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Medicaid reform focuses on reining in services

BOISE — In the weeks ahead, Idaho lawmakers will consider some of the most comprehensive changes to Medicaid that the program has seen in recent years.

Deep budget shortfalls have prompted legislators to take a deep look at the program, but the proposed overhaul isn't a mere set of short-term bandages to staunch the bleeding dollars. Instead, the 25-page bill outlines a shift toward increasing caregiver accountability, reining in services rendered and programs provided to only what's necessary to serve the 220,000 pregnant women, children and disabled adult Idahoans enrolled in Medicaid. To do that, the bill would dump the current system of paying Medicaid providers per service rendered.

That ideal is reflected in the bill's 23 short-term goals, which would save the state an estimated \$39.1 million. Figuring in the federal matching dollars that wouldn't be spent because of the state's reduction, it means an economic impact of about \$140 million less in Medicaid spending in the upcoming fiscal year.

Behind the numbers, though, legislators say they're trying to avoid the elimination of entire programs. A \$2.7 million cut to mental health services, for example, is only limited to adults. Children's benefits do not change.

"The whole point of that is to assure the public that we're not eliminating any significant program in Medicaid and there will be a social safety net under all of these programs, so that the people who truly need this then will get it," said Rep. Fred Wood, R-Burley.

Wood, a sponsor of the legislation, notes that the mental health reduction is a little less than 10 percent of what the state spends in that area, stressing that adult services aren't going away despite the trim. "There's rumors out there that we're completely going to eliminate the adult program," he said. "Nothing could be further from the truth."

Rep. Janice McGeachin, R-Idaho Falls and chairwoman of the House Health and Welfare Committee, said the legislation has short-term and long-term goals intended to ensure that scientific evidence factors into decisions about the services people receive.

In the future, that will mean more third-party evaluations of cases to ensure that treatments received are in line with what patients need. "We don't have that in place, and that's what we need to make sure that what we're doing is helping people and is cost-effective," she said.

In the short-term, it also means placing disabled adults receiving Medicaid services in categories based on what their needs are. That's a change from the existing system. "There's just a whole array of services a person may access, and in a lot of cases these people have access to services they may or may not need for their individual level of need of care," McGeachin said.

The legislation looks at more than what patients get. For example, it adds clarity to the dollars given for prescription benefits and prevents pharmacists from receiving more than what private insurance plans would provide. That ends a complicated system based on average wholesale prices, McGeachin said. "The way it is now is kind of a game," she said. "We go in circles with the pharmaceutical companies."

Sen. Dean Cameron, R-Rupert and co-chairman of the Joint Finance-Appropriations Committee, said the \$39.1 million identified in the legislation is a very fluid number. That's because it's based on completing everything on the list with an outcome that lines up with the budgetary projections, he said.

For example, last year's Medicaid changes were estimated to achieve \$20 million to \$25 million in savings, but it looks like they'll reach only about \$12 million, he said.

At the same time, he said the legislators weighing Medicaid changes have done a good job balancing service reductions with savings from other areas, such as targeting fraud and abuse.

The Medicaid bill sets the policies in place, while Cameron's committee will introduce a separate budget bill for the program.