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Medicaid boost to aid state budget

BOISE — A boost in federal payments for insurance programs for Idaho's poor that's part of the \$787 billion federal stimulus bill could save millions of dollars that the state can shift to fill budget holes elsewhere. The federal government has covered about 70 percent of Idaho's \$1.4 billion Medicaid program, but that will jump to 79 percent as a result of the massive spending bill signed by President Barack Obama last week, legislative budget analyst Amy Castro told the Joint Finance-Appropriations Committee on Thursday. Consequently, Idaho will save \$52.3 million this fiscal year and \$73.2 million in the fiscal year starting July 1, when taking into account cuts to existing Medicaid programs that already cleared the 2009 Legislature and the expected passage of a \$10.4 million savings bill still in the Senate.

Even with the new federal money, state officials want to preserve those Medicaid cuts, including ending nonemergency transportation for some recipients and freezing nursing-home rates, arguing they more closely align with what's offered by private insurers.

Legislators say the stimulus-related savings on Idaho's share of Medicaid could lessen the planned state personnel cuts of 5 percent being contemplated for fiscal year 2010. "Perhaps it won't be the 5 percent," said Rep. Maxine Bell, R-Jerome and co-chairwoman of the budget writing committee. "I don't see any other way to save jobs." Idaho now expects to take in only \$2.55 billion in revenue in the year ending June 30, down hundreds of millions from the year earlier, and many fear things will get worse. Details of how the federal stimulus will affect Idaho aren't yet clear, Bell said, and lawmakers and their legislative advisers say they don't have all the answers yet.

What's more, there's a separate process playing out in Gov. Butch Otter's office. He has given state agencies and private companies until Wednesday to submit a list of proposals that could qualify for federal money. A panel will review those submissions until March 19 before Otter will issue recommendations to the Legislature. Among other details of the stimulus bill discussed at Thursday's hearing:

- Idaho residents who earn 200 percent of the federal poverty level — \$22,050 for a family of four — could qualify for up to \$6,500 to weatherize their homes. The changes could boost Idaho's share to \$31 million over two years, up from between \$8 million and \$10 million now.
- The state could get \$1.1 million over two years to cover rising administration costs to distribute food stamps. Last year, Idaho distributed about \$9 million in stamps a month, but with the economy plunging, distributions in December 2008 rose to \$14 million.
- About \$12 million could go to Idaho Division of Welfare programs for child care assistance for low-income families. The division could also get grants totaling nearly \$5 million to increase access to housing, jobs, health care and nutrition assistance for residents that earn up to \$44,100 for a family of four.