



CATASTROPHIC HEALTH CARE COST PROGRAM

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COMPREHENSIVE STRATEGIC PLAN FISCAL YEARS 2020-2023

MISSION STATEMENT

- Be responsible stewards of taxpayer dollars by paying medical claims for Idaho's medically indigent residents.
- Deliver quality consistent support for Idaho's counties
- Effectively administer the responsibilities assigned by statute

GOALS

- Support each county by providing financial assistance for residents' medical bills exceeding \$11,000 for each qualified *medically indigent* person as defined in statute.
- Track and reconcile indigents' reimbursement accounts to obtain recovery for the state; including obtaining refunds from other resources and working closely with counties.
- Be available for frequent guidance and program training for the medical community and county staff through a collaboration with the Idaho Association of Counties.
- Compile data and provide reporting to assist state leaders with development, understanding and funding needs of the program.
- Closely monitor operating costs associated with the administration of the program.

ACHIEVING OBJECTIVES/TASKS

To effectively explain who we *are* we must always remember who we *were*. The CAT program was established by the counties for the counties. Idaho Code sheds some light on program history and the original mission of the program.

Idaho Code §31-3517(1) ESTABLISHMENT OF A CATASTROPHIC HEALTH CARE COST PROGRAM. The governing board of the catastrophic health care cost program *created by the counties* pursuant to a joint exercise of powers agreement, dated October 1, 1984, and serving on June 30, 1991, is hereby continued as such through December 31, 1992, to complete the affairs of the board, to continue to pay for those medical costs incurred by participating counties prior to October 1, 1991, until all costs are paid or the moneys in the catastrophic health care cost account contributed by participating counties are exhausted, and to pay the balance of such contributions back to the county of origin in the proportion contributed. [Emphasis added]

As responsible stewards of taxpayer dollars, the board expects the program office to review and research each county case presented to them for consideration of payment.

Idaho Code §31-3519: APPROVAL AND PAYMENT BY THE BOARD. (1) Upon receipt of the clerk's statement, a final determination of the county commissioners and the completed application, the board shall approve an application for financial assistance under the catastrophic health care cost program *if it determines* that:

- (a) Necessary medical services have been provided for a medically indigent resident in accordance with this chapter;
- (b) The obligated county paid the first eleven thousand dollars (\$11,000) of necessary medical services; and
- (c) The cost of necessary medical services when paid at the reimbursement rate exceeds the total sum of eleven thousand dollars (\$11,000) in the aggregate per resident in any consecutive twelve (12) month period. [Emphasis added]

The administrative responsibilities assigned by statute are outlined below.

1. Pay medical claims -
 - Through payment requests from counties;
 - Review all medical claims for eligibility of payment
 - Submit eligible claims to SCO for payment
 - Assistant with tracking and payment reconciliation
2. Administer the program including:
 - Monitoring operating costs
 - Prepare budget/appropriation requests
 - Contract for program administration;
 - Training expenses
 - Board meeting management and expenses; and
 - Manage utilization management program
3. Obtain reimbursements and refunds -
 - Track reimbursements received from counties for indigents repayment;
 - Track refunds from other resources to maintain *payer of last resort* compliance
4. Provide reporting tools for the counties to use to gather and provide data for inquiries
 - Currently providing data for various studies involving healthcare in Idaho.
 - Track and report benefits paid to hospitals and providers by state funds
 - I. By provider
 - II. By county; for use by
 - Counties
 - Other state agencies upon request
 - Executive and legislative branches
 - Provide standardized training materials to assist the counties and hospitals in learning the CAT program requirements to insure claims payment.
 - Furnish updates when statutory or regulatory changes occur.
 - Offer training sessions statewide to counties, hospitals and providers

PERFORMANCE STANDARDS AND MEASURES AS IT RELATES TO THIS STRATEGIC PLAN

1. The board ensures county compliance with the statutory definition of *medically indigent* in each case.

2. As a financial assistance program it stands to reason that statute requires counties to obtain reimbursements from medically indigent individuals who have received assistance and are capable of making full or partial reimbursement. We provide oversight and management of collection of the state portion of said reimbursements.
3. Assist county prosecuting attorneys in defending difficult claims made by health care providers against their county and/or the state of Idaho.

KEY FACTORS EXTERNAL TO AGENCY AND BEYOND ITS CONTROL

Idaho's counties are charged with the duty of determining who qualifies for financial assistance as well as which medical services qualify for payment under the statute. Inasmuch as the definition of *medically indigent* is statutory, the catastrophic program does not have control of who qualifies and who does not qualify for financial assistance; only which services qualify and therefore which medical claims are eligible for payment by the state of Idaho.

Predicting an emergency is not a feasible venture and is a pivotal external factor. It's impossible for the program to know how much 'business' it will do, money it will spend, or reimbursements it will receive.

Medical inflation is also a key external factor controlling costs to the catastrophic program over which it has no control.

The potential impact of pending enrollment activities in Medicaid pursuant to new expansion guidelines, could prove to be influential in reducing case load and therefore expenditures. It remains however, that emergencies, and the human factors involved in their payment remain external factors. People have a choice to not carry insurance and the program could end up paying the medical claims of these people if they don't qualify for any other program.

Factors beyond our control involve the unique position healthcare funding in Idaho is in. When approaching the future, it's difficult to implement a future strategy while not knowing how long the program will exist. Therefore we have chosen to emphasize current predictions and data rather than historical production numbers when predicting the future. In this erratic environment, the outcomes are tenuous at best.

DIVISION OF HUMAN RESOURCES

The catastrophic program is administered as a state agency, however, has no state employees. The CAT board contracts with the Idaho Association of Counties as an independent contractor, to provide all day-to-day operations of the agency. The association provides 2.5 staff positions to administer the program. The current contract expires September 30, 2019. As statutory administrator for the program, all oversight and payment determinations on medical claims are performed by the board of directors. The board meets approximately seven times per year.

CYBERSECURITY FRAMEWORK AND LOCAL CONTROLS

1. The catastrophic healthcare program incorporates an independent document warehousing company to store and secure all legal and medical documents for all cases submitted to the board of directors for consideration. The Combined Application Unit, a division of the Idaho Department of Health and Welfare uses the same company in our joint requirement to provide HIPAA compliant storage and transfer of patient's records between agencies. They protect us from risks such as security breaches and identify theft, as well as helping clients comply with all applicable laws and regulations

such as Sarbanes-Oxley, HIPAA and the FACTA Disposal Rule. No printed or cyber files involving medical records are stored in house.

2. All five CIS controls are being addressed for compliance.

RED TAPE REDUCTION ACT (Executive Order 2019-02)

The Catastrophic Health Care Cost Program does not currently have any IDAPA rules. We do have statutory authority to create rules in a manner similar to other executive boards but have not created any for adoption.

PROGRAM EVALUATIONS USED

1. The catastrophic health care cost program is bound by statute to report annually to the Legislature. All counties and hospitals provide annual reports to the catastrophic program for this purpose.
2. The catastrophic program audits each case submitted by a county to ensure compliance with the statutory requirements for submission to the board of directors and payment by the CAT fund.
3. The catastrophic program requires the counties to file medical indigency liens on behalf of the county and the state in each case where financial assistance is provided.
4. The catastrophic program maintains constant vigilance with regard to maintaining low administrative costs which are approximately 3% of the annual appropriation.

Performance Measure	2020	2021	2022	2023	Benchmark
1. To pay medical bills for qualified medically indigent persons exceeding \$11,000	* \$10,000,000 In claims for 375 indigent	\$5,500,000 In claims for 200** indigent	\$5,500,000 In claims for 200 indigent	\$5,500,000 In claims for 175 indigent	Estimated reduction after Medicaid Expansion
2. Administer the fees and costs paid.	\$400,000	\$300,000	\$150,000	\$150,000	

*2020 is a blended year. First half is business as usual, reduction taken for second half.

**History has shown, case load reduction will not relate directly to dollar amount decreases, as medical inflation increases and -- assuming for this analysis- no changes in statute.