

## Part I – Agency Profile

### Agency Overview

In 1982, legislation was enacted to establish the Catastrophic Health Care Cost Program. (CAT) The program was designed by the counties, 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 verify that 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 IAC districts in Idaho, one governor's appointee, four legislators—two from the Senate and two from the House, as appointed by the legislative leadership—and a representative chosen by the director 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 they are elected for. 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 Catastrophic Health Care Cost Program Board acts as the administrator for the fund and contracts out the day-to-day business of managing the CAT program to the Idaho Association of Counties. The contractor 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 approved medical claims submitted for consideration by the counties. The contractor works closely with the social service directors and clerks of each county to provide training and support. The fund has an annual independent audit done which is supplied to the state controller's office for inclusion in the state accounting report (CAFR).

It continues to be a challenge to meet the ever-growing needs of medical providers on behalf of the citizens of Idaho. The CAT board of directors is diligent in their efforts to protect both county and state taxpayer dollars. We have implemented a number of policies and programs which have saved money over the past 9 years. With the federal change in the ACA mandate for individual health insurance coverage, both the CAT fund and county indigent program have seen some rise in spending from the low of 2017.

### Core Functions/Idaho Code

The purpose of the CAT fund is to assist in covering Idaho residents' medical expenses when they are eligible for the programs by meeting the criteria for the *medically* indigent definition in statute. People must first qualify for financial assistance through an application process with their county. The counties pay the first \$11,000 of eligible medical claims. The counties then submit the cases to the CAT fund for consideration of payment by the state of the remainder of the claims. After a review by the CAT board of directors, the state pays approved claims which exceed \$11,000.00 per applicant during a 12-month period. Property liens (both real and personal) are placed and administered by the county, and the applicant must repay the debt over time. All pursuant to Chapter 35, Title 31, Idaho Code.

### Budgeting for 2022

Determining estimates for FY 2022 will be a challenge. The unpredictability of this program lies in the essence of its creation. It is not practicable to attempt to predict catastrophic medical events in people's lives. The fund used its full appropriation for fiscal 2018 as well as some reserve cash. Fiscal 2019 showed strong program usage as well; although the expenditures did not exceed 2018. In FY2020 we returned to 2018 spending levels. Cases proved to be more expensive on a case by case basis. The second half of the year did not decline in reaction to Medicaid expansion on January 1, 2020 as was first anticipated. Prudent decision making insists a cushion must be included to account for the inconsistencies that abound in this unique program. Many outside factors contribute to the inconsistent spending pattern of this program. We must also factor in Idahoans' lifestyle choices, such as a person's choice to maintain medical insurance, and now, the change in eligibility requirements for Medicaid coverage in Idaho.

Fiscal year 2021 will be new territory for the CAT program with new, yet unrealized, budgeting considerations. That being said, what we know the primary user group for the CAT fund is single adults with no children in the home between the ages of 18 and 64. This also identifies the new expansion group for Medicaid coverage. We are anticipating, based on IDHW's assumptions, the CAT program reduction in case load will be approximately 80%...eventually. Judging by the high expenditures for FY2020, it will take longer for cases and claims to filter through the system than we had first predicted. The same assumptions cannot be applied equally to dollar amount however. We must provide some allowance for large unexpected emergencies.

**Revenue and Expenditures**

<b>Revenue</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
CAT Health Care - General	\$18,000,000	\$ 17,999,500	\$ 11,999,700	\$ 10,000,500
Negative Approp./Cash Transfers	(\$4,945,100)			
CAT Health Care - Other	\$ 2,690,377	\$ 3,298,196	\$ 3,954,431	\$ 3,434,097
<b>Total</b>	<b>\$15,745,277</b>	<b>\$21,297,696</b>	<b>\$ 15,954,131</b>	<b>\$ 13,434,597</b>
<b>Expenditures</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY2020</b>
Operating Expenditures	\$ 371,762	\$ 423,249	\$ 419,062	\$ 478,231
Trustee/Benefit Payments	\$ 12,343,855	\$ 19,995,842	\$ 17,515,092	\$ 19,445,579
<b>Total</b>	<b>\$ 12,715,617</b>	<b>\$ 20,419,091</b>	<b>\$ 17,934,154</b>	<b>\$ 19,923,810</b>

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

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

<b>Cases Managed and/or Key Services Provided</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Payments for medical services	\$12,343,855	\$ 19,995,842	\$17,515,092	\$ 19,445,579
No. of New CAT Cases Fiscal year	584	820	744	698
Cost per case	\$ 21,137	\$ 24,385	\$ 23,541	\$ 27,859

**Red Tape Reduction Act**

Each agency shall incorporate into its strategic plan a summary of how it will implement the Red Tape Reduction Act, including any associated goals, objectives, tasks, or performance targets. This information may be included as an addendum.

	<b>As of July 1, 2019</b>	<b>As of July 1, 2020</b>
Number of Chapters	N/A	N/A
Number of Words	N/A	N/A
Number of Restrictions	N/A	N/A

The Catastrophic Health Care Cost Program does not have IDAPA rules associated with its program.

**Part II – Performance Measures**

<b>Performance Measure</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	
<b>Goal 1</b>						
<i>To cover the cost of treatment for catastrophic illness suffered by county residents who have no other means to pay for the cost of that care. The program picks up the additional medical costs of these residents once the counties verify the charges have exceeded \$11,000 during a 12-month period.</i>						
1. To pay medical bills for qualified medically indigent residents exceeding \$11,000.	actual	Paid \$12,343,855 in claims for 584 indigents	Paid \$19,995,842 in claims for 820 indigents	Paid \$17,515,092 In claims for 744 indigents	Paid \$19,445,579 In claims for 698 indigents	-----
	target	To pay \$18,000,000 in	To Pay \$15,000,000 in	To Pay \$20,500,000 in	To Pay \$15,000,000	To Pay \$15,000,000

Performance Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
		<i>claims for 650 indigents</i>	<i>claims for 625 indigents</i>	<i>claims for 750 indigents</i>		
2. Administer the fees and costs paid.	actual	\$371,762	\$423,249	\$419,062	478,231	-----
	target	\$380,000	\$380,000	\$430,000	\$400,000	\$350,000
3. Collect reimbursements from those county residents approved as medically indigent.	actual	Received \$2,445,474	Received \$2,919,456	Received \$3,515,740	Received \$3,083,331	-----
	target	To receive \$2,500,000	To receive \$2,500,000	To receive \$2,750,000	To receive 2,500,000	

**For More Information Contact**

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