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Hospital group calls catastrophic health fund savings bill ‘a non-starter’

Idaho hospitals don't want to eat the costs associated with Luker's bill

Last week, Rep. Lynn Luker, R-Boise, proposed a bill to limit what medical procedures the state would fund for people who don't pay their medical bills and the measure is already seeing opposition. One important interest group in the Capitol, the Idaho Hospital Association (IHA), is flatly opposed to the measure, while another, the Idaho Association of Counties (IAC), has yet to take a position on the plan.

Steve Millard, IHA president, told *IdahoReporter.com* Monday that his group sees the bill as “an absolute non-starter” and that it will actively work against Luker’s plan. “We are very opposed to it,” said Millard.

The firm objections are likely due to a possible oncoming wave of unpaid bills hospitals could face if state funding for certain medical procedures is cut off. “We already write off more than \$200 million in underpaid government bills,” said Millard. “They don’t even pay the costs of the service now and they want to cut it further.”

Luker’s bill would prevent the state from funding medical procedures not deemed as emergencies, which could leave counties or hospitals with the tab. Regulations already require counties to pay the first \$11,000 in unpaid medical bills, leaving the rest to the state government.

It’s a pricey venture. Money for the health fund is expected to eat up \$32 million in the 2011 budget, though only about \$25 million was originally set aside for the program. Gov. Butch Otter has asked for \$7 million in supplemental funding to cover the overage. Luker said his bill could save at least \$4 million annually.

IAC gave Luker some input on the measure, but that doesn’t mean it is backing the bill – at least not yet. “We haven’t taken up a position at this point,” said Tony Poinelli, the group’s health policy advisor. “I think it’s a little early to tell.” Poinelli said that some counties are worried about the burden Luker’s bill could place on them and their residents.

“Some of our new members are a little unsure,” said Poinelli, who guaranteed a cost savings under the plan. “It will save a bunch of dollars up front, there’s no doubt about it.” The state could put itself and counties in a larger bind, he explained, by delaying some non-emergency procedures. “Some of the care down the road will become emergencies,” he concluded.

With Luker’s plan, counties could still pay for non-emergency procedures, but commissioners would have to make that call. “That really should be a local issue anyway,” Luker said last week. “If the taxpayers of that county want to pay for that, then they should do it.” The measure will receive a hearing in the next two weeks.