1%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2023 Original Appropriation					
<p>The Legislature funded 16 line items for FY 2023, which included: a division-wide net-zero transfer for the development of the home health program at the Southwest Idaho Treatment Center (SWITC); \$66,663,200 for the enhancement of services offered to those Idahoans with developmental disabilities; \$11,852,600 for independent assessment changes; a division-wide net-zero transfer for the Healthy Connections Value Care program, which will reward Medicaid providers for keeping participants healthy while containing medical costs of care; \$24,961,200 for developmental disability providers rate increase; \$70,393,100 for Adult Developmental Disabilities Residential Habilitation provider rate increase; \$5,223,300 for contractual increases for the MMIS; \$5,046,000 for system changes to the MMIS; \$345,700 for an independent assessment of the Institute of Mental Disease (IMD) waivers; a division-wide net-zero impact to support six contracts that more appropriately belong in the Medicaid Administration Program; \$10,949,800 for a rate increase for those providers who provide personal assistance services; \$800,000 for system changes to the MMIS to allow a higher payment for rural providers; \$113,000 for salary and benefits for a new position for more consistent reviews of provider rates; \$46,231,600 for a rate increase for assisted living facilities who care for Idahoans with Alzheimer's or related dementias that require increased levels of care; \$6,725,100 for a rate increase for medical providers to bring primary care procedure billing codes to 100% of Medicare rates and increase all other procedure codes up to 90% of Medicare rates; and \$27,300,000 to change the way hospitals receive supplemental payments for inpatient and outpatient services, changing from a retrospective payment to a prospective payment as utilized in other states.</p>					
	213.00	830,051,800	440,330,900	2,774,326,300	4,044,709,000

1. Public Health Emergency (PHE)

Enhanced Plan, Expansion Plan

The Division of Medicaid requests a onetime reduction from the General Fund and a onetime increase of federal funds to account for the increased Federal Medical Assistance Percentage (FMAP) rate available for the first three quarters of the current fiscal year. The increased FMAP of the federal participation rate increasing an additional 6.2% of all costs granted to all states' Traditional Medicaid Plans through the Families First Coronavirus Response Act (P.L. 116-127), which was signed into law in March of 2020. This federal law states that the enhanced FMAP rate is available to all states during the Public Health Emergency (PHE) declaration by the U.S. Secretary of Health and Human Services. Each PHE designation lasts for 90 days and was last renewed on October 15, 2022. The current FMAP rate without the impacts of the PHE declaration for Idaho Traditional Medicaid is approximately 70% federal and 30% state for the blended match rate. The match rate for all Expansion Plans remains at the federal statutory rate of 90% federal and 10% state contributions.

ANALYST NOTE: As of December 2022, federal offices including the Congressional Budget Office (CBO) project the enhanced FMAP will be available for the entirety of FY 2023. This request reflects only the first three quarters, as of the time of the submission the final fourth quarter was anticipated but not yet confirmed.

Agency Request	0.00	(68,418,000)	0	227,033,700	158,615,700
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The Governor recommends a onetime reduction in General Funds and a onetime increase in federal funds to account for changes to the Federal Medical Assistance Percentage (FMAP) during the declaration of a Public Health Emergency (PHE) due to COVID-19. The Omnibus Appropriations Act of 2023, signed by President Biden on December 29, 2022, modified the Families First Coronavirus Response Act (FFCRA) and set the end date of holding a population to March 31, 2023. Additionally the Omnibus Appropriations Act of 2023 created a phased down FMAP, from the 6.2% in FFCRA to a 5.0% increase for April through June 2023. This recommendation reflects this last quarter with an additional 5.0% FMAP.

Governor's Recommendation	0.00	(99,518,000)	0	260,807,700	161,289,700
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Division of Medicaid

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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2. Youth Empwmt Svcs to Medicaid **Medicaid Administration and Medical Mgmt**

The agency requests to transfer the Youth Empowerment Services (YES) program be transferred from the Children's Mental Health Program to the Division of Medicaid's Administration Program. YES was developed as a result of the Jeff D. Lawsuit and is Idaho's children's mental health system of care for those under 18 to aid families in accessing services and supports for their children with serious emotional disturbances (SED). The agency asserts this transfer will help to achieve substantial compliance with the Jeff D. Settlement Agreement and Implementation Assurance Plan (Settlement Agreement, Jeff D. v. Otter, No. 4:80-CV-04091-BLW, D. Idaho 2015). Jeff D. is a class-action lawsuit from 1980 that was the result of comingling children and adults at State Hospital South (SHS), which led to abuse of children, lack of educational and treatment services at the hospital, and a lack of community-based mental health services. Section 56-254(2)(i), Idaho Code, allows for children with family incomes up to 300% of the federal poverty limit (FPL) and diagnosed with a SED, to be eligible for Medicaid. Per legislative intent language in Section 4 of H313 of 2017, the department has implemented and enforced a sliding fee scale associated with these children for cost sharing. The agency requests a onetime addition of personnel costs totaling \$245,000 to fund three existing FTP. The three positions will be two program specialists at pay grade L and one program supervisor at pay grade M; all three positions are requested at 80% of policy.

ANALYST NOTE: The Division of Medicaid requested 3.00 FTP and associated salary and benefits for this purpose in FY 2020, however none were appropriated by the Legislature.

Agency Request	0.00	122,500	0	122,500	245,000
Governor's Recommendation	0.00	122,500	0	122,500	245,000

3. MMIS Procurement **Medicaid Administration and Medical Mgmt**

The Division of Medicaid requests additional funding to begin the procurement process to replace and update Idaho's Medicaid Management Information System (MMIS). The MMIS supports payments of claims to providers around the state for services delivered to Medicaid participants and supports state and federal reporting requirements on the use of funds. The system also houses participant and provider data to allow for the analysis and identification of trends. It supports the Medicaid provider enrollment function to allow more communities to access Medicaid payments. Finally, the MMIS supports the program's pharmacy benefit program. The MMIS currently manages approximately 50,000 provider records; 400,000 member records; and processes over 120,000 claims weekly. This process is expected to take five years to fully design, develop, test, and implement the modernized MMIS, with a current projected end year of FY 2028. The current MMIS was fully implemented in 2010. This request represents the entirety of the General Fund request for the entire five-year process, and the department will ask annually for the fluctuating federal funds. The Division of Medicaid requests a fund transfer of \$17,200,000 from the General Fund to a newly created dedicated fund, pending Legislative approval, and \$14,100,000 ongoing in federal funds of which \$4,300,000 will be needed in FY 2023.

Agency Request	0.00	17,200,000	17,200,000	14,100,000	48,500,000
Governor's Recommendation	0.00	17,200,000	17,200,000	14,100,000	48,500,000

4. Early and Periodic Screening Assmt **Medicaid Administration and Medical Mgmt**

The Division of Medicaid requests onetime funds to contract with a third party to conduct a review of the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit, as requested by class counsel in the Jeff D. Settlement. The EPSDT benefit provides comprehensive and preventive health care services, such as dental and developmental or specialty services, for children who are under 21 years of age and who are enrolled in Medicaid. As a part of the Jeff D. Settlement (Settlement Agreement, Jeff D. v. Otter, No. 4:80-CV-04091-BLW, D. Idaho 2015), Idaho must build and maintain the mental health system of care for youth in Idaho. Jeff D. is a class-action lawsuit from 1980 that was the result of comingling children and adults at State Hospital South (SHS), which led to abuse of children, lack of educational and treatment services at the hospital, and a lack of community-based mental health services. The Division of Medicaid requests \$100,000 in operating expenditures, split equally between federal funds and the General Fund.

Agency Request	0.00	50,000	0	50,000	100,000
Governor's Recommendation	0.00	50,000	0	50,000	100,000

Division of Medicaid

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
5. Receipt Authority			Basic, Coordinated, Enhanced, Expansion		
<p>The Division of Medicaid requests ongoing increases in dedicated funds for increased receipt authority. Receipt authority in the Division of Medicaid consists of revenue from sources such as: drug rebates; settlements with third party insurance where Medicaid paid for a service they should not have; collection of provider overpayments; and the collection of the hospital Upper Payment Limit supplemental payment. Receipt authority is used to offset costs to the General Fund and federal funds for Medicaid. The agency requests an all fund overall increase of \$29,029,000. Of that total amount, an increase of \$4,028,800 in the Hospital Assessment Fund represents a 9.5% increase in appropriation from that fund; an increase of \$96,727,600 in the Cooperative Welfare (Dedicated) Fund represents a 25% increase in appropriation from that fund; a decrease of \$14,933,200 in the General Fund represents a 1.8% decrease in appropriation from that fund; and a reduction of \$56,794,200 in federal funds represents a 2% decrease in appropriation from that fund.</p>					
Agency Request	0.00	(14,933,200)	100,756,400	(56,794,200)	29,029,000
Governor's Recommendation	0.00	(14,933,200)	100,756,400	(56,794,200)	29,029,000
6. Upper Payment Limit Increase			Basic Medicaid Plan, Expansion Medicaid Plan		
<p>The Division of Medicaid requests an ongoing increase in appropriation as a part of the Upper Payment Limit (UPL) supplemental payment to hospitals as a result of Section 56-265, Idaho Code, as amended by H316 of 2022. The UPL represents the difference between with Medicaid paid for a service and what Medicare would have paid for the same service. The UPL is a federally approved supplemental payment to provide hospitals with additional revenues without impacting General Fund dollars. As of September 2022, a state plan amendment has been submitted to and is awaiting approval by the Centers for Medicare and Medicaid Services (CMS). The submitted state plan amendment was agreed to by the hospitals during work groups convened by the Department since last session. The agency requests a total of \$266,525,300. Of that amount, \$31,551,600 or 11% is from the Hospital Assessment Fund and the remaining \$234,973,700 or 89% is from federal funds.</p>					
Agency Request	0.00	0	31,551,600	234,973,700	266,525,300
Governor's Recommendation	0.00	0	31,551,600	234,973,700	266,525,300
FY 2023 Total Appropriation					
Agency Request	213.00	764,073,100	589,838,900	3,193,812,000	4,547,724,000
Governor's Recommendation	213.00	732,973,100	589,838,900	3,227,586,000	4,550,398,000
Executive Carry Forward					
<p>The Division of Medicaid was approved by the Division of Financial Management for \$5,587,900 in onetime Executive Carry Forward; this amount will be removed before calculating the base. This funding was encumbered by the agency for a consultant related to the MMIS. Funds were encumbered to allow for a delay in executing a contract amendment required to spending the funds.</p>					
Agency Request	0.00	1,181,300	0	4,406,600	5,587,900
Governor's Recommendation	0.00	1,181,300	0	4,406,600	5,587,900
FY 2023 Estimated Expenditures					
Agency Request	213.00	765,254,400	589,838,900	3,198,218,600	4,553,311,900
Governor's Recommendation	213.00	734,154,400	589,838,900	3,231,992,600	4,555,985,900
Removal of Onetime Expenditures					
<p>This decision unit removes onetime appropriations, onetime executive carry forward, and onetime supplementals.</p>					
Agency Request	0.00	(31,055,000)	0	(236,397,200)	(267,452,200)
<i>Reccomedned by the Governor, with changes to include the differences in supplemental 1 above.</i>					
Governor's Recommendation	0.00	(31,055,000)	0	(270,171,200)	(301,226,200)
Base Adjustments					
<p>This decision unit restores the ongoing funding removed in the Public Health Emergency (PHE) in supplemental 1 above, restoring the Base before further adjustments are made.</p>					
Agency Request	0.00	80,387,600	0	0	80,387,600
Governor's Recommendation	0.00	111,487,600	0	0	111,487,600

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2024 Base					
Agency Request	213.00	814,587,000	589,838,900	2,961,821,400	4,366,247,300
Governor's Recommendation	213.00	814,587,000	589,838,900	2,961,821,400	4,366,247,300

Personnel Benefit Costs

Employer-paid benefits include a 10% increase for health insurance bringing the total annual budgeted amount to \$13,750 for full-time employees and \$11,000 for part-time employees. Variable benefits include the continuation of rate holidays for unemployment insurance and sick leave; adjustments to workers' compensation that vary by agency; and for PERSI, a 0.76 percentage point rate reduction for regular employees.

Agency Request	0.00	70,400	600	104,900	175,900
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The Governor recommends the requested increase for the employer share of health benefit costs and recommends a cash transfer of \$25 million from ARPA - State Fiscal Recovery Fund to stabilize the insurance funding for next fiscal year. As part of the appropriation for health insurance benefits, the Governor recommends the creation of a new benefit - a \$500 deposit into a health savings account for individuals or \$1,000 for individuals with dependents. This new benefit is only available to employees choosing the high deductible health plan, while funding comes from the employer share for all eligible employees.

Governor's Recommendation	0.00	70,400	600	104,900	175,900
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management costs will decrease by \$2,700.

Agency Request	0.00	(1,300)	0	(1,400)	(2,700)
Governor's Recommendation	0.00	(1,300)	0	(1,400)	(2,700)

Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	65,700	1,100	97,800	164,600
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The Governor recommends a 4% increase in employee compensation distributed on merit. The Governor does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	260,800	4,100	388,000	652,900
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Division of Medicaid

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Nondiscretionary Adjustments

The Division of Medicaid requests \$236,391,500 for the following nondiscretionary adjustments, as authorized by Section 56-254 and 56-255, Idaho Code. This includes an increase of \$146,415,900 from the General Fund, an increase of \$67,075,400 in federal funds, and an increase of \$22,900,200 in dedicated funds. These numbers account for the Federal Medical Assistance Percentage (FMAP) rate decrease of a federal participation rate of 70.11% to 69.72% for three quarters in FY 2024.

COST-BASED PRICING: Increase of \$26,870,300 from the General Fund and decrease of \$1,497,000 in federal funds. Medicaid reimburses certain entities such as hospitals, nursing facilities, home health, and prescription drug companies for the cost of providing goods or services. Other providers are often paid based on the established Medicaid-approved rate. Cost-surveys are conducted frequently to ensure that the reimbursement amount is accurate.

MANDATORY PRICING: Increase of \$22,060,100 from the General Fund, increase of \$22,900,200 in dedicated funds, and decrease of \$10,977,400 from federal funds. Mandatory pricing relates to a Medicaid requirement to pay for services at a federally designated rate; this includes Federally Qualified Health Centers (FQHC), Rural Health Clinics (RHC), and Indian Health Clinics (IHC).

CASELOAD: Decrease of \$46,543,800 from the General Fund and an increase of \$13,556,800 in federal funds. Caseload is the number of estimated new Idahoans eligible for Medicaid services. Traditional Medicaid caseload is expected to decrease, due to the end of the Public Health Emergency (PHE), from 297,852 in FY 2023 to 285,326 in FY 2024. The Expansion Plan caseload is expected to decrease due to the end of the PHE, from 133,191 in FY 2023 to 123,951 in FY 2024.

UTILIZATION: Increases of \$144,029,300 from the General Fund and \$65,993,000 in federal funds. Utilization is the estimated change for the use of services provided in Medicaid. Utilization is reviewed through prior-authorization, concurrent and retrospective reviews, and pharmacy preferred drug list and rebates programs. During the COVID-19 pandemic, utilization of services like routine doctor visits decreased significantly.

Agency Request	0.00	146,415,900	22,900,200	67,075,400	236,391,500
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The Governor recommends a net reduction \$76,720,900 from the General Fund to reflect the increased hospital assessment passed as part of S1350 in the 2022 legislative session as well as increased costs for the Expansion Plan. The Governor also recommends an increase of \$3,420,900 from the dedicated Millennium Income Fund in the Expansion Plan.

Governor's Recommendation	0.00	69,695,000	26,321,100	57,075,400	153,091,500
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FY 2024 Program Maintenance					
Agency Request	213.00	961,137,700	612,740,800	3,029,098,100	4,602,976,600
Governor's Recommendation	213.00	884,611,900	616,164,700	3,019,388,300	4,520,164,900

1. Behavioral Health Plan

Coordinated Medicaid Plan

The Division of Medicaid requests ongoing funds to support the implementation of a new contract for the Idaho Behavioral Health Plan (IBHP), which will include a new managed care contract and a 10% outpatient provider rate increase. The Request for Proposals (RFP) was open Fall of 2022. The IBHP offers a variety of services based on medical necessity for children with serious emotional disturbance and adults with serious mental illness or serious and persistent mental illness. These funds will move the IBHP from a prepaid ambulatory health plan (PAHP) to a prepaid inpatient health plan (PIHP) which will include inpatients services and other new services paid for by Medicaid. The agency asserts that a PIHP overseen by one contractor will create seamless access to evidence-based behavioral health services in Idaho, and that delivering all behavioral health services through one program will help the Division of Medicaid's pursuit to pay for value and achieve cost containment through better patient outcomes. The Division of Medicaid requests \$72,000,000 in ongoing trustee and benefit payments.

Agency Request	0.00	21,600,000	0	50,400,000	72,000,000
Governor's Recommendation	0.00	21,600,000	0	50,400,000	72,000,000

Division of Medicaid

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Emergency Medical Transportation					
Medicaid Administration, Basic Medicaid Plan					
<p>The Division of Medicaid requests ongoing funds to implement funding for Ground Emergency Medical Transportation (GEMT), as managed by Section 56-268, Idaho Code, enacted by the Legislature through S1283 in 2022. The agency asserts currently there are inadequate resources to compile and submit the state plan amendment to the Centers for Medicare and Medicaid (CMS) and oversee the ongoing program. The agency requests \$82,000 in ongoing personnel costs for a permanent financial specialist senior at pay grade L; the requested hourly rate is 82% of policy for that pay grade. The agency also requests \$20,000,000 in ongoing trustee and benefit payments to implement the change in coverage for GEMT.</p>					
Agency Request	0.00	41,000	0	20,041,000	20,082,000
Governor's Recommendation	0.00	41,000	0	20,041,000	20,082,000
7. Homes w/ Adlt Res Tmt to Medicaid					
Medicaid Administration, Coordinated Medicaid Plan					
<p>The agency requests an ongoing transfer of the Homes with Adult Residential Treatment (HART) 2018 pilot program from the Adult Mental Health Program to the Division of Medicaid. The majority of the HART program is paid through the Division of Medicaid's Idaho Behavioral Health Plan (IBHP), and this request would transfer the remaining milieu management component. The HART model provides for residential assisted living services the integrate behavioral health treatment services with support for basic activities of daily living for individuals with serious an persistent mental illness who are unable to maintain independent living. The milieu management component consists of an on-site case manager who directs the activities of direct care staff, manages client interactions, and coordinates with clinical staff to manage the flow of daily activities in the facility. This transfer will allow for the incorporation of milieu management into the reimbursement rate for facilities. The agency requests \$3,160,000 to complete this transfer into the Division of Medicaid. Of the total request \$60,000 is in onetime operating expenditures in the Medicaid Administration Program, split equally between the General Fund and federal funds to configure the reimbursement rate calculation logic for assisted living facilities to reflect the addition of the milieu management component. The remaining \$3,100,000 is in ongoing trustee and benefit payments in the Coordinated Plan, with \$800,000 from the General Fund and \$2,300,000 in federal funds, for the increased reimbursement for HART homes.</p>					
Agency Request	0.00	830,000	0	2,330,000	3,160,000
Governor's Recommendation	0.00	830,000	0	2,330,000	3,160,000
37. Quality Improvement Org Contract					
Medicaid Administration and Medical Mgmt					
Agency Request	0.00	0	0	0	0
<p><i>The Governor recommends \$300,000 ongoing to support the Quality Improvement Organization (QIO) contract, which supports utilization management activities for the Division of Medicaid. This funding will pay for quality improvement activities, including utilization management, post-payment reviews, and service utilization reviews. The goal of the QIO is to increase collaboration and coordination between the managed care organizations (MCOs), fee-for-service programs, and other department services to provide targeted case management for those clients with complex medical needs to improve health outcomes and reduce costs to the program.</i></p>					
Governor's Recommendation	0.00	75,000	0	225,000	300,000
38. Youth Empwmt Srvcs Admin Funding					
Medicaid Administration and Medical Mgmt					
Agency Request	0.00	0	0	0	0
<p><i>The Governor recommends \$246,200 ongoing in personnel costs to support staff to administer the Youth Empowerment Services (YES) program. Idaho is obligated to build and maintain the mental health system of care as outlined in the Jeff D. Class Action Lawsuit Settlement Agreement. YES directly supports children with severe emotional disturbances (SEDs). Currently, this program is administered by the Division of Mental Health and is requested by the agency to be transferred on a onetime basis to the Division of Medicaid; there was no ongoing request to move this program.</i></p>					
Governor's Recommendation	0.00	123,100	0	123,100	246,200

Division of Medicaid

Analyst: Randolph

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
39. Managed Care Compliance Review					
Medicaid Administration and Medical Mgmt					
Agency Request	0.00	0	0	0	0
<p><i>The Governor recommends \$560,000 ongoing for a federally required external quality review organization (EQRO) contractor and a separate contractor to support independent assessments. An EQRO completes an analysis and evaluation of information pertaining to quality, timeliness, and access to health care services from a managed care plan. The Centers for Medicare & Medicaid (CMS) requires this contractor not also provide services to participants; the Division of Medicaid's current EQRO also performs case management and utilization management services for participants. Of the total recommendation, \$96,000 is for independent assessment deliverables as a part of a larger contract with the Division's Quality Improvement Organization contractor.</i></p>					
Governor's Recommendation	0.00	140,000	0	420,000	560,000
40. KW Lawsuit Consultant					
Coordinated Medicaid Plan					
Agency Request	0.00	0	0	0	0
<p><i>The Governor recommends \$330,000 ongoing in operating expenditures to develop a new supports budget methodology for participants as court-ordered in the KW lawsuit agreement. The plaintiffs and defendants have agreed upon an independent consultant to develop, test, and assist in implementation of the new methodology, as court-ordered.</i></p>					
Governor's Recommendation	0.00	165,000	0	165,000	330,000
41. Enhanced Federal Match Reversion					
Basic Plan, Coordinated Plan, Enhanced Plan					
Agency Request	0.00	0	0	0	0
<p><i>The Governor recommends a onetime reduction from the General Fund and a onetime increase of federal funds to account for the increased Federal Medical Assistance Percentage (FMAP) rate available for the first two quarters of FY 2024. Through the Families First Coronavirus Response Act (FFCRA), the federal government would pay an additional 6.2% for all Medicaid costs for all states through the end of the declaration of the public health emergency (PHE) by the Secretary of Health and Human Services. Under the Omnibus Appropriations Act of 2023, the FMAP would step down from 6.2% to 5% for April through June 2023; 2.5% for July through September 2023; 1.5% for October through December 2023; and on January 1, 2024 the FMAP would revert to the standard with no increased federal participation. This recommendation reflects the calculated stepped down approach for Idaho for July through December 2023.</i></p>					
Governor's Recommendation	0.00	(10,700,000)	0	49,832,400	39,132,400
42. Hospital Assessment Fund					
Basic Medicaid Plan					
Agency Request	0.00	0	0	0	0
<p><i>The Governor recommends an increase of \$80,000,000 ongoing to support the hospital assessment passed by S1350 during the 2022 legislative session.</i></p>					
Governor's Recommendation	0.00	0	80,000,000	0	80,000,000
Human Resources Consolidation					
Agency Request	0.00	0	0	0	0
<p><i>The Governor recommends an increase of \$244,100 to consolidate existing human resource positions under the Division of Human Resources.</i></p>					
Governor's Recommendation	0.00	97,500	1,500	145,100	244,100
FY 2024 Total					
Agency Request	213.00	983,608,700	612,740,800	3,101,869,100	4,698,218,600
Governor's Recommendation	213.00	896,983,500	696,166,200	3,143,069,900	4,736,219,600
Agency Request					
Change from Original App	0.00	153,556,900	172,409,900	327,542,800	653,509,600
% Change from Original App	0.0%	18.5%	39.2%	11.8%	16.2%
Governor's Recommendation					
Change from Original App	0.00	66,931,700	255,835,300	368,743,600	691,510,600
% Change from Original App	0.0%	8.1%	58.1%	13.3%	17.1%