



August 2023 Monthly Report

July was the start of the new state Fiscal Year 2024, and all 2023 legislation went into effect. This includes both budgets and laws, meaning agencies have been working diligently to ensure new projects can be rolled out effectively. Your projects that we worked on from July 2022 to June 2023 have finally started to come to fruition as funds are being rolled out and new laws are in effect. Now the cycle begins again to build a runway leading into the 2024 Legislative Session and beyond while simultaneously working to monitor and manage current efforts.

With a new budget, and new laws, agencies have again started planning out their needs for the next session. Many of the agencies are pushing for more than the standard 3% increase they are traditionally eligible for and have begun to advocate for their top priorities with the Governor's policy and budget teams. As these budget and policy requests take shape, we are looking for opportunities to ensure your needs are incorporated where appropriate. This year, however, revenues and forecasts are hinting at a fiscal cooling down, or mini-recession, and there is likely to be much less appetite for spending heading into an election cycle for all 105 legislators in 2024.

Governor Little recently announced a budget surplus with the end of the 2023 Fiscal Year. But this surplus is significantly reduced when compared to previous years. This is due to the passage of [HB 292 – 2023](#), which created a surplus eliminator to lower property taxes long term. This coupled with record ongoing and one-time investments in transportation, education, and outdoor recreation, has created a nearly balanced budget in the fastest-growing state in the nation. Governor Little stated, "Our conservative approach to governing means we encourage economic prosperity, we rein in government spending, and we manage our budget with money to spare, unlike Washington, D.C." To read Governor Little's full statement on the FY 23 budget click [HERE](#).

We are also seeing the effects of federal Covid-19 relief funding decrease, so the state is "coming off of the sugar high" of federal funds flowing to the state from the last three years of surpluses. Now with the new legislators having a year under their belt, we will see a more intense budget auditing process as JFAC members begin to look for ways to cut spending. We have already seen this happen with the Medicaid budget. These tensions regarding Medicaid continue to rise since the creation of the Managed Care Medicaid Task Force. This group has been heavily lobbied from both sides and will continue to be a hot topic throughout the off-season and ramping up into the next Legislative Session.

We continue to have a busy summer full of policy meetings, interim committees, board meetings, and rulemakings throughout the state. Rulemakings are beginning to ramp up more as agency boards begin to hear from stakeholders and make decisions on what to cut versus keep. Many of these rules will move from proposed to pending status in the fall based on their meeting schedules and the possibility of consensus on the rule.

In between meetings, we continue to make and strengthen relationships with legislators, agency leaders, Governor's staff, and more. We are also planning the next steps for you and your policy goals. Moving into August, we are continuing the heavy lifting to secure funding for much-needed projects and create solutions for policy and programmatic fixes in Idaho. We are also diligently working with agencies on budgets, policies, and rules, as we seek to forecast the coming session while also deciphering what we are hearing from legislators about the many hot-button issues they plan to discuss come January.

As we continue to meet with you throughout the summer and into the fall, we will work through prioritization of your goals and expectations to strategically plan for success next session. In the meantime, please feel free to reach out anytime. The BB&A team looks forward to continuing to work with you and advocating for you in Idaho.

Budget forecasting and reports can be viewed in detail [HERE](#) and all rules can be reviewed in the bulletin [HERE](#).



NABIP August 2023 Highlights

On July 10, 2023, BB&A attended the Idaho Medicaid Managed Care Task Force meeting, where they discussed updates from the Idaho Division of Medicaid, Sellars Dorsey, and the National Conference of State Legislatures (NCSL). The Task Force members also had a discussion at the end of the presentations to discuss managed care. The goal is to start allowing roundtables or have stakeholders start testifying during the upcoming meetings. This stakeholder engagement is extremely important to the Task Force members, but this process is evolving as more become involved in these conversations.

Juliet Charron, Administrator of Medicaid, reviewed in detail the differences between fee-for-service and managed care models. Fee-for-service considerations included a lesser degree of budget certainty, providers can directly take on risk, and there will always be a need for infrastructure for the fee-for-service. The Task Force asked for recommendations or for a model to look at, and Utah was given as an example. Michael Heifetz, Director of Sellars Dorsey, gave an overview of the Medicaid Cost Containment Final Report. Only select members of the public have been able to see the full report. He stated the current system is extremely fragmented utilizing three care systems. Medicaid Managed Care is the main care delivery in forty-one (41) states and delivers a sounder approach. Little further detail was given during this presentation, especially as this report has not been extremely public.

Kathryn Constanza, NCSL, gave an overview of managed care models throughout the nation. Every model and program are different and can produce different results. The costs and budget predictably are mixed on if there are potential savings or if the cost is greater; the predictability of budget is only limited according to numerous studies. The issues are the populations, services, and other metrics are not similar enough to get extremely accurate data when comparing other states. She then reviewed the role of the state Legislature, stating decisions and bidding can be delegated to the agency but it is ultimately their authority on what the models look like. Oversight and accountability levers for the Legislature include costs & rate setting, penalties, and quantity of the MCOs.

Various questions were asked throughout the presentations about what model works best and the steps to move to a managed care model. Many are interested in learning more about the risks and why some states have failed to use this model. During the next meeting, the Medicaid Managed Care Task Force will be allowing stakeholders to start engaging. Since the first meeting, many more stakeholders have reached out to the Task Force members requesting to be a part of the process. Members of the public will be allowed to sign up to testify or present to the Task Force during the next meeting, on July 25, 2023. The members do anticipate so many participants these presentations will stretch into a second meeting most likely in August.

On July 13, 2023, the Idaho Department of Health and Welfare held its rulemaking session for [Docket 16-030-23011](#), Medicaid Basic Plan Benefits. This meeting was for public comment and those in attendance were Blue Cross of Idaho, St. Luke's, and St. Alphonsus. No comments were made at this meeting.

On July 26, 2023, the Medical Care Advisory Committee met for their July meeting. They started by discussing the proposed CMS Managed Care Access Rules and MCAC. These rules were published in May and comments closed on July 3. They decided to look at these rules because the existing federal regulations are broader and older. The goals of these rules are to address gaps in regulations and facilitate a more effective advisory committee. The proposed structure would have a Medicaid Advisory Committee and a subgroup for the Beneficiary Advisory Group. Membership would be rotating and reflect the geographical and demographic diversity that focuses on health equity. They want providers/advocates for children's health care, behavioral health services, preventive and reproductive care, and others.

Sandra Kniggee discussed Healthy Connections and that they are a primary care case management program. Most Idaho Medicaid participants are required to enroll or designate their primary care provider (PCP). For enrollment, participants apply and are approved for Medicaid through Self-Reliance, and the eligibility program interfaces with the MMIS billing



program overnight. This program operates under a fixed enrollment policy, participants are enrolled in their PCP for a long-term relationship. PCP changes are allowed for any reason if it's during the annual selection period, moving from one service location within the same organization or enrollment to a new HC service location initiates a 90-day grace period to change PCP. Some special circumstances are to be submitted in writing and approved by the department.

Martijn van Beek discussed the Medicaid Population Health Quality Strategy. Their main goals are to improve population health, advance health equity, increase access to care, and ensure healthcare is affordable and sustainable. They also want to focus on prevention and health promotion, major chronic diseases, and behavioral health. Mr. van Beek discussed starting a beneficiary Advisory Committee or expanding Medicaid member participation in MCAC to incorporate members' perspectives. The committee also discussed Medicaid expansion and communicating with the chairs of the Health and Welfare Committees, especially the Medicaid Taskforce. The committee would like to see the Healthy Connections program presented to the task force or one of the committees in the future. Both Senator VanOrden and Representative Vander Woude were invited to this meeting. Others mentioned that Senator Cook should be invited in the future.