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State delaying hospitals' Medicaid payments into next week

The Idaho Department of Health and Welfare (DHW) won't be sending any checks in the mail to Idaho hospitals for the next few days to reimburse medical services, as the agency seeks to balance its budget amid increased demand. Hospitals waiting for their Medicaid money will be paid in full, likely by early July. Officials with several hospitals say that the delay is leading to some cash flow issues but won't noticeably impact services or operations.

"We are continuing to hold claims, but also hopeful that we will begin to pay those next week," said DHW spokeswoman Emily Simnitt, who said the agency could resume making payments on June 29 or 30. The state's fiscal year resets starting in July, so payments would likely go out the door after the Fourth of July weekend at the latest. Medicaid provides insurance to more than 200,000 Idahoans who are children from low-income families, have a disability, are elderly, or are pregnant and low-income. It's a nearly \$2 billion annual spending program, and for every dollar Idaho pays in Medicaid, the federal government pays more than \$2.

After hospitals and other providers serve Medicaid patients, they send a bill to the state, which then repays the provider. DHW suspended repaying providers this week, which should save \$13 million in the current budget. "During the past month, claims were running a little bit higher each week than usual," Simnitt said. "We really had hoped that we would not have to do this, but we really have to make it out of the fiscal year."

The state could end up holding payments for two weeks this month, which would be far less than the eight weeks Medicaid payments were held last week. Last year, payments were held for all Medicaid providers, not just hospitals. Simnitt said hospitals were selected because they have other sources of income, unlike some providers that serve primarily Medicaid patients. Toni Lawson with the Idaho Hospital Association said that hospitals will notice the delay, but not necessarily feel deep pain. "In general, it will be somewhat uncomfortable for a number of hospitals," she said. "I don't want to overemphasize the impact but it will be challenging for a number of hospitals."

Lawson said the increased demand by Idahoans for Medicaid services could be a concern for balancing the budget next year. "If the volume continues to increase and the strains on the economy continue to lead to higher Medicaid growth, that's going to continue to be a challenge," she said.

Lawson said smaller hospitals may feel more of an impact due to the delays. Dallas Clinger, the CEO of Power County Hospital in American Falls, one of the smallest in the states with 10 beds, said it'll have a minimal impact. "Fortunately it's a short time period, much shorter than last year," Clinger told IdahoReporter.com. "I was surprised that they were only holding two weeks. They've recovered quite a bit, in my opinion."

"Nobody likes it, but it's not going to impact us that much," said Joe Cladouhos, the CEO of Syringa Hospital in Grangeville in north central Idaho. "We can adapt to it, especially if it's going to be a couple of weeks." St. Alphonsus in Boise, one of the largest hospitals in the state, will also weather the delays. "What this means is there's simply less money in the bank," said spokeswoman Elizabeth Duncan. "No one will feel the affects of this at all."