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## CEO apologizes for Medicaid mess

*Idaho vows to take care of backlog within 60 days*

BOISE – Idaho expects to sort out its bungled Medicaid billing and get a backlog of claims processed within 60 days, state officials announced Monday, as the CEO of the company handling the changeover apologized to the state.

“Clearly there have been issues with the implementation of this new system,” Mario Molina, CEO of Molina Healthcare Inc., said at a news conference with Gov. Butch Otter and state Health and Welfare Director Richard Armstrong. “I’m not here to make excuses. . . . I want to apologize to the providers who have had problems and to the state.”

Molina, a physician, said his company operates clinics in three states that provide Medicaid services, so it relies on just the type of payment service that’s broken down in Idaho. Idaho awarded the Medicaid billing system contract more than two years ago to a division of Unisys Corp., which was acquired by Molina on May 1, a month before the system went live. “We were understaffed initially because we didn’t understand the magnitude of the situation,” Molina said. His company is in the process of doubling its staff for the Idaho project.

The Medicaid billing problem was magnified because the state, in a budget-balancing move, pushed three to four weeks’ worth of Medicaid payments to providers into the new fiscal year that started July 1, rather than paying them in June. Providers were notified in advance that their checks would be three to four weeks late, but then the computer issues pushed that to six weeks and more. The delay put many small companies across the state in danger of going out of business as some were underpaid and others weren’t paid at all.

Medicaid is the state-federal program that provides medical coverage for the poor and disabled; it pays providers over 100,000 claims for an average of \$24 million each week in Idaho. Top Medicaid expenses include hospital care, long-term care, and services to the developmentally disabled; of the 217,000 people on Medicaid in Idaho, 159,000 are children.

Some providers had taken bank loans to tide them through the expected three-week delay, Otter said, leaving them with major problems when the checks didn’t arrive as promised. “I never like to do that in any case,” Otter said of the delayed payments. “I regret doing that to any agency, let alone just the Health and Welfare agency.”

Otter said he and Armstrong met with Molina on Monday morning; Molina also briefed them on a meeting he had earlier in the morning with Medicaid providers ranging from home-health agencies to doctors and hospitals. Otter and Armstrong announced a moratorium on any penalties to providers for overpayments, barring fraud, for those who get emergency payments as the state sorts out the mess. Armstrong ordered \$55 million in emergency payments to providers on Aug. 6. He said new claims now are being processed normally, and he has “some comfort” that the backlog in claims processing should be substantially cleared up within 60 days. Molina said his company is adding 48 customer-service staffers in Boise, as part of a ramp-up to staffing of nearly 200, vs. the 100 it had when it first took on Idaho’s new computerized Medicaid billing system. Two-thirds of the new workers have now been hired and trained, he said, and the remainder will be coming on within the next two weeks.