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Higher-income families using Medicaid program may be asked to ante up

The Idaho Department of Health and Welfare wants to start charging certain higher-income families for the Medicaid benefits that help them take care of disabled children at home.

The agency is accepting public comment on a series of rule changes related to the Katie Beckett program, which provides Medicaid services to children with long-term disabilities. The program allows children to be cared for at home or in the community, rather than be institutionalized.

Under the new rules, some families who receive Katie Beckett benefits will have to pay premiums that could amount to hundreds of dollars each month.

Those who earn between 185 percent and 300 percent of the federal poverty level - about \$41,000 to \$66,000 per year for a family of four - will be charged a premium equal to 3 percent of their annual income, or \$100 to \$165 per month.

The premium jumps to 4.5 percent for families who earn more than 300 percent of the poverty level, or a minimum of \$250 per month.

Failure to pay the premium could result in formal collection actions taken against the family, and in certain circumstances they might be ineligible for future benefits.

Public Information Officer Emily Simnitt said about 2,100 Idaho children receive Katie Beckett benefits. The program costs about \$36 million - most of it federal money - with an average monthly benefit of \$1,400 per participant.

Some estimates suggest the new rules could save the agency about \$1 million, including \$210,000 in general fund expenditures. That's unclear at this point, however, as family income hasn't been a criterion in the past. Consequently, it's uncertain how many program participants will be affected by these changes.

Nevertheless, Simnitt said, other state programs already use an income-based cost-sharing model, including the State Children's Health Insurance Program. "The bottom line for doing this is that it's good public policy. Requiring cost-sharing for higher-income families ... makes the Idaho Medicaid program more equitable, while helping prioritize our resources for low-income families in need."

Rep. John Rusche, D-Lewiston, said asking higher-income families to share some of the costs may make sense, but it needs to be done in a way that isn't so punitive it forces them to drop any private health insurance they have and push all the costs onto Medicaid.

"These are kids who meet the criteria for institutionalization," said Rusche, a retired pediatrician and member of the House Health and Welfare Committee. "The purpose (of the Katie Beckett program) is to allow them to exist in the community by providing extra support for things that typically aren't covered in health care plans - a piece of equipment to care for them at home, or services that allow the family to work. Programs like this are how children at the Idaho State School and Hospital have been placed back in the community.

"I think I understand what the department is trying to do. It has a shortfall in money and it's trying to keep programs alive by offsetting some of the costs with a new premium. But we need to be really careful that, because of a short-term economic downturn, the state doesn't do something that ends up costing us more and families more and that reverses the trend towards de-institutionalization."

The new rules went into effect on July 1, but they could be modified or canceled when the Legislature reviews them next session.

Public comment on the rules changes will be accepted through July 22. Written comment should be sent to Tamara Prisock, DHW-Administrative Procedures Section, 450 W. State St., 10th Floor, Boise ID 83720-0036, or e-mailed to dhwrules@dhw.idaho.gov.

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