H.R.S.A. Planning Grants
Second Addendum to
Final Report

Idaho State Planning Grant
August 2004

This report addendum discusses the main activities of the Idaho State Planning Grant (ISPG) during its third fiscal year and additional extension period, covering the time between March 1, 2003 and August 31, 2004. This addendum refers to and expands on Section 4 of the ISPG's March 2002 HRSA report as well as the ISPG's first Final Report Addendum, submitted on March 31, 2003.

The third year of the ISPG continued to focus on further development of these policy recommendations from the March 2002 HRSA report:

- Enroll all children currently eligible for the Idaho Children's Health Insurance Program (CHIP) (up to 150% FPL) and then expand CHIP to 200% of FPL; and
- Cover adults to 200% through either 1) a public-private partnership *or* 2) a CHIP expansion to parents.

The ISPG also continued its education and outreach initiative around the issue of Idaho's uninsured population.

Oversight Structure

The ISPG Steering Committee was expanded for grant FY2004 to include three additional representatives of the low-income community. The Steering Committee continued to meet every other month through April of FY2004 to oversee ISPG activities. The Committee agreed to sunset after the April meeting due to reduced levels of ISPG funding and staff activity. Between April and August 2004, the chair of the Steering Committee personally oversaw ISPG staff.

The Idaho Health Insurance Access Card Program

The premium assistance model developed through the ISPG HealthLink Committee during FY2003 enjoyed significant further momentum during FY2004. This model, called the Idaho Health Insurance Access Card, was supported by Governor Dirk Kempthorne and several key Idaho legislators. Enabling legislation entitled "The Idaho Health Insurance Access Card Act" passed by a wide margin in the Idaho House and unanimously in the Idaho Senate during the 2003 legislative session, and was signed into law by Governor Kempthorne on April 22, 2003. The Access Card Act contains provisions for expanding coverage to both children and adults, descriptions of which were provided to HRSA in the 2003 Addendum to the ISPG's Final Report.

After the Access Card Act was signed into law, the ISPG shifted its Access Card-related efforts toward planning for implementation. The Access Card represents the first public-private partnership of its kind in Idaho and therefore required significant further planning for detailed program design and program operations even after the legislative framework was established. In an effort to facilitate discussions around the public-private operational interface, the ISPG organized a series of meetings between the Idaho Division of Medicaid and Idaho commercial insurers, beginning in July 2003 and occurring approximately once per month thereafter. The ISPG hosted the first three meetings and then turned this role over to Idaho Medicaid. The ISPG continued to attend all subsequent meetings of the "Medicaid-Insurers Access Card Team" to provide input on interpretation of the legislation, operational decisions, and outreach and enrollment strategies.

In addition, the ISPG funded the temporary Idaho Medicaid staff role of "Access Card Planner." This position was funded in the amount of $50,000 for one year's work to assist Access Card planning efforts within Idaho Medicaid.

Implementation of the child component of the Access Card Program and associated CHIP expansion occurred as scheduled in July 2004. Idaho Medicaid decided to hold temporary "open enrollment" periods in order to control the number of incoming applications for both child programs. This decision was made because of the funding cap on the program and the need to gauge demand for the limited program resource. On July 6th, ISPG in conjunction with the Idaho Department of Health and Welfare, the Boise Chamber of Commerce, Blue Cross and Regence Blue Shield sponsored a press conference to "Kick-Off" the enrollment period and provide additional information to the public on this new, unique public/private collaborative effort.

As one of its final activities to support the Access Card Program, the ISPG hosted an open meeting in early August 2004 to discuss the success of this first enrollment period and ways to improve outreach and enrollment strategies. Thirty individuals attended representing insurers, low-income groups, Boise State University, the hospital association, the two largest hospitals in Idaho, and the State Medicaid agency among others.

Lessons Learned from the First Enrollment Period

- About 2600 children from approximately 1400 families applied during the first period.
- Many of the initial applicants were found to be ineligible because they already had insurance. The Federal restriction preventing low-income children with insurance from enrolling in the Access Card program is proving problematic to the long-term success of the card. Families are forced to drop insurance for six months before they can be found eligible for premium assistance. Efforts are currently underway to work with the Idaho Congressional delegation to find a solution to this problem.
- About 27% of the initial enrollments requested premium assistance. This is consistent with the estimate that about 25% of the enrollee would request premium assistance.
- Television and radio advertising generated the most calls about the Access Card. However, this type of advertising is expensive.

The adult component of the Access Card Program is still expected to be implemented in July of 2005 at a pilot level of 1,000 adults. Due to changes in the way Idaho receives premium tax, which provides the funding for the state portion of the Access Card program, and depending on the state's financial health in 2005, the funding for the adult program component may not be assured. The ISPG has facilitated several strategy meetings to discuss options for strengthening this funding; however, due to the fact that the ISPG sunsets on August 31, 2004, this strategy work will be carried on through ad-hoc meetings between legislative sponsors of the Access Card Act and private sector sponsors and stakeholders.

County Project

ISPG has been working for the past year with the Idaho Association of Counties (IAC) to develop a program to cover low-income adults who fit into expanded and optional Medicaid eligibility categories. Over the past year, ISPG has hosted numerous meetings with counties and Medicaid to develop the concept. Idaho is proposing to use the existing statewide County Indigent Program (Idaho Code: Title 31, Chapter 35) as the foundation for developing a primary care Medicaid program for adults between the ages of 19-64 with income levels at or below 185% of the Federal Poverty Level (FPL). The provision of preventive and primary care services by Idaho counties represents a **significant change** in philosophy by Idaho County Governments who have traditionally funded only catastrophic care. The revised indigent program will be called the Medicaid County Carve-out. Participation in this program by counties is optional. As a requirement of participation in the proposed Medicaid County Carve-out, counties shall fund a county-based primary care coverage with an integrated behavioral health care component.

In late July 2004, ISPG in collaboration with IAC and the State Medicaid Agency completed the concept paper on the Idaho Medicaid County Indigency Program. The plan is to pursue an 1115 Waiver in order to further expand health services to currently underserved and uninsured populations.

Six pilot counties have been identified and draft county plans have been completed. The Idaho Association of Counties and ISPG are meeting with key stakeholders the last week of the grant (August 25) to identify additional planning activities that must be undertaken to build the foundation for a successful waiver. These planning activities will be funded with through the no-cost extension and take place between September 1, 2004 and August 30, 2005.

Education and Outreach

Over the three years of ISPG outreach efforts, ISPG staff have reached literally thousands of Idahoans. As ISPG closes its doors on August 30, 2004, one of its most significant contributions will be an increased public awareness on the complex issues causing people to be uninsured and the establishment of an ongoing dialogue among key policy stakeholders in Idaho on the need to search for lasting solutions to the problem of the uninsured.

The majority of the ISPG's outreach and education efforts in FY04 consisted of supporting Idaho Medicaid's efforts to advertise the Access Card and CHIP expansion enrollment opportunities for children. Much of this work was done by sustaining communication linkages between Idaho Medicaid, Idaho insurers and insurance agents, and Covering Kids and Families in Idaho, a Robert Wood Johnson Foundation-supported organization that continuously supports CHIP outreach in Idaho. As noted above, ISPG coordinated a press conference among these stakeholders to "Kick-Off" the first enrollment period for the Access Card as well as hosting a "Lessons Learned Seminar" after the first enrollment period.

The ISPG also continued its long-standing efforts to educate the general public and policymakers about the issue of the uninsured and the need to expand coverage. Staff spoke to multiple community groups such as rotary clubs during FY04. In addition, the highlight of ISPG outreach efforts during this period was a September 2003 open forum on health economics and coverage, entitled "Financing Health Care in Idaho and America: A Look Forward". The ISPG brought three nationally known speakers on health economics and employer-sponsored insurance to Boise and broadcasted the event to CSI, University of Idaho, North Idaho College, Lewis-Clark State College, Idaho State University in Pocatello and the satellite school in Idaho Falls, well as the other colleges in the state. The ISPG also coordinated several education events during Idaho's Cover the Uninsured Week 2004, such as a CHIP education and enrollment event in several Boise public schools and production of educational materials on the linkages between healthy lifestyles and the cost of health care, which were distributed to health care providers and employers throughout the Boise metro area.

Attachment 1
Sample Press Release First Access Card Enrollment Period

IDAHO DEPARTMENT OF
HEALTH & WELFARE

DIRK KEMPTHORNE – Governor
KARL B. KURTZ – Director

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BOISE METRO CHAMBER OF COMMERCE

NEWS RELEASE

FOR IMMEDIATE RELEASE
July 2, 2004

Ross Mason
(208) 334-0693

ACCESS CARD AND CHIP EXPANSION WILL PROVIDE THOUSANDS OF IDAHO CHILDREN WITH CRITICALLY NEEDED HEALTH INSURANCE

As many of 5,600 low-income Idaho children will be able to get health coverage beginning in July as two new health insurance programs go in effect.

A news conference to announce details of the Access Card and CHIP B insurance plans will be held July 6, at 12:30 p.m. at the Boise Chamber of Commerce, 250 S. 5th Street, the C.W. Moore Building.

Among those speaking at the news conference will be Sandra Bruce, president and chief executive officer of Saint Alphonsus Regional Medical Center in Boise and a leader in the effort to expand insurance coverage to children. "The children's Access Card program and CHIP B will expand much-needed access to health care for Idaho's children," says Bruce. "The Access Card, in particular, is an exciting development for Idaho as it provides a unique new way of financing health insurance. This public/private partnership builds on private industry and supports our state's businesses."

Bruce will be joined by Sen. Dean Cameron, prime sponsor of the legislation that created the two health insurance programs and Joe Brunson, deputy director of the Idaho Department of Health & Welfare.

Open enrollment for Idaho's Access Card and CHIP B runs from July 7 through July 16. The 10-day enrollment period gives low income working parents an opportunity to get health insurance for their children. A family of four could make almost $35,000 and still qualify to get coverage for children up to age 19 from one of the two programs.

The Access Card is a premium assistance program for families who prefer to obtain health coverage through a private insurance company or through their employer. Income can be up to 185 percent of the federal poverty level. A family using the Access Card would receive up to $100 per child per month (maximum of $300 per family) to help purchase insurance.

CHIP B is low cost health coverage for Idaho children who don't have insurance and don't qualify for Idaho Medicaid or CHIP A. Income can be up to 185 percent of the federal poverty level. CHIP B costs $15 per child each month. Children up to age 19 within income guidelines may be eligible.

Open enrollment for the two programs is expected to attract many Idaho families. "There a number of people who have expressed an interest in the insurance," says Bryant Ford, an insurance agent in Idaho Falls. "I work with some daycare agencies and many workers there, as well as families who use the daycares, have asked a lot of questions. My office has handed out 30 brochures in the last few weeks."

Families interested in signing up for the insurance during the open enrollment period for the Access Card and CHIP B must submit their application during the July 7-16 time frame or wait until the next open enrollment. Additional information can be obtained by contacting your insurance agent, Idaho Careline at 2-1-1, or going to this internet website: www.idahohealth.org.

The news conference will be held in the Boise Chamber Office, 8th floor, of the C.W. Moore Building at the corner of 5th and Front in Boise. Please park in designated "visitor parking" on the east side of the building or use the metered parking on the street.

(**Editors:** For additional information contact Ross Mason in Boise at 334-0693)

Attachment 2
Cover Letter to Center for Medicare and Medicaid Services on
Idaho Medicaid Safety Net Program

August 5, 2004

Mr. Rick Fenton
Centers for Medicare and Medicaid Services
Medicaid & State Operations
Mail Stop S2-01-16
7500 Security Boulevard
Baltimore, MD 21244-1850

Dear Mr. Fenton:

Enclosed please find a concept paper for your review and comments for an 1115 Waiver to establish the Idaho Medicaid Safety Net Program. The purpose of this initiative is to expand health services to currently underserved and uninsured populations in Idaho. These individuals are typically served through the "Medically Needy" optional eligibility group in other state Medicaid programs. Idaho reviewed the possibility of implementing coverage for a Medically Needy eligibility group in the early 1990's and chose not to because of the lack of cost controls available for program administration at that time.

This initiative relies on Idaho's existing County Indigent Program as the foundation for developing a Medicaid program for non-disabled adults (ages 19-64) with income levels at or below 185 percent of the federal poverty level. The number of enrollees and expenditures will be capped. The proposed Medicaid County Carve-out, which is similar to the existing County Indigent Program, is an optional program; participation by counties is voluntary. As a requirement of participation in the proposed Carve-out, counties must agree to fund a new County-based primary care program with an integrated behavioral health component. The proposed initiative is expected to be phased-in over a period of five years, beginning with a six-county demonstration.

At the request of the Idaho Legislature, (SFY 2004 Medical Assistance Appropriations Act;) Section 5 of SB 1202, the Idaho Association of Counties, the Department of Health and Welfare, and other health care interests worked together in developing the proposed model. County officials played a key role throughout this statewide planning effort which was coordinated and sponsored by the Idaho State Planning Grant (ISPG) on the Uninsured. The ISPG is one of 43 state planning grants funded by the Health Resources and Services Administration, Department of Health and Human Services.

We believe the model is unique as it creates a contractual relationship between Idaho County Governments and the State Medicaid Agency similar to the statutory and regulatory relationship that Idaho has with the Centers for Medicare and Medicaid Services (CMS).

Thank you in advance for your thoughtful consideration and response to this concept paper. We look forward to your feedback as the model continues to evolve to meet the

waiver criteria. If you have any questions, please contact Diane Yarrington at (208) 364-1807 or via email at yarringd@idhw.state.id.us.

Sincerely,

DAVID A. ROGERS
Administrator

DR/dy/ksl

ENC

c: Karen O'Connor, CMS, Region X
Tony Poinelli, Idaho Association of Counties
Julia E. Robinson, Idaho State Planning Grant on the Uninsured

Attachment 3
Concept Paper without Attachments on
Idaho Medicaid Safety Net Program

IDAHO MEDICAID SAFETY NET PROGRAM
Executive Summary

Background

Idaho is pursuing an 1115 Waiver in order to further expand health services to currently underserved and uninsured populations. Approximately 20.4 percent of Idaho's population is uninsured at any point in time.[1] Research finds the following demographics for those who make up a large proportion of Idaho's uninsured population and are high risk of being uninsured:

- Age 18-44 years
- In households with an annual income of less than $25,000
- With less than a college education
- Employed
- Members of the Hispanic population
- Living in rural and frontier counties.

Idaho is proposing to use the existing statewide County Indigent Program (Idaho Code; Title 31, Chapter 35) as the foundation for developing a Primary Care Medicaid Program for adults between the ages of 19-64 with income levels at or below 185 percent of the Federal Poverty Level (FPL). As can be seen from the previous statistics on Idaho's uninsured, this initiative is targeted to expand preventive/primary coverage to Idahoans who experience the greatest rates of uninsurance – adults who would meet Medicaid's definition of optional and expansion populations.

The proposed model creates a contractual relationship between Idaho County Governments and the State Medicaid Agency similar to the statutory and regulatory relationship that the State of Idaho currently enjoys with Centers for Medicare and Medicaid Services (CMS). In our proposal, Idaho Counties will develop individual county plans for providing preventive and primary care services. These services will be provided within parameters established by Idaho Medicaid and approved by CMS through the waiver process. The provision of preventive and primary care services by Idaho counties represents a **significant change** in philosophy by Idaho County Governments which have traditionally funded only catastrophic care. This waiver program is consistent with President Bush's stated interest in focusing public resources on preventive care and disease management rather than solely on acute care.

The proposed model, or Idaho Medicaid Safety Net Program, has two components: (1) Medicaid County Carve-out which is a revision of the County Indigent Program; and (2) County Primary Care Program which includes basic primary care services and an integrated behavioral health care component. Participation in the Medicaid Safety Net Program is optional. If a county decides to convert part or all of its County Indigent Program to a Medicaid County Carve-out, the county is obligated to fund a county-based primary care program with an integrated behavioral health care component (County

[1] Idaho State Planning Grant on the Uninsured, Data and Policy Work Group Findings, September 11, 2001.

Primary Care Program). Idaho proposes to phase-in the Medicaid Safety Net Program over a period of five years, beginning with a six-county test.

This model of expanding access to health services to uninsured and underserved county populations was one component of an array of policy options identified through a comprehensive statewide planning effort sponsored by the Idaho State Planning Grant (ISPG) on the Uninsured. ISPG is one of 43 State Planning Grants funded by the Health Resources and Services Administration, Department of Health and Human Services, to expand health coverage to the uninsured and underserved through innovative state level planning efforts. ISPG has convened key stakeholders including the Governor's staff, legislators, the Idaho Division of Medicaid, the Idaho Association of Counties, the Idaho Hospital Association, the Idaho Primary Care Association and others in a series of meetings over the past year and half to design this model. The long-term plan is to institute an ongoing statewide oversight Board to monitor program implementation once the waiver is approved.

The proposed program will consist of two distinct categories of services and populations:

Proposed Medicaid County Carve-out
The first category of service is a Medicaid program, which is carved out from the existing County Indigency Program. This program will be called the Medicaid County Carve-out.

Individuals who are between the ages of 19-64, have incomes at or below the 185 percent of FPL and qualify for the County Indigent program (Title 31, Chapter 35, Idaho Code) would be eligible for this program. The focus of services in this program is catastrophic care. Review of past expenditures in this program suggests that most expenditures will be in the areas of hospitalization and prescription drugs. Idaho counties traditionally have not paid for preventive care and/or primary care. Under the proposed Medicaid Safety Net Program, counties participating in the Medicaid County Carve-out will also provide the new county-based primary care program as a condition of participating in the waiver.

Proposed County Primary Care Program
The second category of services is a new primary care program with integrated behavioral health services. This service model will be implemented in participating counties through a contract with a safety-net primary care service provider(s). A safety-net provider is defined as a primary care provider providing a significant amount of uncompensated care in comparison to other providers in the county (low income utilization rate of 25 percent or greater) to individuals who:

1. Do not qualify for other Medicaid programs or have access to adequate health insurance
2. Have incomes below 185 percent of the FPL[2].

[2] For additional information on issues relative to defining the safety net see "The Safety Net Monitoring Initiative," Agency for Healthcare Research and Quality, U.S. Department of Health and Human Services Public Health Service, www.ahrqu.gov. and "Access to Health for the Uninsured in Rural and Frontier

The safety net provider will manage the care of eligible individuals with the twin goals of improved health outcomes and cost controls. Individuals who are between the ages of 19-64, and have incomes at or below the 185 percent of FPL may qualify for the County Primary Care Program. Participation will be capped based on available dollars. Fees to safety net providers will be capitated[3]. County plans may also control participation and costs by targeting specific high-utilization groups for preventive care and care management such as diabetes, mental health, and Gastro Esophageal Reflux Disease (GERD).

General Features of the Six-County Test

1. County plan design is under the direction of county governments in six test counties (Attachment 1: Map). Counties will be encouraged to invite community participation.
2. The financial arrangement will be a contract between the county and a safety-net provider(s).
3. Program costs will be controlled by capping total dollars and/or numbers of individuals enrolled.
4. Specifics for each county will be provided in individual county plans which shall be approved by the State Medicaid Agency (Attachment 2: Sample County Planning Template).

Features	Medicaid County Carve-out	County Primary Care Program
Cost Controls	Yes	Yes
Type of service	Catastrophic	Primary care with integrated behavioral health services
Eligibility	Ages 19-64 with incomes at or below 185% of FPL	Ages 19-64 with incomes at or below 185% of FPL
Eligibility Determination	County using standard statewide eligibility form	County using standard statewide eligibility form
Participation	**Optional.** Six counties to pilot. Anticipate rolling in all counties over a five-year period	**Required.** Once a county agrees to participate in the Medicaid Safety Net Program, they must participate in the County Primary Care Program
Provider	Any qualified provider	Qualified safety-net provider as designated in County Plan
Administration	50% county property tax; 50% Federal Medicaid match	50% county property tax; 50% Federal Medicaid match
Funding	30% county property tax; 70% Federal Medicaid match	30% county property tax; 70% Federal Medicaid match

American, Issue Paper", National Rural Health Association, May 1999, http://www.nrharural.org/dc/issuepapers/ipaper15.html

[3] Capitated rates will be consistent with Medicaid Rules and Regulations including ensuring that participating FQHCs/RHCs receive their appropriate reimbursement under PPS or under an approved alternative payment method according to BIPA rules and regulations.

County Indigent Program (Title 31, Chapter 35, Idaho Code)

Historical Background

Idaho counties have had the responsibility for the provision and payment of health care for their citizens dating back to Idaho Territorial Law. Counties are statutorily bound to pay for necessary health care for medically indigent citizens (Idaho Code §31-3501). Medical indigency services are available to individuals who meet the medical indigency criteria and who have lived for a consecutive period of 30 days or more within Idaho. Temporary visitors are excluded (Idaho Code §31-3502(12)). Residents with medical expenses who lack sufficient resources to pay can apply to the county for assistance in paying those bills. The County Indigent program is an "incident-based program," defined as the funding of necessary medical services provided in response to a particular, immediate need; when that need is past, the service and responsibility end. Separate applications shall be filed and eligibility shall be separately determined for each incident. Counties determine which cases meet the statutory criteria for approval and payment.

There is a statewide standard application form (Attachment 3: Standardized Application Form) and standard review process in place for use by all 44 counties (Idaho Code §31-3504). The application shall be submitted within 31 days of the first day of emergency medical service, but for non-emergent medical services it shall be submitted 10 days prior to receipt of care (Idaho Code §31-3505). Healthcare facilities shall notify the county within a day of identifying a patient as potentially medically indigent and needing county support.

Each county is required to investigate and review each application submitted. Within sixty days, the county has the authority to determine whether to approve the application and to set the level of reimbursement (Idaho Code §31-3505A). If the patient is determined to be medically indigent, the county approves a reimbursement amount to be repaid. Within 30 days of filing an application to the county, an automatic lien is filed ((Idaho Code §31-3504 and §31-3510A).

Most applicants are adults between the ages of 19 and 65 residing in 1-2 member households. Low-income children and pregnant women are referred for services to the Idaho Children's Health Insurance Program to be covered by either Medicaid or SCHIP.[4] In County Fiscal Year 2003, counties across Idaho spent an estimated $18 million ($16,727,041 documented with 36 of 44 counties reporting) in county property tax funds in the County Indigent Program.

Applicants are considered ineligible for services if they possess resources that would allow them and other obligated persons to pay for necessary medical services over a period of up to three (3) years (Idaho Code §31-3502(17)). For purposes of determining approval for medical indigency only, resources cannot include the value of the homestead on an applicant's or obligated person's residence, burial plot, certain statutory exemptions for

[4] Beginning in July 2004, Idaho's CHIP will cover children from families with income at or below 185% of poverty.

personal property (Idaho Code §11-605(1)-(3)) and additional exemptions allowed by county resolution.

The County Indigent Fund only is responsible for bills up to $10,000 in medical bills per patient in any one year. If approved and over $10,000, the remainder of the bill is referred to the State Catastrophic Program for reimbursement (Idaho Code §31-3503A). The County Indigent Program is financed with 100 percent county property tax funds, restricted to a three percent (3%) annual growth (Idaho Code §63-802), while the State Catastrophic Program is financed by 100 percent state general fund. The proposed Medicaid Carve-out of the Indigent Program and proposed County Primary Care Program only applies to county funds. At this time, no provision has been made to include the State Catastrophic Program in the Medicaid Safety Net Program.

Once an individual is determined eligible, the county program will pay for necessary medical services up to $10,000 that ((Idaho Code §31-3503):

- Are consistent with the symptoms, diagnosis or treatment of the medical indigent's condition, illness or injury.
- Meet generally acceptable medical standards.
- Can be provided on an outpatient basis when appropriate.

The program excludes (Idaho Code §31-3502(18)(B)):

- Bone marrow transplants.
- Organ transplants.
- Elective, cosmetic and/or experimental procedures.
- Services related to or provided by residential and/or shelter care facilities.
- Normal, uncomplicated pregnancies, excluding caesarean section and childbirth, and well-baby care.

State statutes allow counties to determine by ordinance medically necessary services additional to the basic core services mandated across the state. If a county chooses to provide additional services, the State is not liable through the State Catastrophic Program for any costs in addition to the county's costs.

Providers are reimbursed by counties at rates consistent with current Medicaid payment policy.

Medicaid Safety Net Program Design

Medicaid County Carve-out

Idaho proposes to develop an optional program by using the existing County Indigent Program as the foundation for a Medicaid Carve-out for adults between the ages of 19-64 with incomes at or below 185 percent of FPL. These individuals are typically served through a Medicaid "Medically Needy" program in other states[5]. Idaho reviewed the possibility of implementing a Medically Needy program in the early 1990s and chose not to because of the lack of cost controls available for program administration at that time and the requirement that the program be state-administered.

The waiver process offers the opportunity to develop a county-administered program for a similar population while maintaining more stringent eligibility guidelines, a more limited array of benefits, and cost controls. The test of cost neutrality for this waiver will be the cost for Idaho to implement a Medically Needy program through State Plan Amendment in comparison to the statewide implementation of the Medicaid Safety Net Program. This program will not impact any mandatory populations and is intended to serve: (1) an optional population of non-disabled adults with children; and (2) an expansion population of childless, non-disabled adults.

Non-disabled adults are individuals who do **not** meet the Social Security Administration's definition of disability. This definition is the inability to engage in any substantial gainful activity because of medically determinable physical or mental impairment(s):

- That can be expected to result in death, or
- That has lasted or, that we can expect to last for a continuous period of not less than 12 months. USC §1382c.(a)(3)(A)

Eligibility for Medicaid County Carve-Out

Eligible individuals meet Medicaid's test of optional and expansion populations and shall:

- Live in an Idaho county for a minimum of 30 days.
- An adult between the ages of 19-64 who is not disabled.
- Have a medical condition meeting the statutory test of being medically necessary.
- Have a household income of 185% FPL or lower.

(Idaho Code §31-3502(1), 31-3502(12), 31-3502(17), 31-3502(18))

Research on Idaho's existing County Indigent Program found that potentially 84 percent of current recipients (total annual recipients is slightly over 6,000) would financially qualify for the Medicaid County Carve-Out because their family incomes are 185 percent or less of FPL[6]. Other demographic characteristics for this group follow:

- Ninety percent (90%) of the recipients were between the ages of 21 and 54 with the average age of 40.5 years.

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[5] The Medically Needy program is an optional Medicaid program which covers the cost of medical care for persons who would qualify for Medicaid on the basis of the services they require but who have too much income to qualify for the program and too little to pay for medical services they need.

[6] Stroebel, Helen. "Medical Indigency in Idaho: An Analysis of County Indigency and State Catastrophic Health Care Services." Center for Health Policy, Boise State University, February 2003.

- Sixty-four percent (64%) of the cases were not married (including single, divorced, separated, or widowed).
- Fifty-six percent (56%) of the recipients had family incomes below the federal poverty line and another 28 percent had incomes between 100-185 percent of FPL.
- Adults without minor children in the home (categorized as childless adults) comprised the large majority of cases accounting for 77 percent of cases.

While the above statistics suggest the long-term potential for the carve-out is over 4,800 adults, the counties do not plan on pursuing Medicaid match for all potential recipients in the initial pilot. The waiver request envisions conducting pilots in six counties across Idaho with stringent enrollment and cost control caps (described later in this paper). Thus, the actual number enrolled in the Carve-out is estimated at 500 recipients.

Disenrollment

Eligible individuals are disenrolled from the program once the identified medical need is addressed. Services in the Medicaid County Carve-out shall meet the test of "incident-based". Incident-based is defined as the funding of necessary medical services provided in response to a particular, immediate need; when that need is past, the service and responsibility end. Separate applications shall be filed and eligibility shall be separately determined for each incident.

Cost Sharing

The Medicaid County Carve-out Program will continue the cost sharing required in Idaho Statute for the County Indigency Program (Idaho Code §31-3501). Seventy percent (70%) of any costs sharing will be credited to the Federal Government. In order to participate in the Medicaid County Carve-out, eligible individuals shall:

- Be willing to have a lien placed on their property for their expenses. It is important to note that a qualifying individual does not have to own property to participate in the Medicaid County Carve-out program.
- Be willing to sign a promissory note to reimburse their respective county for a reasonable amount of their medical expenses based on an individual plan.

Services Covered

The Idaho Medicaid County Carve-out program will cover medical services up to $10,000 per individual that:

- Are consistent with the symptoms, diagnosis or treatment of the medical indigent's condition, illness or injury.
- Meet generally acceptable medical standards.
- Can be provided on an outpatient basis when appropriate. Please note that most expenditures in this program are for hospitalization because of its catastrophic/emergency emphasis.
- Services for eligible individuals that cost more than $10,000 are referred to the State Catastrophic Fund for payment. Please note that the State Catastrophic Fund is not included in the proposed waiver.

As noted in the section on disenrollment, services that are covered shall meet the test of "incident-based". Incident-based is defined as the funding of necessary medical services

provided in response to a particular, immediate need; when that need is past, the service and responsibility end. Separate applications shall be filed and eligibility shall be separately determined for each incident.

The following are covered services:

1. Ambulance Services—emergency only
2. Emergency Room Services
3. Hospital Services
    - Inpatient
    - Outpatient
4. Medical Services
    - Inpatient
    - Outpatient
5. Physician Services
6. Durable Medical Equipment and Supplies
7. Lab and Radiology services
8. Diagnostic Services
9. Surgical Services
10. Therapy Services
11. Physical Therapy
12. Speech Therapy
13. Inpatient Rehabilitation
14. Certain medicines
15. Vision Care
16. Hearing Services
17. Interpretive Services

Services Not Covered Include

1. Bone marrow transplants
2. Organ transplants
3. Elective, cosmetic and/or experimental procedures
4. Services related to or provided by residential and/or shelter care facilities
5. Normal, uncomplicated pregnancies, excluding caesarean section and childbirth, and well-baby care

"New" County Primary Care Program

Idaho proposes to request Secretary-approved coverage to provide a basic primary care benefit to non-disabled, adults (age 19-64) with household incomes at or below 185 percent of FPL. The expansion of county-administered Medicaid services is intended to provide Idaho with the opportunity to further expand health services to currently underserved populations. As a requirement of participation in the Medicaid County Carve-out Program, counties shall agree that county funds will be available for a new county-based primary care program with an integrated behavioral health care component.

Eligibility for Primary Care Program

Eligible individuals must not be eligible for current Idaho Medicaid programs and will:

- Live in an Idaho county for a minimum of 30 days.
- An adult between the ages of 19-64 who is not disabled.
- Have a household income of 185% FPL or lower.
- Meet criterion established by each participating County in County plans to manage the caseload. For example, one county will be targeting services towards adults meeting the standard eligibility criterion and in need of diabetic services.

Based on research[7] and current county planning activities, we anticipate that initial enrollment in the "new" County Primary Care with Integrated Behavioral Health Services will not exceed 500 in the six-county test. Assuming the same mix in the pilot as in the current indigent population in terms of optional and expansion populations, about 20 percent of the Medicaid-carve out would be in the optional population of non-disabled adults with children and 80 percent of the participants would be in the expansion population of childless, non-disabled adults.

Disenrollment

Participants may be disenrolled from the County Primary Care Program for the following reasons:

1. Failure to participate in cost sharing requirements
2. Failure to comply with medical plan
3. Lack of program funding
4. Other reasons as outlined in County Plan and approved by the State Medicaid Agency

Primary Care Basic Services

All participating counties shall provide basic primary care services to their targeted population as identified in a county plan. The basic service package shall include:

A. Primary Care

Primary Care in this context means the provision of professional comprehensive health services that includes health education and disease prevention, initial assessment of health problems, treatment of acute and chronic health problems, and the overall management of an individual's or family's health care services. It entails basic physician office-type care, first-contact care of persons with undifferentiated illnesses, comprehensive care that is not disease- or organ-specific, care that is longitudinal in nature, and care that includes the coordination of other health services. Basic medically necessary lab and x-ray services are also included. Primary care services are customarily furnished by a general practitioner, family physician, internal medicine physician, obstetrician/gynecologist, or pediatrician.

B. Behavioral Health Services

Idaho proposes that behavioral health services be a component of the core primary care services. The primary benefit being provided to eligible adults through this expansion is access to an integrated primary care home. This approach to primary care is based on a collaborative model in which the patient's primary care physician and mental health provider

[7] Stroebel, Helen. "Medical Indigency in Idaho: An Analysis of County Indigency and State Catastrophic Health Care Services." Center for Health Policy, Boise State University, February 2003.

work together as a team to treat that patient.[8] This is a limited benefit with all services being provided through the primary care agency.[9]

C. Prescription Drugs

Counties shall at a minimum make arrangements for providing prescription drugs. Counties electing to provide only the basic primary care package may make one of the following choices:

1. Provide patient assistance in helping low-income patients apply for prescription drugs directly from pharmaceutical companies drug assistance programs.
2. Make arrangements with qualified providers to provide prescriptions through Section 340B of the Public Health Service Act. This act requires drug manufacturers to provide price discounts on "covered outpatient drugs" to certain "covered entities"—including Community and Migrant Health Centers, Health Care for the Homeless Programs, federally qualified health center (community health center) look-alikes, Title X-funded family planning clinics, certain disproportionate share hospitals, (family practice residencies are not specifically listed as a covered entity).
3. Develop a plan to pay for prescriptions for eligible participants.
4. Provide prescriptions through any combination of the above options.

Primary Care Plus

In conversations with counties, it was learned that a number of counties are willing to provide more than the basic primary care services. The Idaho plan proposes that participating counties may choose to provide services additional to the basic program on a county-by-county basis. Counties will be required in their county plans to specify what additional services they will provide, as well as the scope, duration, and limitations of these additional services. Services that counties may choose to provide include:

1. Lab and x-ray (in addition to the basic medically necessary)
2. Durable medical equipment
3. Dental services
4. Vision services
5. Hearing services
6. Specialty and sub-specialty physicians including radiology and pathology services
7. Physical therapy
8. Occupational therapy
9. Speech, hearing and language disorders
10. Medical supplies
11. Dentures
12. Prosthetics/orthotics
13. Pre-natal care
14. Wellness/screening programs

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[8] White, Brandi. "Mental Health Care: From Carve-Out to Collaboration. Family Practice Management, September 1997.

[9] Individuals who have been found to be a danger to themselves or others are not consider appropriate for this type of model.

15. Other Services (must be specified and approved in County Plan)

Services Not Covered

The County Primary Care model will not cover:

1. Hospital services
2. Emergency room visits
3. Ambulance services
4. Non-emergency transportation
5. Primary care visits to non-contracted providers
6. Podiatry
7. Chiropractic services
8. Other services not traditionally provided in a primary care office

Cost Sharing

Counties may require cost sharing of participants either through monthly premiums, co-payments for services and/or prescriptions or a combination of both. County plans must identify the county's chosen approach to cost sharing. The liens required by statute in the Medicaid Carve-out Program may not apply to the County Primary Care Program.

Proposed Time Frames

Idaho proposes to phase-in the County Primary Care Program over the 5 years of the proposed waiver. The phase-in will begin with a six-county test. The six counties in the initial test were chosen because of their geographical distribution throughout Idaho (Attachment 1: Map) and the willingness of their respective Boards of County Commissioners to contribute staff time and resources in the design phase and preliminary implementation of this model. The six counties and the county medical expenses in each county in FY 2003 are presented below.

Test Counties	**FY 2003 Medical Expenses**
Ada County	$5,635,537
Bannock County	$978,881
Nez Perce County	$526,492
Teton County	$70,000[10]
Adams County	$86,572
Washington County	$121,926

Year 1

1. Fall 2003-Summer 2004 – Development of the concept and identification of pilot counties
2. August 1, 2004 – Development of Pilot County Plans to include in Waiver
3. July 2004 – Submit concept paper to CMS
4. September, 2004-January 2005 – Begin development of actual waiver
5. January 2005 – Legislative review and approval of concept and waiver
6. Spring 2005 (pending Legislative direction) – Submit Waiver to CMS
7. February-July 2005 – Develop program rules and regulations, work with counties

[10] Estimated amount

8. July 1, 2005 – IDHW begins work with pilot counties on actual roll-out
9. October 1, 2005 – all pilots begin with beginning of county fiscal year.

Year 2

1. Spring 2006 – Review of pilot activities at Spring County Welfare Meeting
2. Spring 2006 – Identify Counties wanting to participate in year 2 roll-out
3. March-September 2006 – IDHW works with year 2 counties on plan development
4. October 1, 2006 – estimated 8-10 additional counties rollout program.

Year 3

1. Spring 2007 – Review of pilot activities at Spring County Welfare Meeting
2. Spring 2007 – Identify Counties wanting to participate in year 3 roll-out
3. March-September 2007 – IDHW works with year 3 counties on plan development
4. October 1, 2007 – estimated 8-10 additional counties rollout program.

Year 4

1. Spring 2007 – Review of pilot activities at Spring County Welfare Meeting
2. Spring 2007 – Identify Counties wanting to participate in year 4 roll-out
3. March-September 2007 – IDHW works with year 4 counties on plan development
4. October 1, 2007 – estimated all counties would be participating in program.

Year 5

1. IDHW hosts series of meetings with counties to identify strengths and weaknesses of pilots
2. IDHW undertakes evaluation of the five-year status of program to meet federal guidelines.

Coverage Approach

The proposed Idaho Medicaid Safety Net Program is intended to provide an innovative approach to expanding health coverage in rural areas through County Health Plans. Counties choosing to participate in the Medicaid expansion will be asked to submit a written plan (Attachment 2: Sample County Planning Template) outlining the following:

- Scope of services
- Eligibility for services
- Cost Sharing
- Safety-net Provider(s)
- Assurances to comply with applicable State and Federal Rules and Regulations
- Other

Administrative Features

The proposed waiver is designed to be a county option program administered under the oversight of the State Medicaid Agency. Participating counties will be responsible for day-to-day program administration including but not limited to:

- Eligibility determination
- Development of County Health Plan

- Selection of providers
- Contractual arrangements with providers including payment
- Submitting required financial and programmatic reports to the State Medicaid Agency in a timely manner
- Compliance with applicable State and Federal Rules and Regulations in relation to the operation of this program

The State Medicaid Agency will be responsible for:

- Submitting the waiver application to the Federal Government
- Submitting all required reports for the program to the Federal Government
- Developing rules and regulations for operation in conjunction with the Idaho Association of Counties
- Developing in consultation with the Idaho Association of Counties a Memorandum of Agreement between participating pilot counties and the Medicaid State Agency on specific features of the pilot including but not limited to payment processes, administrative costs and other shared features of the pilots.
- Approving County Health Plans
- Conducting required audits of programs services and expenditures

Funds Distribution

This program is designed to use a prospective budgeting methodology. Participating counties will review their eligibility files in the year prior to implementation and identify those individuals meeting the income eligibility test for Medicaid County Carve-out. Counties will provide the State Medicaid Agency with certification of their prospective budgets for "Medicaid-like services" to eligible individuals. This certification will draw down the Federal match for qualifying services at Idaho's rate of 29.54%/70.46% (Federal Fiscal Year 2004).

These new funds will be added into the current fiscal year indigent budget. County funds that would have been used to provide services under the traditional County Indigent Program without match will be available to provide a foundation for County Primary Care Program. The County Primary Care Program will be a primary care service with a capped amount of funds (county dollars available from prospective match plus Federal match). Counties will estimate the funds that will be used for Administration, Medicaid County Carve Out, and County Primary Care Program and include that estimate in their written County Health Plan.

Program Evaluation and Monitoring

Performance measures will be determined prior to program implementation. Once implemented, Idaho will perform on-going evaluation and monitoring of this proposal. Counties will monitor the performance measures and compile reports on an annual basis. Idaho will submit an annual report to CMS which is specific to the waiver program.

Attachment 1: Map Highlighting Test Counties