



CATASTROPHIC HEALTH CARE COST PROGRAM

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COMPREHENSIVE STRATEGIC PLAN FISCAL YEARS 2021-2024

Catastrophic Health Care Cost Program (CAT)

Mission Statement

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

Goals

- Provide financial assistance for Idaho residents' eligible medical claims exceeding \$11,000 in a 12 month period for each qualified *medically indigent* person as defined in statute.
- Reconcile and maintain medical indigents' reimbursement accounts to recover taxpayer dollars for the state
- Working with counties to track and collect refunds from providers
- Create rules, policies and procedures to ensure consistency throughout the state when processing caseload.
- Be available for 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*.

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 CAT board expects the program office to review and research each county case presented to them to determine eligibility for consideration of payment by the board. This is best accomplished by adhering to the policies and procedures created by the board to provide for efficient consistent case processing and handling to allow the hospitals, and providers a consistent process they can count on for every county they are dealing with.

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 objectives shown above include a wide range of tasks in order to accomplish the program mission.

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 providers with tracking and payment reconciliation
2. Administer the program including:
 - Monitoring operating costs
 - Prepare budget/appropriation requests
 - Contract for program operations;
 - Board meeting management and expenses; and
 - Oversee 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 for by state funds to hospitals and providers
 - I. By provider
 - II. By county; for use by
 - Other state agencies upon request
 - Executive and legislative branches
 - Idaho Association of Counties

5. Provide standardized training materials to assist the counties and hospitals in learning the CAT program requirements successful claims payment.
 - Furnish updates when statutory or regulatory changes occur.
 - Keep interim rates both current and past on file for CAT and county reference
 - 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 statute also 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 the state of Idaho.
4. Retain legal counsel to advise the board and when necessary, negotiate legal challenges brought before the CAT board.

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 healthcare program does not determine 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. This creates a challenge for the board to determine how much 'business' it will do, money it will spend, or reimbursements it will receive.

Other resources/programs/coverages potentially available to an applicant are a large piece of the puzzle when determining the finding of medically indigent. A taxpayer's resources are in constant flux. Maintaining the statutory obligation of this program as the 'payer of last resort' in every claim is crucial. The potential impact of pending enrollments in Medicaid or social security income for example, could prove to be influential in savings to the state by reducing case load and therefore expenditures.

It remains however, that emergencies, and the human factors involved in the payment thereof remain external factors. Medical inflation is a key external factor controlling costs to the catastrophic program. 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.

Influences beyond our control also involve the unique position healthcare funding in Idaho is in. It is difficult to implement a future strategy while not knowing how long the county indigent and state CAT programs will continue to be available. Therefore we have chosen to emphasize current predictions and data rather than historical production numbers when predicting the future. In this erratic economic 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, 2020. As statutory administrator for the program, contract oversight and payment determinations on medical claims are performed by the board of directors. The board meets six to 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 cyber or printed 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 healthcare program does not currently have 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 healthcare program is bound by statute to report annually to the Legislature. All counties and hospitals provide annual reports to the CAT 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 CAT 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 CAT program maintains constant vigilance with regard to maintaining low administrative costs which are approximately 3% of the annual appropriation.

Performance Measure	2021	2022	2023	2024	Benchmark
1. To pay medical bills for qualified medically indigent persons exceeding \$11,000	* \$14,000,000 In claims for 500** indigent cases	\$10,500,000 In claims for 300 indigent cases	7,500,000 In claims for 250 indigent cases	\$7,500,000 In claims for 250 indigent cases	Estimated reduction after Medicaid Expansion

2. Administer the fees and costs paid.	\$350,000	\$300,000	\$175,000	\$175,000	
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** Difficult to predict based on potential state economic impact due to COVID19*

***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.*