MINUTES

JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE:	Tuesday, January 19, 2016
TIME:	8:00 A.M.
PLACE:	Room C310
MEMBERS PRESENT:	Senators Co-chairman Keough, Johnson, Bair, Mortimer, Brackett, Nuxoll, Thayn, Guthrie, Schmidt, Lacey Representative(s) Co-chairman Bell, Gibbs, Miller, Youngblood, Horman, Malek, Monks, Burtenshaw, King, Gannon
ABSENT/ EXCUSED:	
CONVENED:	**Chairman Bell** called the meeting to order at 8:00 AM
PRESENTER:	**Lance McCleve, Principal Evaluator and Ryan Langril PhD, Senior Evaluator, Office of Performance Evaluations**

Office of Performance Evaluations Special Hearing: Idaho Behavioral Health Plan

Mr. McCleve introduced himself and **Ryan Langril, PhD** Senior Evaluator with the Office of Performance Evaluations. **Mr. Langril** began the presentation to the committee with a brief overview of the design and purpose of the Idaho Behavioral Health Plan. The Legislature and the Department of Health and Welfare have successfully addressed concerns about the overreliance on psychosocial rehabilitation. The department now needs to make significant improvements to Mental Health and program planning before taking its next steps. Officials expressed a desire to reform outpatient behavioral health for Medicaid patients. The department planned for changes to policy, service criteria, and oversight to bring services in line with department intent. Changes were implemented through a three-year contract estimated at $300 million.

Results included a substantial decline in PSR, and an increase in other services: most notably in family therapy. Recommendations from the department urge to continue taking steps to build capacity and services in the community. The department should formally evaluate the merit of including inpatient services in the behavioral health plan and use independent, third-party expertise for assistance in evaluating the merit of including inpatient services. Office of Performance Evaluations: Idaho Behavioral Health Plan

The Department of Health and Welfare

PRESENTER: **Lisa Hettinger, Division Administrator, Department of Health and Welfare: Division of Medicaid**

Department of Health and Welfare; Division of Medicaid

Administrator Hettinger opened the presentation to the Budget Committee with an overview of topics to be discussed including; the Legislative Audit findings, FY 2016 Legislative Intent Report, and the FY 2017 Division of Medicaid Budget Recommendation.

According to Legislative Intent Language from **H 240**, the Division of Medicaid required the delivery of reports to LSO and DFM to include the Medicaid Expenditures, Receipt Authority, and Managed Care (a biannual report). The Medicaid Expenditures report compares actual expenditures to appropriation and forecast for next FY. The Receipt Authority describes any ongoing need for additional, dedicated receipt authority to be built into the budget. Non cognizable need remains due to drug rebate volatility and increase in generic drug cost. The Managed Care Report illustrates progress in integrating managed care approaches into the medicaid system. Managed Care Initiatives have previously included Healthy Connections Case Management, Dental Services, Non-Emergent Medical Transportation, Outpatient Behavioral Health, and Managed Care for Dually Eligible. The Medicaid Patient Centered Medical Home Redesign introduces two new "Connections Tiers" to start February 1st, 2016 and enhanced case management payments for PCMH clinics.

Idaho Behavioral Health Plan:
In 2012 the committee goals for IBHP were established to change out patient behavioral health so that it enables participants to move into recovery, resilience, and wellness; provides evidence-based services and shifts to an outcomes-based services model. The IBHP-Managed Care Performance for adults decreased CBRS Utilization from 35% to 21% and increased the use of family therapy from 3% to 13%. Utilization patterns reflect the shift to evidence-based care. For children, this means CBRS utilization reduced 30% and family therapy increased 23%.

The FY 2017 IDHW Budget Recommedation:
The State of Idaho has experienced an unanticipated increase in the cost of generic drugs. The Governor's Budget Recommendation will allow for a transition for unemployed Medicaid recipients to afford generic drugs. The FY 2017 Medicaid by funding source revealed that 63.1% or $1.397 billion comes from Federal Funds, 23.2% or $514.9 million comes from the General Fund, and 12.3% or $273.13 million comes from Receipts. The smallest funding source comes from Dedicated Funds at 1.4% or $30.0 million. **Administrator Hettinger** then stood for questions.
Division of Medicaid

PRESENTER: **Ross Edmunds, Division Administrator, Mental Health Services; A Division of the Department of Health and Welfare**

Department of Health and Welfare: Mental Health Services

Administrator Edmunds brought before the committee a high-level overview of the Department of Health and Welfare: Division of Mental Health Services and their FY 2017 budget recommendation. The Behavioral Health System provides care to citizens of Idaho who live with mental illness in three categories: Individuals dealing with a mental health crisis typically short term and often life-threatening, in-need of immediate intervention, individuals with chronic, severe mental illness; typically lifelong and debilitating, require intensive long-term management and support, and individuals with serious mental illness that need ongoing maintenance; i.e. medication, check-ups, brief assistance when minor challenges manifest. The State of Idaho is currently working toward safe and stable housing for adults with chronic mental illness who may never be able to live independently. Better access to ongoing health care for people with Behavioral Health disorders and a more effective Behavioral Health system are most important priorities to the Mental Health Services and the commitment to Idaho's citizens. Crisis Centers and Crisis Intervention Teams partner with law-enforcement and local health care providers to determine the needs of individuals where law enforcement may not be as effective as medical treatment and rehabilitation. Crisis centers have the ability to serve an individual for 24 hours, and offer hospitalization for up to 5 days. Since the opening of the Eastern Idaho Crisis Center in December of 2014, 1,200 hours of law enforcement time has been saved, and 2,349 patients have been served.

Administrator Edmunds then presented the latest update and possible timeline to dismissal in regards to the Jeff D lawsuit. Creating a more effective and highly specialized care for children in the State of Idaho suffering with emotional disturbances is the primary goal for the professionals working to resolve the class-action lawsuit. Health care professionals work with the schools and homes to ensure proper service to the children of Idaho.

Administrator Edmunds concluded by enthusiastically endorsing the CEC increase recommended by the Governor and stood for questions regarding the FY 2017 Budget Recommendation. Mental Health Services

PRESENTER: **Cynthia York, Division Administrator, Healthcare Policy Initiatives: A Division of the Department of Health and Welfare**

Department of Health and Welfare: Healthcare Policy Initiatives

Administrator York began the department's Budget Request for remainder FY 2016 and FY 2017 by introducing **Casey Moyer**, Operation Project Manager for the Healthcare Policy Initiatives. Although the appropriation is 100% federal funds, the entirety of the Healthcare Policy Intiative's budget is 0.4% of the Department of Health and Welfare. The State of Idaho was awarded a Center for Medicare and Medicaid Innovation planning grant to develop the State Healthcare Innovation Plan. The Idaho Healthcare Coalition has identified several goals of SHIP, each one an operational component including: PCMH technical assistance, data gathering and analytics, and a reduction in health care costs. Medicaid is restructuring the Healthy Connections and Health Home Programs to incentivise primary health care providers to transform their clinics into patient centered medical homes. Healthcare Policy Initiatives

ADJOURN: There being no further business to come before the committee, **Chairman Bell** adjourned the committee at 10:59 AM

Representative Bell	Christi Cox
Chair	Secretary