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County officials worry about health care costs

County officials in Idaho are concerned that lawmakers will consider raising the limit on the amount counties have to pay to cover catastrophic health care costs.

While there hasn't been any talk among legislators in Boise so far about doing that, the legislative session is still young and there's real concern the issue will be raised eventually this year.

If the limit is raised, Bannock County taxpayers could be on the hook for about an additional \$400,000 a year due to soaring medical costs as well as an increase in so-called indigent cases.

Under the state's catastrophic health care fund (CAT fund), counties are required to pick up the first \$11,000 of treatment for qualified people who cannot afford to pay their medical bills within a five-year period. The state CAT fund picks up the rest of these indigent costs.

With CAT cases and costs soaring, and the state's ability to cover those costs decreasing, some lawmakers want to raise the limit on what counties must cover from \$11,000 per case to \$15,000 per case. While that would help the state budget, it would adversely affect the budgets of Idaho counties and impact property tax rates.

"There's been no talk of raising the limit so far," Bannock County Commissioner Steve Hadley said Wednesday while at the Statehouse for a meeting of the CAT board, which administers the state's CAT fund.

"That's not to say there won't be down the road," added Hadley, the CAT board's vice chairman. "But thus far, there's been no talk of it in the Legislature and that's good news."

There is \$18.3 million appropriated in Idaho's current fiscal budget for the state CAT fund. However, that money is almost depleted now with more than five months still to go before the fiscal year ends on June 30.

So, just like last year, state budget writers will likely be asked to approve a supplemental request in the neighborhood of \$13 million to cover the additional costs. On top of that, they will be asked to provide \$31.9 million to the CAT fund in fiscal 2012, an increase of 74.7 percent over the current amount.

That's roughly \$26 million more that the state doesn't have and "It's got to come from some place," said Scott Greaves, director of Bannock County's indigent program. "The drastic thing to do would be to raise the (limit)."

Greaves said Bannock County used to cover about 70-80 CAT cases per year. That number jumped to 100 after the recession hit and it could be around 110 this year.

The costs to the state CAT fund and the number of cases it handles have also grown. While the number of cases has risen from about 1,100 in 1998 to almost 2,000 now, the costs have increased from \$9.8 million to more than \$31 million.

The limit on indigent costs that counties must cover was raised from \$10,000 per case to \$11,000 per case in 2009. With Bannock County handling about 100 indigent cases per year, that increase cost the county about \$100,000.

If the limit is raised to \$15,000, it would cost Bannock County taxpayers about an additional \$400,000. While the state doesn't have the money to cover the increased expenses, Greaves said, neither do counties.

"Raising the (limit) is like survival for the state but it's non-survival for the counties," he said. "How do we come up with that extra \$400,000?"

The simple, yet tough answer that county commissioners don't want to even think about right now, would be to raise property taxes. At the very least, they could lose an opportunity to lower them.

Greaves said the county's CAT costs have increased partly because of more cases but especially because of increased medical expenses.