



# IDAHO

Department of  
Health and Welfare

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**Idaho Department  
of Health & Welfare**

## **JFAC Presentation**

**Richard Armstrong  
Director**

**January 19, 2015**



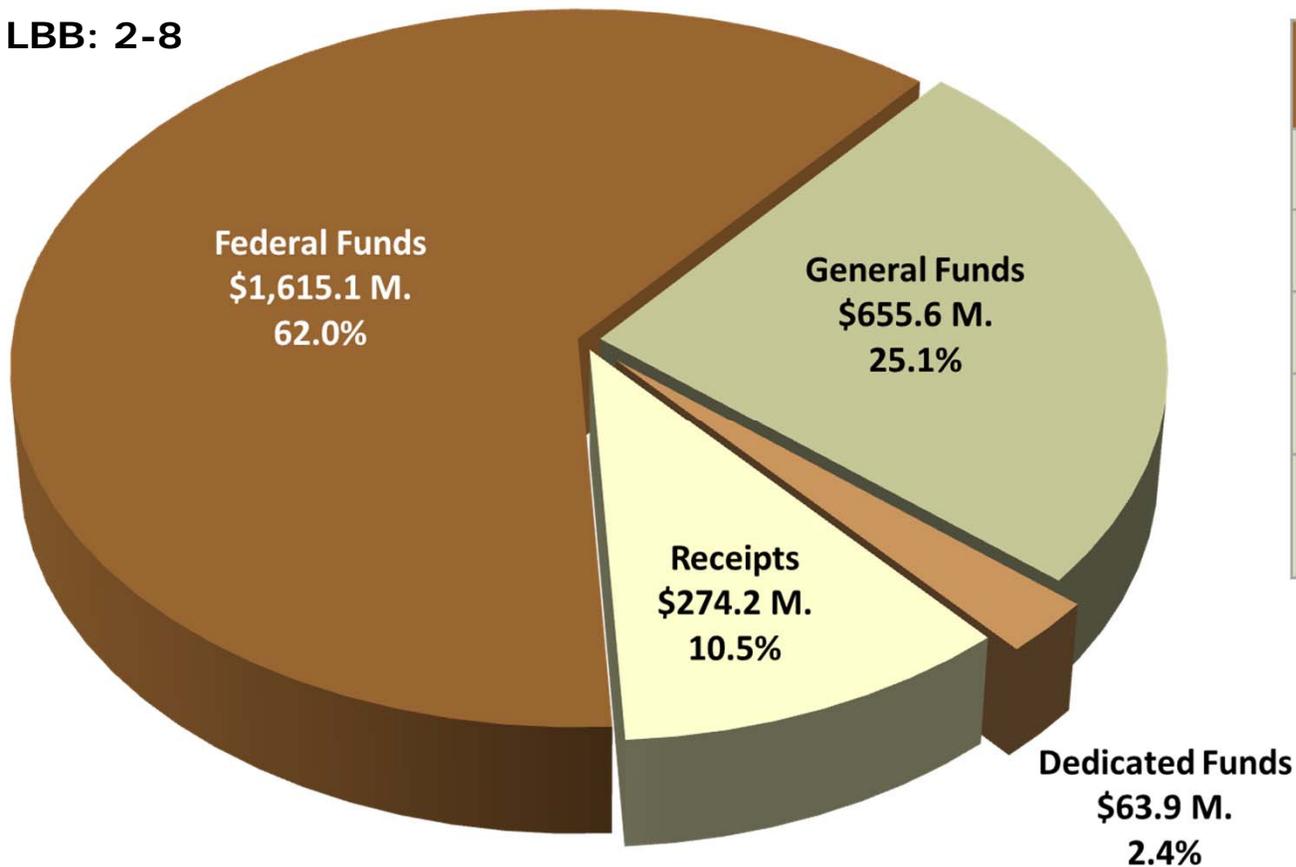
## **Today's Presentation**

- 1. State Healthcare Innovation Plan (SHIP) to transform Idaho's healthcare system**
- 2. Employee CEC**
- 3. A second Community Crisis Center**
- 4. The unique and vital role DHW's eligibility system provides for Idaho's insurance exchange**
- 5. Economic recovery continues, but high workloads remain**



## DHW SFY 2016 Recommendation by Funding Source

LBB: 2-8



Total: \$2.61 B.

Increase from SFY 2015	
General	2.8%
Dedicated	-3.6%
Receipts	31.8%
Federal	-1.1%
Total	3.3%



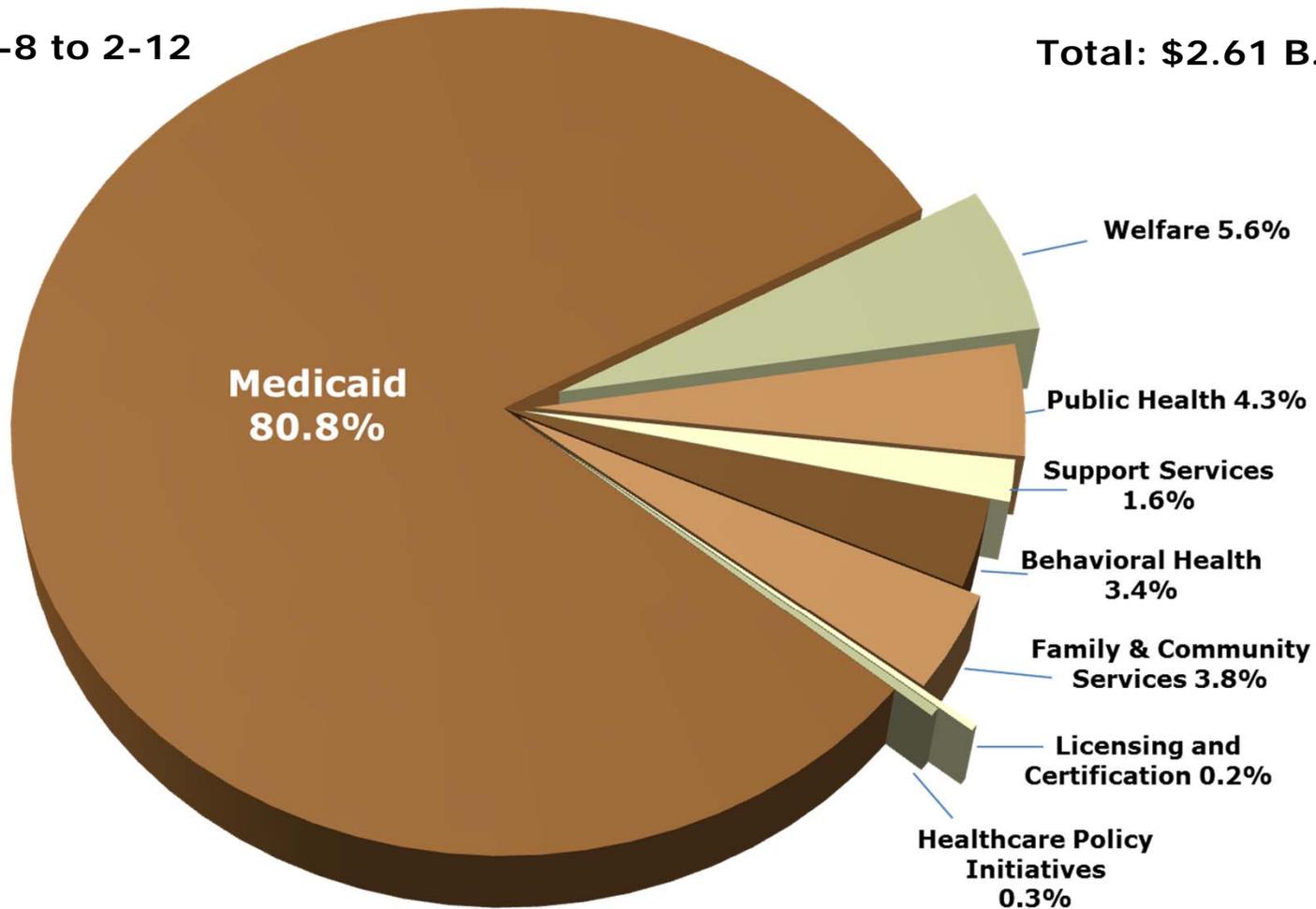
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## DHW SFY 2016 Recommendation by Program

LBB: 2-8 to 2-12

Total: \$2.61 B.





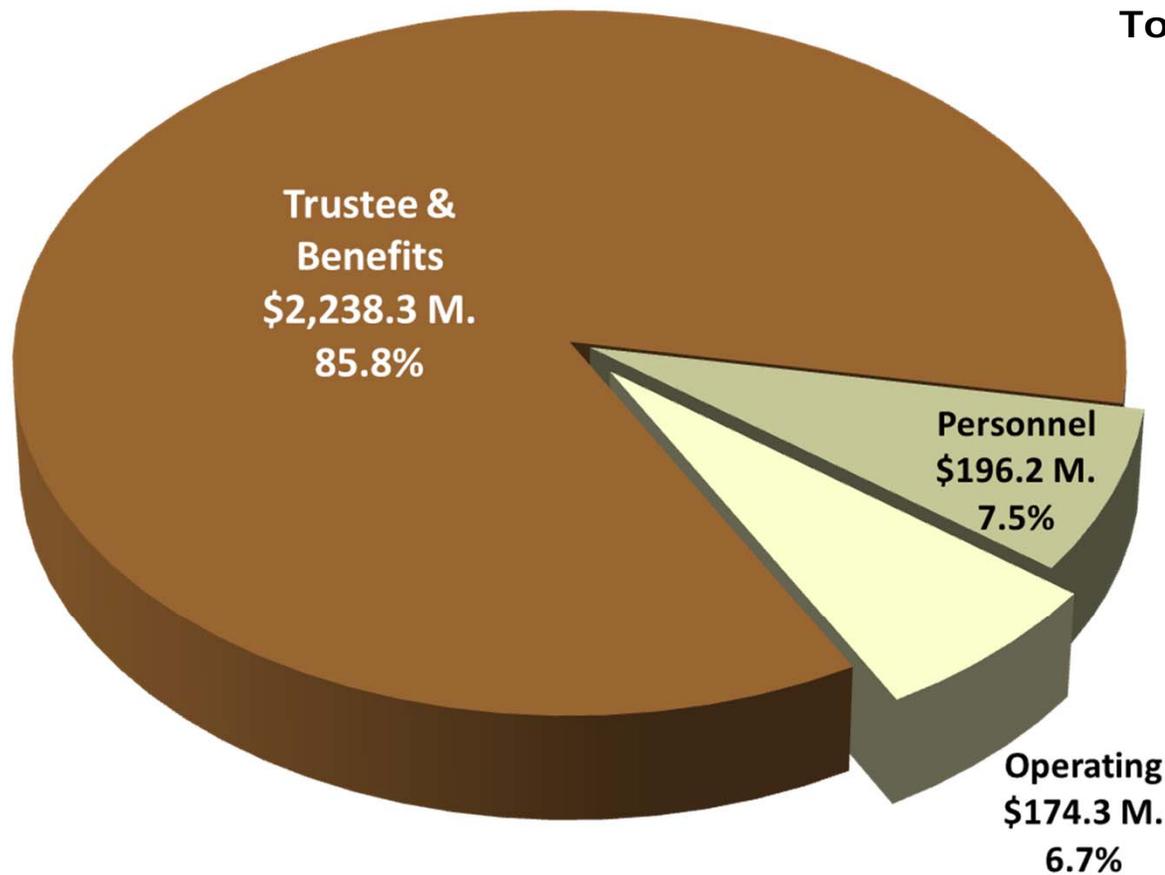
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## DHW SFY 2016 Recommendation by Object

FTP: 2,870

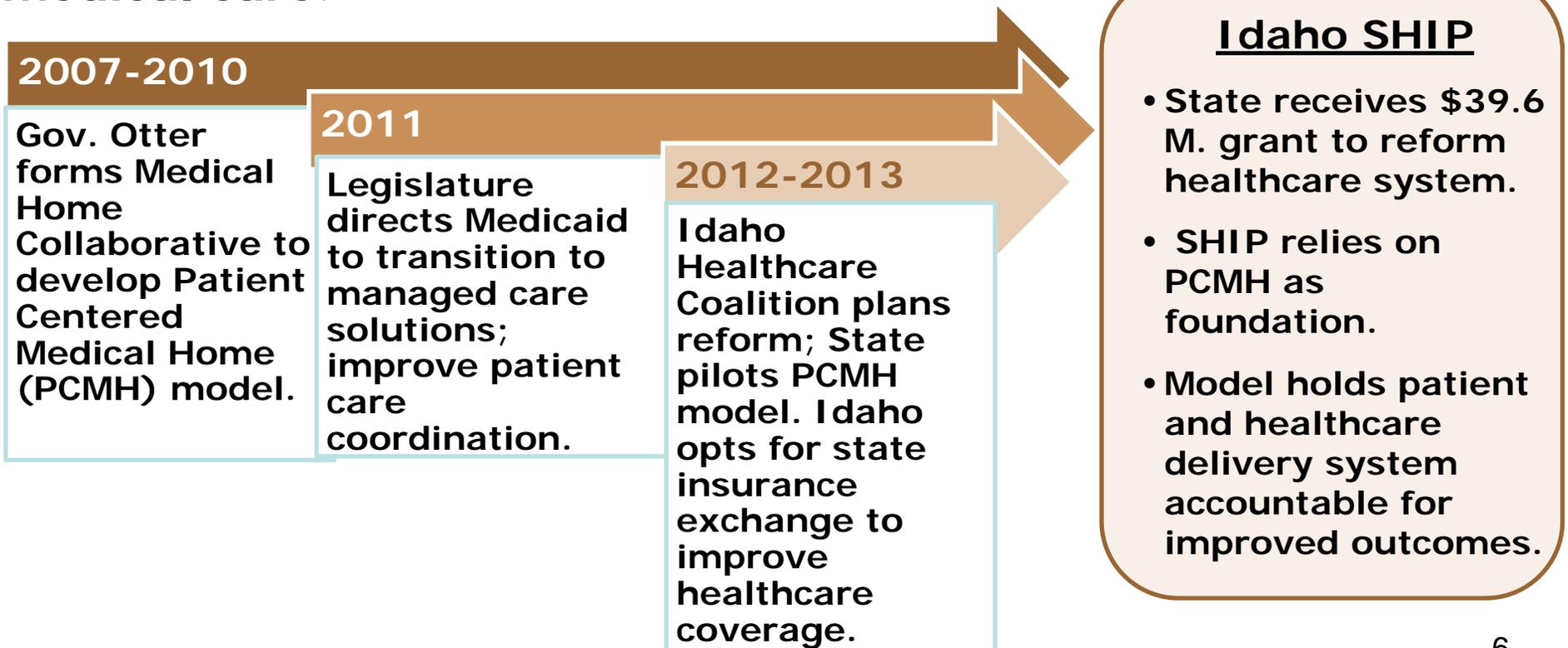
Total: \$2.61 B.





## The Evolution of Idaho's Healthcare System

Since 2007, key pieces of legislation and executive orders began a progression towards high quality, patient-centered medical care.

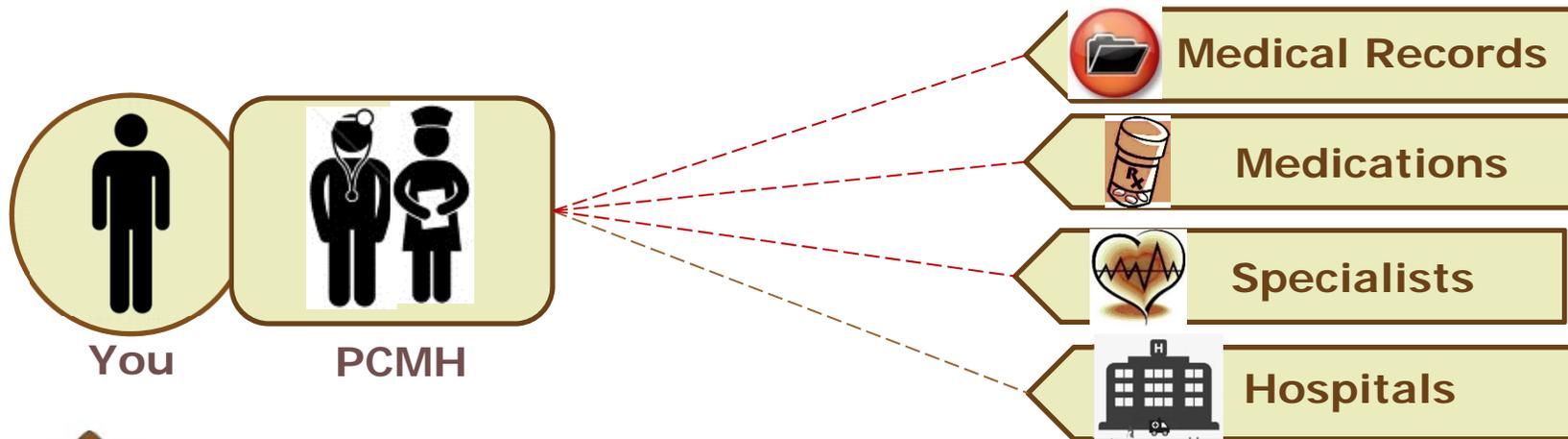




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## SHIP: Patient Centered Medical Homes (PCMH)



### Why PCMH?



People with Chronic  
Conditions Account for:

National  
Healthcare Dollars



Medicare  
Spending



- Adults with primary care physician have 33% lower costs of care
- Less duplication or unnecessary tests
- Less likely to delay care or seek ER care
- Fewer hospital admissions
- More appropriate use of prescriptions



## Health Home Impacts on Medicaid Hospital Care

### Medicaid Pilot Jan. – June 2014

- 3,740 Medicaid adults with chronic illnesses assigned to health homes
- Pilot reduced average monthly member costs by over 20%
- Preliminary estimate of return on investment : 10/1

Adult Health Home Impact on Hospital Care 2014 vs. 2013 (Jan. to June)				
Admits/1,000 Members	-25.8%		Readmissions	-41%
Patient Days/1,000 Admits	-21.1%		ER/1,000 Members	-23.7%
Avg. Length of Stay	6.3%*		ER Net Payment	-2.6%
Net Pay/Admit	33.1%*			

*\*Increases were expected due to avoiding unnecessary short stays and less complex procedures being removed.*



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## SFY 2016 SHIP Recommendation

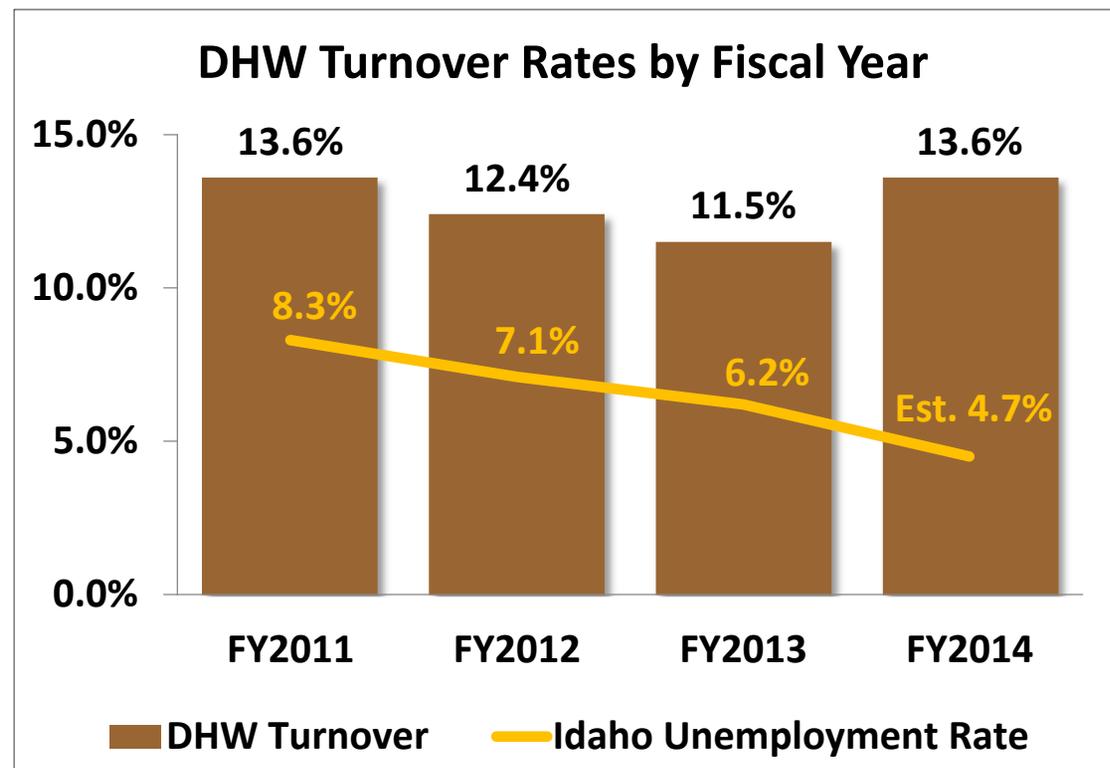
FTP	General Funds	Federal Funds	Total
8 FTP, including 7 limited service positions	\$ 0	\$8,855,100	\$8,855,100

- SHIP grant is for \$39.6 M. in federal funds over four years
- Administered by the Healthcare Policy Initiative program
- SFY 2016 = \$8.9 M.:
  - ✓ 7 new, limited service FTP; 1 permanent FTP
  - ✓ Targeting 55 primary care practices to PCMH
  - ✓ Connect Electronic Health Records to Idaho Health Data Exchange
  - ✓ Develop Regional Collaboratives with Health Districts to support local, coordinated care



## Low Pay is Driving Workforce Turnover

- SFY 2014 DHW voluntary turnover rate: 13.6%
- Pay identified as the main or contributing factor: 54%
- Avg. pay increase in the private sector: 38%
- 30% of turnover had < 2 years of service
- Recovering economy = Increased job opportunities and higher compensation that state agencies must compete against





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## Second Community Crisis Center LBB 2-52

FTP	General Funds	Federal Funds	Total
0	\$1,520,000	\$200,000	\$1,720,000

- **The Behavioral Health Crisis Center of East Idaho opened Dec. 12**
- **Crisis centers provide a safe, voluntary, effective and efficient alternative to ERs and jails**
- **Hospitals, counties, cities and the state should all realize savings**
- **Contract with Bonneville County requires county/partners to develop a plan to cover 50% of operating expenses within two years**

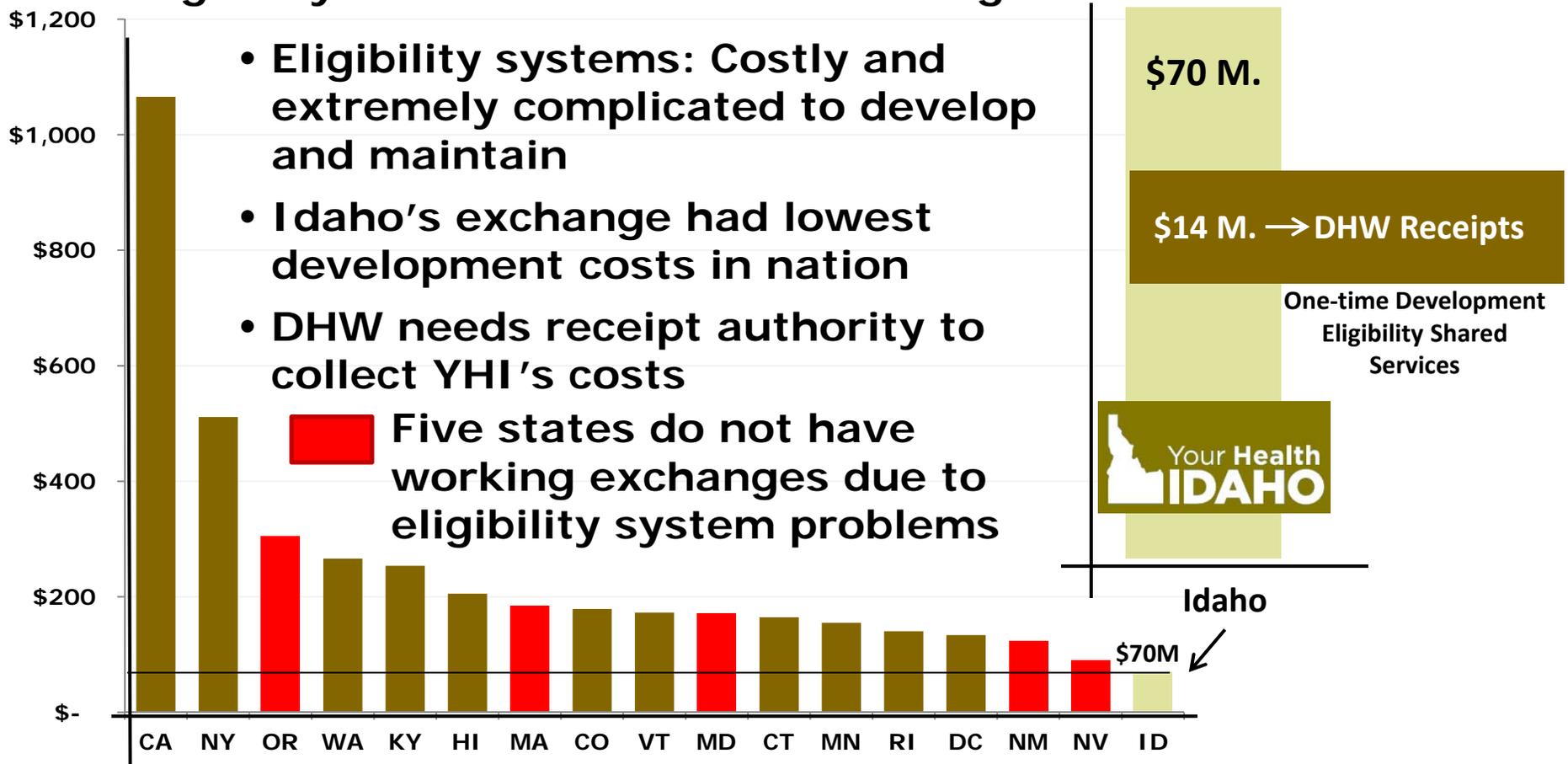


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## Idaho Shares Eligibility Services with Exchange

### Eligibility Service Costs for 17 Exchanges



*\*Oregon has reverted to the federal exchange; Massachusetts, Maryland, New Mexico and Nevada do not have working state exchanges due to eligibility system issues.*



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## Shared Services Impact on YHI Performance

- Transition from federal marketplace was delayed six weeks, from Oct. 1 to Nov. 15.
- Despite this delay, DHW authorized tax credits for 84,000 people.
- Shortened enrollment timeframe caused consumer bottlenecks and call center wait times, but problems were addressed and remedied.
- Idaho was the only state to successfully transition from federal marketplace to state based exchange in 2014.





### Shared Services Statistics

- Since open enrollment, almost 17,000 people requested health coverage assistance, but earned less than 100% of poverty and were not eligible for Medicaid or a tax credit, remaining uninsured.
- Food Stamp data identifies an additional 36,000 adults with incomes below 100% of poverty who are not receiving Medicaid or a tax credit.
- Milliman consultants estimated 78,000 Idaho adults in the Gap

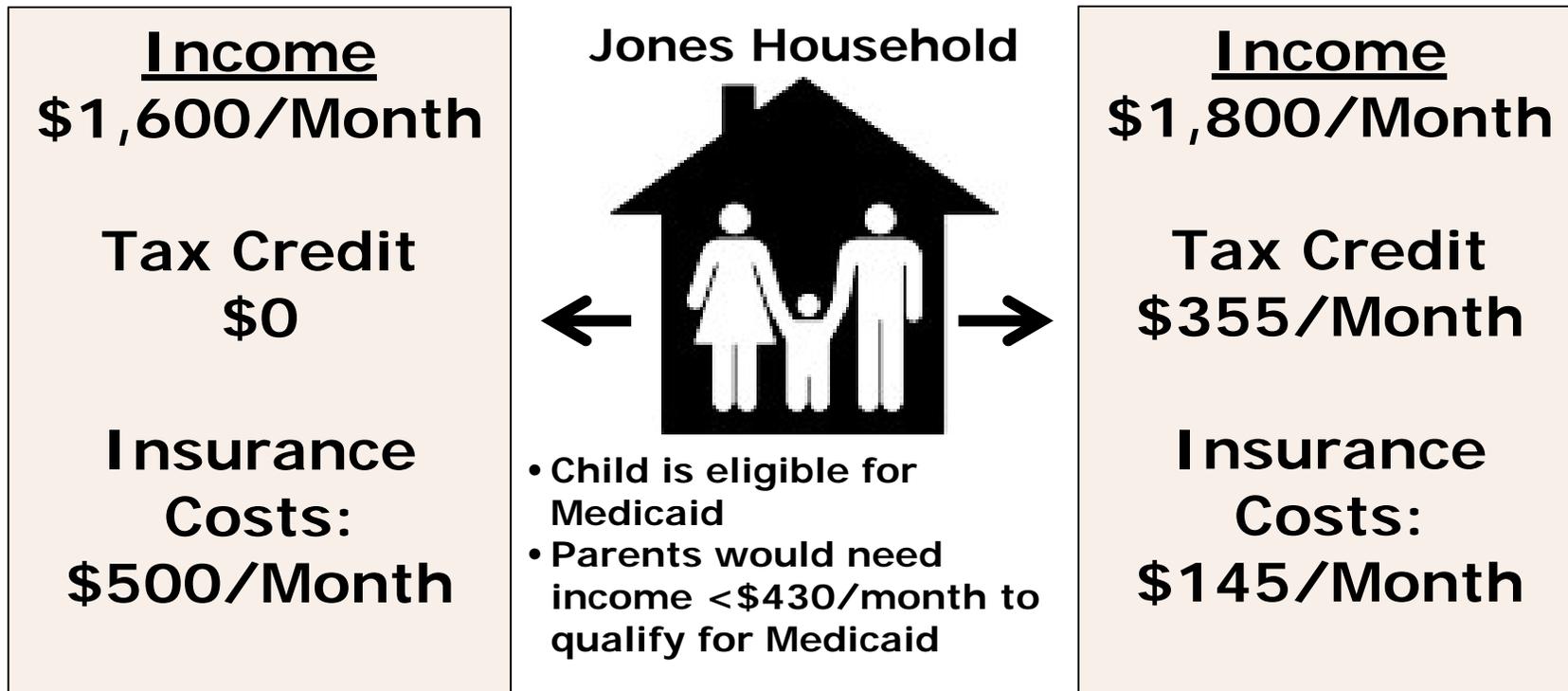
0 -100% Federal Poverty Level

100% - 400% Federal Poverty Level

<p style="text-align: center;"><b><u>Gap Adults</u></b></p> <ul style="list-style-type: none"> <li>• No tax credits</li> <li>• Not Medicaid eligible</li> </ul> <p>17,000 Applied  <u>36,000 Food Stamp Data</u>  53,000 Identified &lt;100% FPL</p>	<p><b>Private Insurance/Exchange Eligible for Tax Credits</b></p> <p><b>84,000 Idaho citizens were eligible for tax credit</b></p>
<p style="text-align: center;">Income &lt; \$11,670/one adult</p>	<p style="text-align: center;">Income between \$11,670 and \$46,680 receives tax credit</p>



## Inequities that Impact the Gap Population

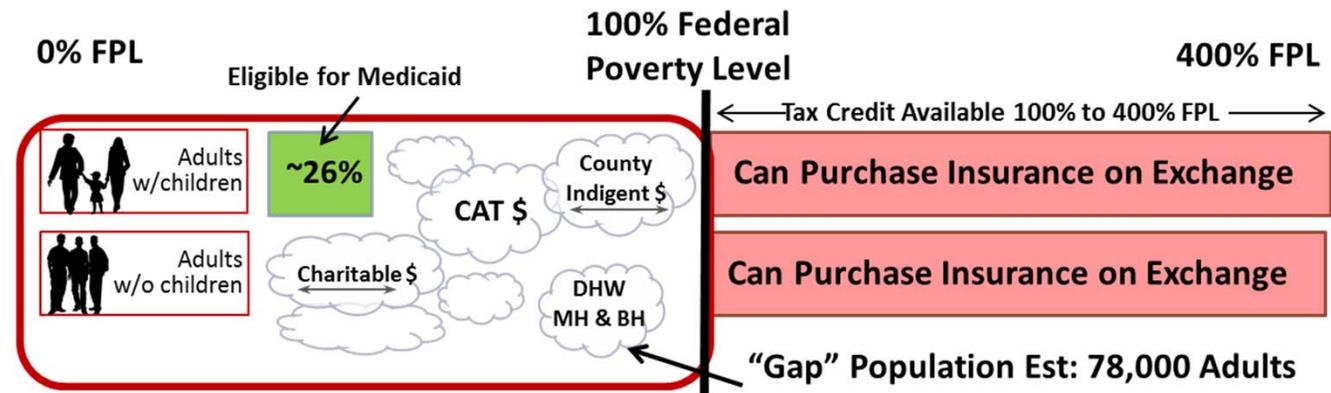


- The Jones are in the Gap with \$1,600/month income. A monthly income of \$1,650 to \$6,500 qualifies for a tax credit for family of 3.
- The monthly healthcare premium in the Gap almost equals one-third of their total income.



## Dilemma of Idahoans in the “Gap”

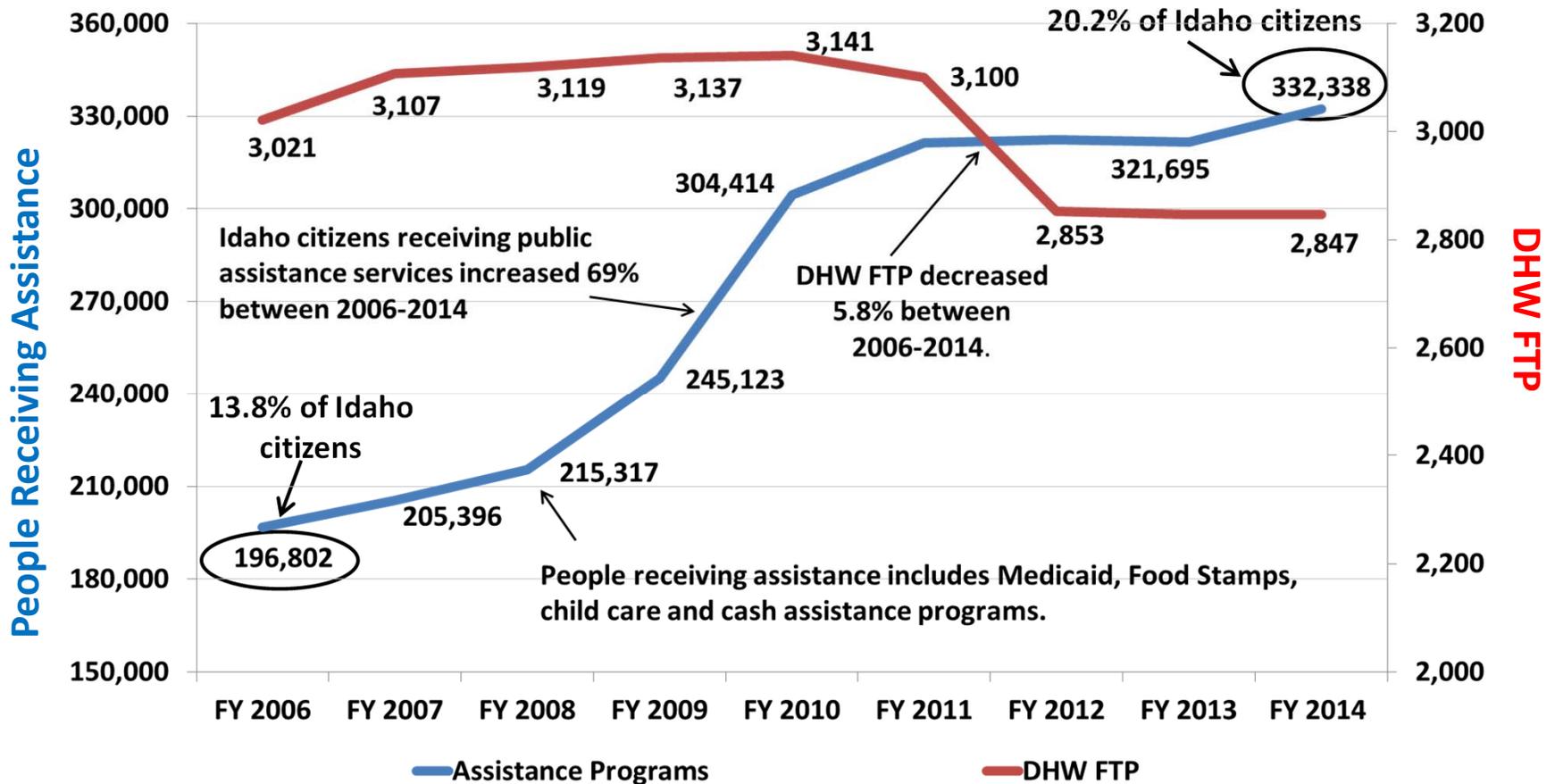
- They access incident-based care, the most expensive and least effective care available



- Many have untreated chronic conditions that are worsened by lack of primary care
- No preventive care or screening tests
- Primary users of county indigency and state catastrophic health care funds—totaling \$51.5 million during SFY 2014
- High ER use drives up insurance premiums
- They have poorer health, reduced quality of life and sometimes shortened life expectancy



### High Demands for Assistance Continues



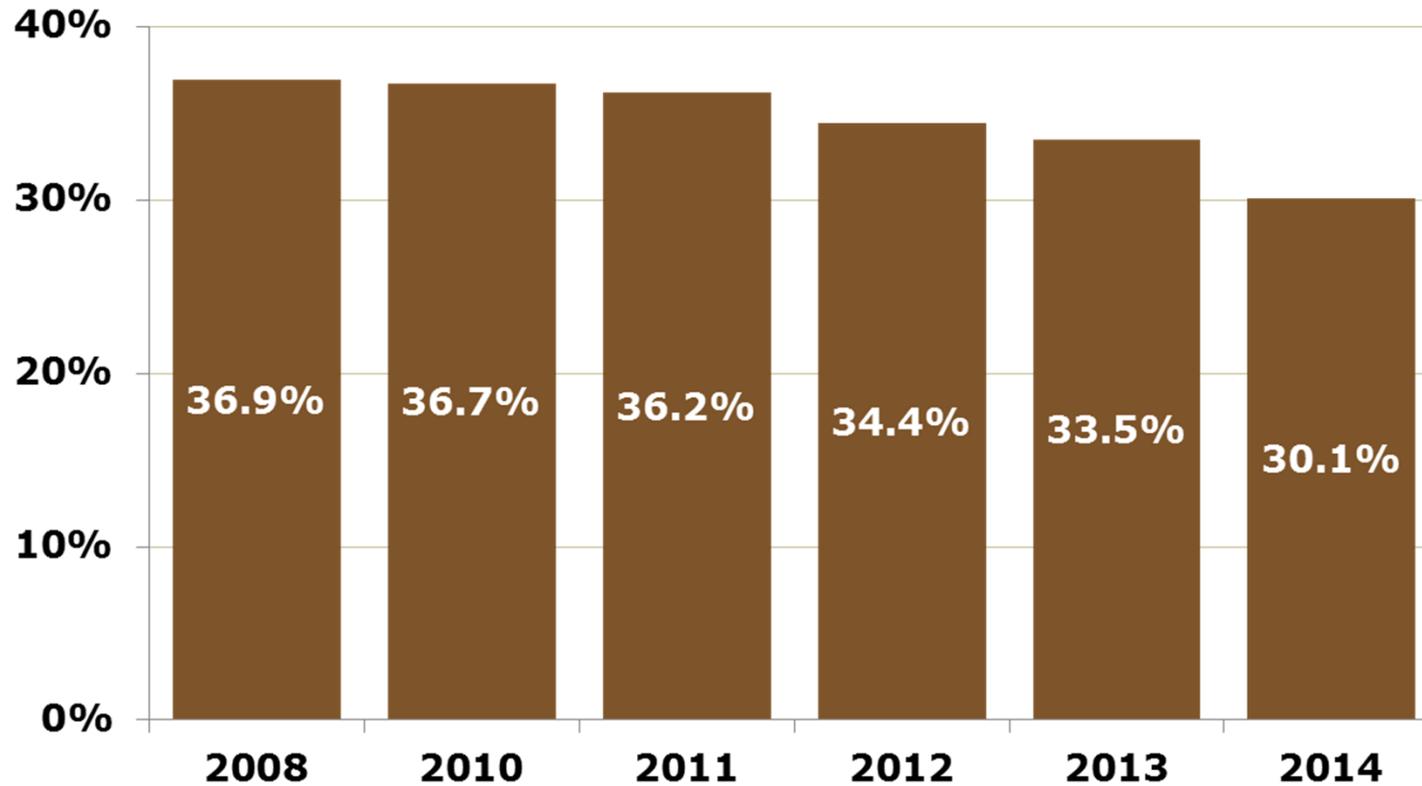


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## Low Wages Impact Self-Sufficiency

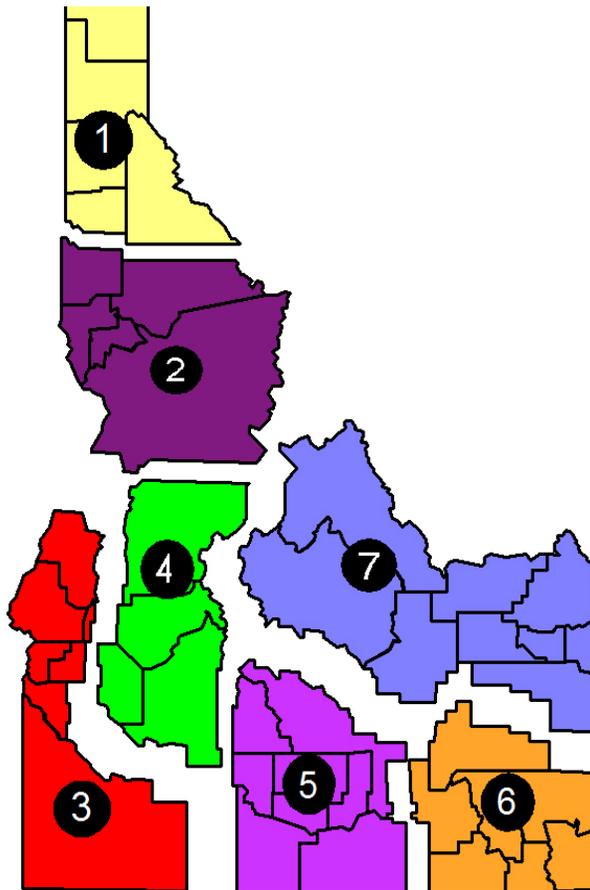
Percent of Idaho Jobs Paying Self-Sufficiency Wages for Family of 4  
Subsistence wage = \$20.30/hr.



Source: Idaho Department of Labor



## Public Assistance by Region 2014



Percent Receiving Assistance	
Region	Percent
1	20.4%
2	15.9%
3	28.0%
4	15.7%
5	22.5%
6	22.2%
7	21.6%
State Avg.	20.6%



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