IDAHO DEPARTMENT OF
HEALTH & WELFARE

C.L. "BUTCH" OTTER – Governor
RICHARD M. ARMSTRONG – Director

LESLIE M. CLEMENT - Administrator
DIVISION OF MEDICAID
Post Office Box 83720
Boise, Idaho 83720-0036
PHONE: (208) 334-5747
FAX: (208) 364-1811

November 24, 2008

Dear Medicaid Enhanced Plan Participant:

I am writing this letter to share important information with you regarding some benefit changes. All state agencies have been directed by the Governor (Executive Order 2008-03) to hold back 1% of their general fund budgets in the current fiscal year due to the downturn in the economy. These are unprecedented times in our economy and nothing is being taken lightly. Unfortunately, there are only four primary ways to reduce spending in state Medicaid programs:

1. Reduce provider payments
2. Reduce benefits
3. Reduce eligibility
4. Reduce administrative costs and improved medical management

We will be using all strategies at this time with the exception of eligibility reductions. Idaho is already the third most restrictive state in the country regarding its eligibility criteria. In order to align our program costs with available funding, we will focus on Medicaid service cost drivers which include: hospitals, long-term care, development disability, mental health, pharmacy, and medical services. We will also be making administrative cost reductions. As part of our 1% holdback plan, we must identify $12 million of savings out of our $1.2 billion budget. Many of the changes will be made to Medicaid's Basic Plan, but this letter is to inform you about changes that may affect you in the Medicaid Enhanced Plan.

The following Medicaid Enhanced Plan weekly benefits are being reduced beginning January 1, 2009:

- Mental Health Services
  - Psychosocial rehabilitation services (PSR) (group and individual) will be limited to 10 hours per week. This reduction was previously planned as part of our reform efforts along with new service definitions and standards. Because of the budget shortfall, implementation has been moved up. Currently, 13 percent of PSR users are receiving more than the 10 hours per week.

  - Partial care services will be limited to 12 hours per week. More than half of partial care users are receiving more than 12 hours per week. We would recommend that those receiving in excess of the new limit explore alternatives through other available mental health clinic services, adult day care, or through the Idaho Child Care Program.

- Developmental Disabilities Agency (DDA) Services.
  - The combination of DDA services listed below will be limited to a maximum of 22 hours per week:

- Developmental Therapy
- Intensive Behavioral Intervention (IBI)
- Psychotherapy Services
- Supportive Counseling
- Speech-Language Pathology Services
- Physical Therapy Services
- Occupational Therapy Services

Currently, there are 27 percent of DDA users that are receiving more than the new limit of 22 hours per week. The limit does not apply to services received through school-based providers or therapies provided through hospitals or other independent providers. There will be some children who have significant needs that may be able to receive more than the limit through the EPSDT process. For adults, it may be appropriate to access adult day care services or supportive living.

We will be working with provider agencies to further explain how these changes will be operationalized so that we don't create a significant workload for anyone related to the implementation of these holdbacks.

You have the right to file an appeal regarding this reduction in benefits. If you appeal this decision, you can choose to continue to receive services. However, if your appeal is denied, you must pay for any services provided after January 1, 2009, that exceed the allowed limit for that benefit.

As outlined in *IDAPA* 16.05.03, "Rules Governing Contested Case Proceedings and Declaratory Rulings," your request for an appeal must be received by the Department or be postmarked within twenty-eight (28) days from the date of this letter. Your appeal must be made in writing and must include your name (or if the participant is a child, the participant's name), your address and phone number; please identify the benefit listed above that you receive, the remedy you are requesting, and a copy of this letter. Appeals should be delivered to the Administrative Procedures Section at:

ATTN: Hearings Coordinator
Administrative Procedures Coordinator
450 West State Street, 10th Floor
PO Box 83720
Boise, ID 83720-0036
Phone: (208) 334-5564
Fax: (208) 334-6558

Should you have questions about these benefit changes, call toll free (877) 200-5441 and we will connect you with the appropriate program staff.

Sincerely,

LESLIE M. CLEMENT
Administrator

LMC/ksl