

State to delay Medicaid reimbursement cuts on in-home care

By KIMBERLEE KRUESI, Associated Press

BOISE, Idaho (AP) — The Idaho Department of Health and Welfare is delaying its decision to cut Medicaid reimbursement rates for in-home care for the developmentally disabled after receiving harsh backlash from disability providers who say the move will negatively impact care.

The agency announced Monday that it will now implement the change in February rather than at the beginning of the new year. Last week, providers who offer in-home care at the "intense" level were told starting in January they would see about a 46 percent cut in the reimbursement they receive each day — the same level as in 2006. Rates were cut by 37 percent at the lowest level of support.

"We realized the timeframe we had given could potentially affect not just providers, but also participants," said agency spokesman Tom Shanahan. "If a provider is going to stop services for a participant, we wanted the time to come up with a transition plan for that participant. We don't want to see any participants see a drop in care."

The timing of the agency's announcement right before the holidays — and fewer than 30 days until January — drew criticism across the state from providers worried they would be forced to lay off employees or go out of business.

However, the state said the reason for the quick implementation was that it costs taxpayers \$1 million a month to delay the change

Advocates say most in-home care providers won't be able to survive the rates, possibly forcing the developmentally disabled into state institutions and prisons.

The Supreme Court ruled in a 5-4 decision in March that the providers don't have the right to sue the state over its Medicaid reimbursement formula.

The decision stemmed from a 2009 Idaho lawsuit arguing the state unfairly kept Medicaid reimbursement rates at 2006 levels despite studies showing that the

cost of providing care had gone up. Lower courts agreed and the increased reimbursements cost Idaho an additional \$12 million in 2013.

But the Supreme Court sided with state officials, saying it's up to the federal agencies that oversee Medicaid to decide whether a state is in compliance with reimbursement rules.

The ruling was considered a blow to doctors, hospitals and health care companies worried they lose money seeing Medicaid participants.

Yet the department says it won't allow loss of access to services as the new reimbursement levels roll out.

"We monitor these rates continuously, especially at the beginning, especially to make sure that all participants have access to the services they need and that we have quality services," said Shanahan. "If we have issues with either access or quality, we will have to review those rates."

Idaho Falls-based H.A.S. Inc. director Shaw Johansson said his business won't even be able to make payroll under the new rates and would be forced to take out a loan each year to cover costs.

"They're arbitrary cuts," he said. "It's going to shut down half the companies (who provide in-home services), if not more. And it's going to put the community at risk."

Most H.A.S. caregivers who work directly with clients earn only \$8.50 per hour, a rate Johansson said is relatively high for the industry.