

## ***Part I – Agency Profile***

### **Agency Overview**

In 1982, legislation was enacted to establish the Catastrophic Health Care Cost Program. The program is designed as an insurance program for the counties to cover the cost of treatment for catastrophic illness suffered by county residents who have no means to pay for the cost of that care. The program picks up the additional medical costs of these residents once the counties' claim payments have exceeded \$11,000 during a 12-month period. Legislation was enacted in 1991 to shift the program from county to state funding in FY 1994.

The CAT fund is governed by an administrative board, which is made up of a county commissioner representative from each of the six districts in Idaho, one Governor's appointee, 4 legislators, two from the Senate and two from the House, as appointed by the legislative leadership (2 Democrats and 2 Republicans), and a representative of the Idaho Department of Health & Welfare. Each Commissioner serves a two-year term, is elected by the County Commissioners of their district, and can serve as many consecutive terms as their constituents wish; the Governor's appointee serves at the pleasure of the Governor; the Health & Welfare representative serves at the pleasure of the Director of the Dept. of Health & Welfare; and Legislators serve at the pleasure of their leadership. The Board meets approximately every six to eight weeks or as necessary for the administration of the CAT fund.

A contract administrator carries out the day-to-day business of administering the CAT program. The contract administrator sees to the processing of all CAT cases, from initial case review to presenting them to the CAT board for determination to the processing of payment of all medical bills received from the counties. The contract administrator works closely with the social service directors and clerks of each county to facilitate payment of medical claims. The contract administrator also assists the board chairman with the yearly requests for appropriation to the legislature and all other financial reporting and agency management. The contract administrator has recently negotiated a new contract with the Board of Directors effective September 1, 2013 for one year.

Each year it is a challenge to meet the ever growing needs of the medical providers on behalf of the citizens of Idaho due to increasing health care costs, and changes in the economy. The Board of Directors makes every attempt to protect taxpayer dollars. The legislature allowed for a 5% discount on all medical charges incurred (state and county) during fiscal years 2012 & 2013 and during the recent legislative session, chose to extend the discount for fiscal 2014. During the same 2 year period the CAT program was also able to reduce general fund dollars through the use of a federally funded program (PCIP) created through the ACA. Conservatively speaking, the program deferred over 140 cases from the case load, which diverted approximately \$5.6 million from state general funds. These are cases that would have otherwise been CAT cases. Other savings through the use of PCIP can also be reported for a total savings estimate of over \$7 million in general funds. This allowed for a stable growth pattern over the first 2 fiscal years and a decline in case load at both the county and the state level for fiscal 2013. PCIP was due to sunset midyear state fiscal 2014, but in February 2013, the program ceased taking new case load and while current participants are able to remain on the program through 12/2013, our indigent program is already experiencing an increase due to this change.

### **Core Functions/Idaho Code**

The purpose of the CAT fund is to assist in covering providers' expenses when patients are defined as medically indigent. These indigents qualify first through the counties and the counties pay the first \$11,000.00 of each indigent's medical bills. The counties then submit the cases to the CAT fund for consideration of payment. After a review by the Board of Directors, through the contract administrator, the CAT fund pays bills that exceed \$11,000.00 during a 12-month period. Chapter 35, Title 31, Idaho Code.

### **Budgeting for 2015**

Due to the unique situation, fiscal year 2015 presents for this agency, it seems important to state for clarity in this report that the budget projections will be calculated and presented as though the fund remains intact. Making the customary assumptions based on historical data and including adjustments based on anticipated program changes outlined above.

## Revenue and Expenditures:

| Revenue                   | FY 2010                | FY 2011                | FY 2012             | FY 2013             |
|---------------------------|------------------------|------------------------|---------------------|---------------------|
| CAT Health Care - General | \$33,771,700           | \$22,267,700           | \$35,337,700        | \$36,532,800        |
| CAT Health Care - Other   | \$2,410,813            | \$3,573,086            | \$3,248,097         | \$3,797,675         |
| <b>Total</b>              | <b>\$36,182,513</b>    | <b>\$26,169,286</b>    | <b>\$38,585,797</b> | <b>\$40,330,475</b> |
| Expenditure               | FY 2010                | FY 2011                | FY 2012             | FY 2013             |
| Operating Expenditures    | \$178,556              | \$186,358              | \$292,087           | \$365,310           |
| Trustee/Benefit Payments  | \$31,002,741           | \$31,044,251           | \$38,293,696        | \$30,718,074        |
| <b>Total</b>              | <b>\$31,181,297.00</b> | <b>\$31,230,608.99</b> | <b>\$38,585,783</b> | <b>\$31,061,384</b> |

(Note: Revenue does not include noncogs and receipts to appropriation.)

## Profile of Cases Managed and/or Key Services Provided

| Cases Managed and/or Key Services Provided | FY 2010      | FY 2011      | FY 2012      | FY 2013      |
|--|--------------|--------------|--------------|--------------|
| Payments Made to Providers                 | \$31,002,741 | \$31,044,251 | \$38,293,696 | \$30,718,074 |
| Reimbursements Received                    | \$2,769,735. | \$2,310,990  | \$2,726,507  | \$2,222,516  |
| No. of New CAT Cases Fiscal year           | 1298         | 1286         | 1292         | 1150         |

## Performance Highlights:

Pursuant to Idaho Code 31-3504, an automatic lien is attached to all real and personal property of the applicant and on insurance benefits to which the applicant may become entitled. This statute has created additional funding to be used by the counties and the CAT fund for the increasing medical costs and needs of the indigent citizens of Idaho. This is reported above as 'Reimbursements received'

## Part II – Performance Measures

| Performance Measure  | 2010  | 2011  | 2012   | 2013   | Benchmark   |
|--|---|---|--|--|---|
| 1. To pay medical bills for qualified medically indigent persons exceeding \$11,000 starting in FY 2010. | Paid<br>\$31,002,741.<br>in claims for<br>1298<br>indigents | Paid<br>\$31,044,251.<br>in claims for<br>1333<br>indigents | Paid<br>\$38,293,696<br>In claims for<br>1292<br>indigents | Paid<br>\$30,718,074<br>In claims for<br>1150<br>indigents | To pay<br>\$34,830,100<br>in claims for<br>1400<br>indigents. |
| 2. Administer the fees and costs paid.   | \$178,556   | \$186,358   | \$292,087  | \$364,310  | \$385,000   |
| 3. Obtain reimbursement from counties on behalf of the indigents.  | Received<br>\$2,769,735                                     | Received<br>\$2,310,991                                     | Received<br>\$2,726,507                                    | Received<br>\$2,222,516                                    | To receive<br>\$2,500,000                                     |

### For More Information Contact

Kathryn Mooney, Director  
 Catastrophic Health Care Cost Program  
 700 W. Washington St., Boise, ID 83702  
 Phone: (208) 345-1366  
 E-mail: [kmooney@idcounties.org](mailto:kmooney@idcounties.org)