

**Spokesman Review, Friday, March 18, 2011 -- by Betsy Russell (2 pages)**

## Idaho House votes to cut Medicaid

BOISE - A plan to slice \$108 million out of Idaho's Medicaid program, including trimming some health-care services for the disabled and poor, cleared the Idaho House today on a 56-14 vote.

The bill, HB 260, is aimed at finding \$34 million in state savings on the program; that also means giving up \$74 million in federal matching funds. All but one House Republican voted for the plan; Rep. Tom Trail, R-Moscow, joined all 13 House Democrats in opposing it.

Minority Democrats decried the cuts as "cruel, heartless and foolish," while GOP backers said they're necessary to balance the state budget and preserve funding for schools. House Health and Welfare Chairman Janice McGeachin, R-Idaho Falls, noted that there were extensive meetings with stakeholders and public hearings. "This legislation was then revised in committee with full disclosure, taking into account the most grave concerns of the public," she told the House.

The two most controversial cuts originally proposed - \$4.4 million from services for people with developmental disabilities, both those with higher function and those over age 45 - were removed after they came in for heavy criticism at a public hearing held jointly by the House and Senate Health and Welfare committees.

McGeachin said, "This has been a labor of love for most of our vulnerable citizens ... and an inspiring tribute to the democratic process."

House Minority Leader John Rusche, D-Lewiston, a physician, decried the bill as "a flawed financial document," and said, "It displays some of the worst tunnel-vision budgeting I've ever seen. ... If we vote for this, we deceive ourselves. ... Remember, just because we choose to ignore the needs of people doesn't mean that it goes away."

Rusche said, "More than a thousand jobs will be lost... all private-sector jobs, all of them paying taxes." He said, "The illness and the need for services does not go away because we choose not to pay for them."

The House's other physician member, Rep. Fred Wood, R-Burley, strongly disagreed, saying even with the cuts, Idaho will spend a large portion of its budget on Medicaid. "We are not abandoning anybody," he said. "Are we looking for efficiencies in the system? Yes we are. Are we looking for better ways to deliver health care in the state of Idaho? Yes we are. Is that going to be easy? The answer is no."

As for the job losses under the bill, Wood said, "There will be some jobs lost, but basically that's just reducing inefficiency in the system. That's not reducing jobs that for some particular reason should be there."

Said Wood, "This is not only about budgets this year, but it's about budgets into the future and how we're going to control costs of a health care system in the United States that's simply unsustainable, and this is the first step in that direction."

The savings identified in the bill, in state general funds only, include:

*Medicaid 1*

- \* Reduced reimbursements to providers to save \$8.2 million. This includes eliminating mandatory rate increases, capping non-primary care reimbursement rates at 90 percent of Medicare reimbursement; and moving to “actual acquisition” cost for determining pharmacy pricing, rather than average wholesale cost.
- \* Collecting an additional \$7.5 million a year from hospitals, nursing homes and intermediate care facilities to avoid even deeper cuts.
- \* Making \$6.94 million in temporary cuts imposed this year permanent.
- \* Reducing services to patients to save \$5.34 million, from cutting psycho-social rehabilitation services for adults from five to four hours a week to limiting services like podiatry, vision, chiropractic, physical therapy, and adult dental services, and eliminating audiology or hearing-loss services for adults.
- \* Discharging 35 patients from state institutions to save \$1.3 million.
- \* Charging co-payments to patients, \$750,000.
- \* Cracking down on Medicaid fraud to save \$1.1 million.

The bill now moves to the Senate. The Legislature has not yet set a budget for Medicaid for next year; legislative budget writers have been awaiting the outcome of this bill.