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Idaho's CAT health program faces tough year

Special appropriation kept the program in the black this fiscal year, but more help is needed

A supplemental appropriation of \$14 million helped Idaho's catastrophic health care program make it through this fiscal year in the black, but prospects for next year aren't good. Officials say a new application procedure should help cut costs somewhat. It's questionable, though, whether that will offset the need for additional funding once the Legislature comes back in January.

The program - referred to as the CAT fund - pays certain emergency and chronic health care costs for people who otherwise can't afford treatment. Counties pick up the first \$11,000 for individuals; the state pays the remainder.

Lawmakers originally budgeted \$19.8 million in fiscal 2010 for the state's share of the CAT program. That was all gone by the end of February, so the Legislature had to chip in another \$14 million. For fiscal 2011, which begins July 1, it appropriated \$18.3 million - well short of the \$30 million that program managers estimate it will actually cost.

"With the supplemental, we'll make it through this fiscal year," said Bonneville County Commissioner Roger Christensen, chairman of the CAT Fund Board. "Will we get through next year? I want to say probably not. But a couple of things come into play July 1 that should have a positive effect on the program."

For example, counties previously didn't always get enough information to determine if someone was eligible for Medicaid. Beginning next month, the new application procedure will automatically check that. Christensen said anyone who qualifies will be enrolled in the federal program, so the bills will be paid by that entity - ensuring the counties, as intended, are the payer of last resort.

Counties will have to wait and see how many cases that shifts to Medicaid, he said, but it should generate some savings. "The goal is to get as many people as possible who have other resources taken care of by those resources (rather than by the counties)," Christensen said.

Lewiston Rep. John Rusche, one of four legislators on the board, said if the CAT fund operates next year the way it does now, the \$18.3 million fiscal 2011 appropriation won't be enough to cover the program costs. "But there are lots of things shaking," he said. "I don't even know what the program's going to look like after October."

That's when some early provisions of federal health care reform kick in. Insurance companies, for example, will be barred from using pre-existing conditions to deny coverage for children. Lifetime limits on benefits will also be prohibited. Those changes aren't as big as the expanded Medicaid eligibility and mandate to purchase health insurance, which don't kick in until 2014, but Rusche thinks they could still help cut costs for the CAT program this coming year. "I think we'll still need a supplemental appropriation (when the Legislature returns in January), but we don't know how big it will be," he said. "There are lots of moving parts right now, both at the state and federal level."