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Medical fund is on life support

BOISE -- The state fund that pays needy patients' medical bills will soon be out of money. Idaho's catastrophic health care cost program, commonly called the CAT fund, has seen such an increase in cases this fiscal year that there is only enough funding to last until about mid-February, Bonneville County Commissioner Roger Christensen told lawmakers Thursday.

"So far in 2010, we've seen a dramatic increase in the amount of claims received," said Christensen, who is the CAT fund board chairman. In the past four fiscal years, CAT fund officials have handled an average of 1,000 claims a year. Through Jan. 7 of this fiscal year, officials have already received 976 claims and expect a total of 1,500 claims to come in before the fiscal year ends June 30.

"I'm almost fearful that the numbers we present are too optimistic," Christensen said during a CAT fund budget presentation to the Joint Finance-Appropriations Committee, the panel that sets budgets for state agencies. "What we figured was a spike is turning into a trend."

The CAT fund assists counties in paying the medical costs of those who don't have insurance but also don't qualify for welfare programs such as Medicaid.

Idaho counties pay the first \$11,000 of each indigent medical bill, and the state covers the rest.

CAT fund administrators are thus faced with a growing number of claims and declining state revenue projections, which would result in less money being available to pay the claims.

The CAT fund board requested an additional \$8 million from lawmakers this fiscal year to continue to pay medical claims and proposed a \$30.1 million budget next fiscal year.

Gov. C.L. "Butch" Otter trimmed those recommendations to \$4 million and \$19.7 million, respectively, and lawmakers could drop those numbers even lower.

"Obviously, the money (recommendations) are extremely difficult given our current financial situation," said Rep. Dean Cameron, R-Rupert and a JFAC co-chairman.

The CAT fund does have the option of delaying payments of medical claims into the next fiscal year if money isn't available, Christensen said.

But those delayed payments have usually been due in May or June, not February, Christensen said.

"We're kind of in uncharted territory here," he said.