

Legislative Intent HB 701

2011 Specific Direction that is not typically included in Medicaid's appropriation bills

- Sec 12 * **Medicaid Pricing Freeze:** Freeze all price increases, regardless of calculation basis, in all categories with the exception of those increases that are mandated by federal law
- Sec 13 * **Medicaid Program Flexibility:** DHW, by temporary rules based on its finding that it is necessary to do so to ensure that Medicaid programs administered by the department do not exceed its 2011 appropriations may impose requirements for Medicaid in the following manner: the temporary rule must 1) list each requirement being imposed; 2) list each section of Idaho Code affected and state how it is affected; 3) state the reason for each requirement being imposed; and 4) state the time for which each requirement is to be in effect provided that it shall not extend beyond June 30, 2011.
- Sec 14 * **Medicaid Plan Modification Policy Direction:** Maintain a viable, but reduced Medicaid program for as many vulnerable Idaho citizens, as similar in design as the current program as possible, within the fiscal climate. For that reason, rather than eliminating whole optional categories of Medicaid services or benefits or Medicaid plans, the Legislature directs the Department to reduce the Medicaid benefits package based on the following policy priorities in the following order:
- A. **Pricing Modification Policy Priorities:**
Review all Medicaid pricing structures and make reductions to ensure that the state of Idaho Medicaid plan does not pay any reimbursable service rate at a rate higher than Medicare currently pays for the same service.
- Adjust any rates that have in the past been determined to be overpaid within a Medicaid service category.

Work with all providers within the current Medicaid plans to review and reduce current pricing in all Medicaid service categories through negotiations. *If pricing reductions cannot be agreed to, then future options for the legislature to consider are removal of whole categories of optional services.*

Review any other pricing modifications that can assist in maintaining a lower cost, but still provide accessible and substantially similar Medicaid benefit plans for current eligibility populations.

B.

Benefit Modification Policy Priorities:

Review benefits within the Medicaid plans to eliminate noneffective, non-outcome-based services and if there are minor adjustments to benefits for minor items that have not been addressed, then those identified benefits should be the first to be changed in benefit package adjustments.

Review & implement additional managed care (at-risk) contracts, or selective contracts, including implementing a formulary prescription drug plan.

Explore new waiver for mental health, developmental disability, and any other optional services for all Medicaid populations, including implementing waiting lists for nonessential services as a way to control costs.

Implement standardized, statewide assessments for mental health and developmental disability services that reduce the administrative burden on providers but still allow DHW to track service usage and outcomes, DHW is also directed to start the process of eliminating self-referral by providers.

Review any other benefit modifications that can assist in maintaining a lower cost, but still provide accessible and substantially similar Medicaid benefit plans for current eligibility populations.

If additional savings are needed after the previous policy reviews and modifications have been made, the Governor can implement any additional changes identified by DHW to meet the Medicaid budget.

All temporary changes shall be presented to the 2011 Legislature for review and recommendation for any ongoing permanent changes to the Idaho Medicaid program.