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Catastrophic health care fund is short by \$14 million

Idaho claims for 2011 estimated up to \$33 million

Idaho lawmakers will have to come up with another \$14 million or so this year to pay health care costs for people who can't otherwise afford treatment.

Indigent health care is a major expense for most Idaho counties, as well as the state itself. Counties pick up the first \$11,000 per person in treatment costs; anything above that amount is paid out of the state's catastrophic health care fund (typically referred to as the CAT fund).

Last year, the state spent \$33 million on indigent health care. Lawmakers appropriated another \$18.2 million to the CAT fund this year, but they knew more money would be needed once the 2011 session starts in January.

State Rep. John Rusche, D- Lewiston, who sits on the Catastrophic Health Care Board, estimated it will cost about \$31 million to \$33 million to pay all the claims for fiscal 2011, which began July 1.

Lewis County Commissioner Don Davis, who also sits on the board, split the difference and said \$32 million.

"It's not looking pretty right now," Davis said. "We don't have the funding to cover all the claims this year. Nothing will be done until the Legislature convenes, but then we'll have to take a hard look at it."

The extra \$13 million to \$15 million should be available. The 2011 budget was based on estimated revenue of \$2.29 billion, but actual tax collections through the first four months of the year are running well ahead of that pace. Some of the surplus will go to other agencies, but the CAT fund takes priority over most because neither the state nor counties can refuse to pay the health care bills.

But given the potential revenue shortfall for fiscal 2012, the Legislature may try to shift some of the cost back to the counties next year.

In 2009, for example, Gov. C.L. (Butch) Otter proposed raising the counties' share of indigent health care costs to \$15,000 per person. That would have saved the state about \$6 million. The Legislature balked at the idea, but did agree to raise the deductible from \$10,000 to the current \$11,000 per person.

Davis and Rusche said the CAT board hasn't talked about what might happen in the coming session, but both agreed the option of a higher county deductible may be considered again.

"In this economy, I'm afraid they'll try and put more and more back on the counties," Davis said. "But we're under the 3 percent property tax cap, so we can't handle a lot more."

Counties are prohibited from boosting their annual property tax levy by more than 3 percent per year. Consequently, many jurisdictions would have to cut expenditures elsewhere to pay for any increase in indigent health care costs.

Clerk-Auditor Patty Weeks said Nez Perce County spent \$860,000 on 80 indigent health care cases from July 1, 2009 through June 30, 2010. Of those, 29 cases exceeded the \$11,000 deductible; they cost the CAT fund another \$512,000.

If the deductible had been \$15,000 instead, it would have added \$116,000 to the county's share of the costs.

Rep. Shirley Ringo, D-Moscow, who sits on the joint budget committee, said she won't be surprised if the Legislature shifts more costs onto the counties, using last year's budget cuts to K-12 education as an example.

"I think every district in Latah County except Moscow had to pass an override levy," Ringo said. "So that concept (of pushing costs down to the counties) isn't unusual."