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Medicaid cutbacks will hurt many

220,000 in Idaho receive benefits threatened by reductions

BOISE — Because of a disability, 20-year-old Jessica Thompson has challenges with reading, organization and dealing with stressful situations.

For Thompson, Medicaid services are a vital link to living with a cognitive disability in Twin Falls. She gets 22 weekly hours of developmental services that help her with a variety of tasks: household chores like cooking and washing dishes and other life skills like budgeting and social interaction.

“Over the years, she’s learned a lot with the people she’s working with,” said her mother, LaRee Hollibaugh. “With the budget cuts, you never know what they’re going to cut.”

Thompson is one Medicaid recipient among 220,000 in an Idaho system that, along with public education, has been targeted for significant trims during the era of the state budget crunch.

This year’s legislative session began with lawmakers well aware that economic realities would force their hands on tough decisions. But the session’s work went far beyond a round of one-year budget cuts and statewide belt-tightening.

Instead, legislators put in place long-term policy changes that structurally change public education and Medicaid, with an eye toward boosting efficiency and keeping costs down permanently. The sputtering economy demanded lawmakers examine how the state operates, not just how much it operates on, said Rep. Maxine Bell, R-Jerome and co-chairwoman of the Legislature’s budget-setting committee.

“People who pay for their services have cut their own spending,” she said.

But reform isn’t accomplished with a vote as much as it is by the actions that vote initiates. Now, many await details on what those actions will be. Medicaid providers, patients, students and teachers will all be affected by the wealth of work that will remain when legislators leave Boise.

The Idaho Department of Health and Welfare will launch a study of Medicaid. Superintendent of Public Instruction Tom Luna and members of the education community will form a task force to take a long look at the role of technology in schools.

For them, the end of the legislative session is more of a beginning.

State officials who oversee Idaho’s Medicaid system won’t have time to test the waters of reform.

Cuts endanger services to 220,000 Medicaid recipients

The Medicaid overhaul bill passed by lawmakers this year includes 21 immediate actions to save \$34 million of state dollars — or \$107 million when factoring in the lost federal matching dollars — when the new fiscal year begins in July. Instead of reducing the eligibility of those enrolled in Medicaid, the changes reduce hours of mental health services, increase fees and add assessments of provided care.

Erin Magill, a therapy technician with Community Partnerships of Idaho, works with Thompson and has seen Thompson become more outgoing as her self-esteem grows.

“She’s happy,” Magill said. “She smiles. She laughs.”

In the future, the weekly hours Magill spends with Thompson could drop, especially after Thompson becomes 22 years old and is moved to a different program for adults.

Katherine Hansen is executive director of Community Partnerships of Idaho, a Medicaid provider that works with people with developmental disabilities, including those in Twin Falls and Rupert.

Hansen said some of the more damaging parts of the Medicaid overhaul were pulled out in the legislative session, but she expressed concerns about the state moving forward too quickly with long-term changes, which include making permanent the funding cuts imposed in 2010.

For example, people with a dual diagnosis of a developmental disability and mental illness must choose one treatment over another, she said.

Even with immediate changes, there’s much more long-term work ahead for the state.

Idaho’s health and welfare agency will need to hire an independent firm this year to conduct a complex, \$300,000 study of Medicaid meant to examine factors like recipient demographics, the needs of rural and urban areas, and services that are needed.

The Legislature’s Medicaid overhaul requires the state to start moving away from a current system that pays providers per service rendered. In its place, a managed-care system would include more scrutiny to ensure that patients receive the care deemed necessary for their well-being and providers don’t bill for superfluous service.

That change won’t come quickly.

“There is a lot to do, and at this point in time it is a concept — and even that concept is a work in progress,” said Rep. Fred Wood, R-Burley, a retired physician and member of the House Health and Welfare Committee.

The end game for managed care, which will cost an estimated \$2 million to put in place, could mean the state will enter into multiple service contracts tailored to meet its various needs and regional demands. The details of that scenario depend on what the results of the study show. It’s due on Dec. 1, and will be presented to legislators in 2012.

From there, the state will need to seek proposals from contractors to deliver a new system of care. Wood said it’s difficult to gauge when the state’s managed-care system will be fully in place. But it’s not expected even by July 1, 2012, though parts could be realized by then.

“In Idaho, we’re feeling our way,” Wood said. “We don’t want to rush it, but we do need to get there.”

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