

HISTORY OF THE CATASTROPHIC HEALTH CARE COST PROGRAM

The Catastrophic Health Care Cost Program (CAT) was established in 1982 by SB1311 and clarified by HB310 in 1983 to help Idaho's counties pool their resources to pay medical indigent expenses required by Idaho law. Originally the CAT fund paid hospital bills, ambulance charges and drug costs in excess of \$10,000 but the Idaho Supreme Court ruled in 1988 that physician charges had to be included. Since that time the CAT fund has been participating in the payment of necessary medical expenses over \$10,000. Prior to the creation of the Catastrophic Fund, counties had some difficulty in budgeting for catastrophic health care claims. Many counties were registering warrants and paying claims in subsequent years. CAT program hired an initial administrator and replaced approximately 9 months later.

Initially 33 counties participated in the CAT fund which expanded to 39 soon thereafter.

The counties initially were assessed \$4.50 per capita to fund the program. In 1990, the CAT program was very successful and financially sound so the assessment was reduced to \$4.00 per capita.

Indigent Program: The County Indigent/CAT program is an incident-based program not an entitlement program like Medicaid. Most claims are emergency related but some are filed 10 days prior (non-emergency) to receiving service. Also, most applicants are from 1-2 member households

The original governing board consisted of 7 county commissioners, 6 of which were elected by the member counties by district and 1 elected at large statewide. Currently 6 county commissioners are elected by district and one member is appointed by the Governor. The commissioners are elected for 2 year terms with Districts 1-3-5 in one year and 2-4-6 the next year. The board meets approximately every 6 weeks to review claims.

The legislature provided \$7.5 million in state revenue sharing to counties and of that \$4.5 million was dedicated by the counties to fund the CAT program. The Legislature assumed funding responsibility for the program effective October 1, 1991, as a means of providing property tax relief to Idaho residents. When the state finally funded the program in 1994, approximately \$7 million dollars from the county sponsored program was transferred to the state to help the program in transition.

In State FY02, CAT Payments amounted to \$12.7 million on 771 cases and CAT Reimbursements amounted to \$1.4 million on 1,071 cases. In FY06, CAT Payments amounted to \$22.7 million on 1063 cases and CAT Reimbursements amounted to \$2.3 million. For State FY2008, the Legislature appropriated \$20,768,400.

Process: The County receives a uniform application from an applicant or 3rd party applicant. At that time an automatic lien is filed. The county begins its investigation of the claim and after 60 days the BOCC determines whether to approve or deny the claim. If determined medically indigent the county

approves and determines a reimbursement amount to be repaid. If approved and over \$10,000, copies of the records are made and sent to the CAT Fund.

In 2009 S1158 changed the process and interjected the Idaho Department of Health & Welfare into the mix. Some highlights included: the deductible was increased to \$11,000; a combined county-state application was required to be developed and implemented; all applications must be sent to the Department of Health & Welfare to determine Medicaid eligibility and if denied then send the application to the county; five additional members were added to the CAT Board, 4 legislators and the director of IDHW; IDHW was required to develop a utilization management and third party recovery program. Current board makeup consists of 6 county commissioners, 1 governor's representative, 4 members from the Legislature (1 Republican and 1 Democrat from the House and Senate), and the Director of IDHW.

New Process: The hospital sends a combined application to IDHW to do a Medicaid determination. If approved by IDHW, the process stops. For non-emergency applications the county receives the combined application and sends to IDHW. If denied, the application is sent to the county to begin their investigation to determine indigency. At that time an automatic lien is filed. The county begins its investigation of the claim and after 60 days the BOCC determines whether to approve or deny the claim. If determined medically indigent the county approves and determines a reimbursement amount to be repaid. If approved and over \$11,000, copies of the records are scanned and sent to the CAT Fund.

2010 H681 was passed by the Legislature to provide some of the following changes: excluded weight reduction from the list of covered services, similar to insurance companies; enabled counties to suspend a case solely on the basis of potential eligibility for another resource; enables counties to withhold payment from a provider if retroactive Medicaid eligibility is determined and the provider refuses to bill Medicaid, reimburse the county and state or ignores the county. Also allows for the investigation into possible other resources, i.e. car insurance, accident related coverage, etc.

March 2010 The CAT Board temporarily contracted with IAC to administer the program.

The CAT Board contracted with Security Connections to become the data warehouse for CAT cases and to enable counties to electronic submit those cases to the CAT fund.

May 2010 IAC and CAT developed a contract to conduct medical reviews and requested counties sign and begin having reviews performed on cases above \$75,000 in billed charges.

- July 2010 The combined application was rolled out and the Combined Application Unit began operation to review all applications for Medicaid eligibility. Also, counties were provided access to the Health & Welfare's Idaho Based Eligibility System (IBES) to help provide counties with additional resource information gathered from clients during the Medicaid eligibility determination.
- January 2011 The combined application was revised and made more user-friendly.
- 2011 H310a created some new definitions, one was defining a completed application; modified the reimbursement rate; further defined resources; required that when utilization management or medical reviews that they be incorporated in the county commissioner decision and the reimbursement rate is calculated on those recommendations; significantly expanded the roles and authority of the CAT Board; and other cleanup.
- August 2011 The CAT Board and IAC Board agree and sign a 2 year contract to administer the CAT program.