

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, February 06, 2018

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Patrick, Vice Chairman Guthrie, Senators Martin, Thayn, Souza, Potts, Ward-Engelking, and Burgoyne

ABSENT/ EXCUSED: Senator Lakey

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Patrick** called the meeting of the Commerce and Human Resources Committee (Committee) to order at 1:30 p.m.

MINUTES APPROVAL: **Senator Thayn** moved to approve the Minutes of January 23, 2018. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

Senator Souza moved to approve the Minutes of January 25, 2018. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

RS 26043 **Oral Parity for Cancer Treatment.** **Senator Heider** stated the purpose of this legislation is to amend Idaho Code, Chapter 18, Title 41, by adding to Idaho Code § 41-1852, so that a health benefit plan's co-payment, deductible, or coinsurance amount for orally-administered anti-cancer medications is similar to those required of injected or intravenously administered anti-cancer medications. There is no fiscal impact to the General Fund as the bill does not extend to Medicaid.

MOTION: **Senator Martin** moved to send **RS 26043** to print. **Senator Souza** seconded the motion. The motion carried by **voice vote**.

S 1219 **Relating to Health Insurance.** **Senator Anthon** stated this legislation amends Idaho Code, Chapter 41, Title 41, relating to Joint Public Agency (JPA) Self-Funded Health Care Plans. The purpose of this bill is to allow the Director of the Idaho Department of Insurance (DOI) to waive the requirement for a JPA Self-Funded Health Benefits Plan to purchase aggregate stop-loss insurance when certain conditions are met. This bill will have no fiscal impact on the General Fund. JPA Self-Funded Health Care Plans are funded by member agencies using local tax dollars.

DISCUSSION: **Senator Martin** and **Senator Anthon** discussed the definition of stop-loss insurance and how the insurance related to a self-funded group.

TESTIMONY: **Amy Manning**, Executive Director, Idaho Independent Governmental Authority (III-A), remarked this bill is important to employers who are unable to afford quality health care benefits for employees. Currently, the requirement for a JPA Self-Funded Health Benefits Plan to purchase aggregate stop-loss insurance is costing public agencies an enormous amount of money.

Pat Riley, Northern Lakes Fire Protection District, reported after the agency joined III-A, three paramedics were hired and two vehicles were purchased. He stated the fire district has saved \$1 million. The bill is positive legislation.

MOTION: **Senator Burgoyne** moved that **S 1219** be sent to the floor of the Senate with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

S 1226 **Distribution of Local Tourism Grants.** **Bobbi-Jo Meuleman**, Director, Idaho Department of Commerce (DOC), stated the travel and tourism industry was Idaho's third-largest industry. Idaho tourism marketing and promotion activities were funded by a 2 percent travel and convention tax paid by travelers and collected by hotel, motel, private campgrounds, vacation rental, and bed and breakfast owners. **Ms. Meuleman** remarked revenues deposited in the travel and convention fund are split according to Idaho Code: 45 percent for local tourism grants, 45 percent for statewide tourism efforts, and 10 percent for State administrative costs. Local tourism grants are distributed to regions based on the total dollars collected by each region through the 2 percent lodging tax.

Ms. Meuleman advised the Idaho Travel Council (ITC) is an eight-member council appointed by the Governor. The ITC is charged with overseeing the distribution of local tourism grants to the seven planning regions throughout the State. Each county uses these dollars to market its region to business and leisure travelers throughout the country and, in some cases, to a worldwide audience. Key stakeholders in Camas County, currently in Region 7 (Blaine, Camas, Lemhi, Custer, and Butte counties), have requested to be grouped with Region 4 (Cassia, Gooding, Jerome, Lincoln, Minidoka and Twin Falls counties), as they believe this will result in better regional alignment of the county's limited tourism marketing dollars. **Ms. Meuleman** advised this legislation would not impact the General Fund. If approved, this change would shift approximately \$4,000 annually from Region 7 to Region 4 as part of the ITC grant program.

TESTIMONY: **Shawn Barigar**, President and Chief Executive Officer (CEO), Twin Falls Chamber of Commerce, testified in support of the bill and explained the initial request was two years ago. **Mr. Barigar** remarked he was excited to have legislation move forward.

Senator Stennett testified in support of the bill. **Senator Stennett** commented the bill was the best solution and best use of tourism dollars in all of the counties.

Representative Miller testified in support of the bill. He stated the change will better serve Camas County.

MOTION: **Senator Thayne** moved that **S 1226** be sent to the floor of the Senate with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

GUBERNATORIAL APPOINTMENT AND HEARING: The appointment of Bobbi-Jo Meuleman of Boise, Idaho, as Director of the Idaho Department of Commerce (DOC), to serve a term commencing January 1, 2018 and serving at the pleasure of the Governor. **Ms. Meuleman** reported that prior to being appointed by the Governor as the Director of the DOC, she held the position of Chief Executive Officer (CEO) for the DOC for one-and-one-half years. **Ms. Meuleman** reported she assisted the Director of the DOC in day-to-day activities, such as managing department staff, and general office operations, and promoting the State of Idaho. She oversaw business retention and expansion, community development, international business attractions and grants and fiscal teams. Prior to moving to the DOC, **Ms. Meuleman** explained she worked in the Governor's office for six-and-one-half years as scheduler and Deputy Chief of Staff. She began

her career in government in Washington, D.C., in 2004 working for Senator Conrad Burns for three years and Congressman Denny Rehberg for two years. **Ms. Meuleman** stated she has made a personal goal to find various ways to help close the gap, especially in rural Idaho, on the last mile of broadband connectivity.

GUBERNATORIAL APPOINTMENT:

Senator Burgoyne moved to send the gubernatorial appointment of Bobbi-Jo Meuleman as Director of the Idaho Department of Commerce, to the floor with the recommendation that she be confirmed by the Senate. **Vice Chairman Guthrie** seconded the motion. The motion carried by **voice vote**.

GUBERNATORIAL APPOINTMENT AND HEARING:

The appointment of Hyatt Erstad of Boise, Idaho, to the Idaho Health Insurance Exchange (Exchange) - Your Health Idaho (YHI), to serve a term commencing April 10, 2017 and expiring April 10, 2021. **Mr. Erstad** stated he has been in the insurance industry for the past 38 years. Currently, he is a Board member for YHI.

DISCUSSION:

Senator Thayne queried about closing the gap versus a dual waiver proposal and the costs surrounding premiums. **Mr. Erstad** noted that, if waivers are applicable and legislation passes, the DOI will be able to create some policies not required by the ACA.

MOTION:

Senator Ward-Engelking moved to send the gubernatorial appointment of Hyatt Erstad to the Idaho Health Insurance Exchange (Exchange) - Your Health Idaho (YHI), to the floor with the recommendation that he be confirmed by the Senate. **Vice Chairman Guthrie** seconded the motion.

DISCUSSION:

Senator Souza asked, if Mr. Erstad had a choice, what would health care look like in the United States. **Mr. Erstad** stated he would get rid of reporting requirements regarding employee benefits. He stated he was a proponent of the free enterprise system and that health insurance products should not have all of the demands of the Affordable Care Act (ACA). He remarked there needed to be a mechanism for those who fall into the gap.

Senator Burgoyne asked if Mr. Erstad would continue linkage between health insurance and employment. **Mr. Erstad** commented that with the ACA there are mandated requirements if an employer has 50 or more employees, which he would eliminate, along with reporting requirements.

GUBERNATORIAL APPOINTMENT VOTE:

The motion carried by **voice vote**.

GUBERNATORIAL APPOINTMENT AND HEARING:

The appointment of Arron White of Meridian, Idaho, to the Idaho Industrial Commission (IC), to serve a term commencing January 15, 2018 and expiring January 13, 2023. **Mr. White** explained the duties and mission of the IC. He stated his experience has been devoted to the representation of workers. He mentioned he had worked in the electrical trade and eventually became involved in the local union. **Mr. White** reported that, over the last 24 years, he has served as organizer, press secretary, executive board member, secretary/treasurer, and business manager of the International Brotherhood of Electrical Workers Local 291. He has been involved in various organizations, including the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO), where he has assumed the offices of executive board member, secretary/treasurer, and President of the AFL-CIO. **Mr. White** has served on the Workforce Development Council and the Advisory Committee of the IC.

DISCUSSION: **Senator Souza** noted there was no political affiliation listed on Mr. White's application and wondered if he had been selected for a particular partisan. **Chairman Patrick** remarked that political background was not pertinent. **Senator Souza** asked if there was a designated spot for a union representative on the IC. **Chairman Patrick** commented that the IC represents workers.

GUBERNATORIAL APPOINTMENT: **Senator Burgoyne** moved to send the gubernatorial appointment of Arron White, to the Idaho Industrial Commission (IIC) to the floor with the recommendation that he be confirmed by the Senate. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

GUBERNATORIAL APPOINTMENT AND HEARING: The appointment of Melinda Smyser of Parma, Idaho, as Director of the Idaho Department of Labor (DOL), to serve a term commencing October 23, 2017 and to serve at the pleasure of the Governor. **Ms. Smyser** stated she grew up on a farm and ranch in Middleton and is a lifelong resident of Canyon County. As Director of the DOL, she noted she leads an agency of 536 employees. **Ms. Smyser** reported the mission of the DOL is to connect business, education, and the workforce; link job seekers with employers; and help people with career and life transitions.

Ms. Smyser gave an overview of her background which included serving on the Parma School District Board of Trustees for 13 years. She noted she is a former educator/counselor with 30 years of experience in education, including developing and implementing a model school counseling program. **Ms. Smyser** indicated she also focused on grant writing and implementation of at-risk youth programs. She noted she is a small business owner, opening Capitol Cellars, a restaurant in downtown Boise, that showcases Idaho's political history. She represented Canyon and Gem counties in the Idaho State Senate for two terms, where she served on the Health and Welfare and Commerce Committees, and as Vice Chairman of the Agricultural Affairs Committee.

For the past five years, **Ms. Smyser** has served as U.S. Senator Jim Risch's Southwest Idaho Regional Director. **Ms. Smyser** has a bachelor's degree from the University of Idaho and a Master's degree in Education/Counseling from the College of Idaho. **Ms. Smyser** reported that, among her many honors, is the State Grand Old Party (GOP) Lifetime Achievement Award which she received in 2017. She is a Friend of Agriculture, an Idaho School Counselor of the Year, and founding member of the Mentoring Network. **Ms. Smyser** stated her greatest accomplishment in life is raising her four children and being married to the love of her life, Skip Smyser. In her leisure time, she enjoys travel, politics, and exercise.

DISCUSSION: **Senator Burgoyne** mentioned he was interested in the DOL program of placing unemployed workers with employers. He asked about the progress of this program. **Ms. Smyser** reported there is an excellent opportunity to help connect employees with colleges, resume writing, and job seeking skills. **Senator Burgoyne** and **Ms. Smyser** had a conversation about long-term versus short-term unemployment and the idea that some workers who are displaced do not want to work. The DOL requirement is that an unemployed worker must look for two jobs a week.

Senator Souza and **Ms. Smyser** had a conversation about health and wellness initiatives, Olympic Challenge through Blue Cross insurance, exercise class offerings at the workplace, and the exploration of all options.

**GUBERNATORIAL
APPOINTMENT:**

Senator Souza moved to send the gubernatorial appointment of Melinda Smyser, as Director of the Idaho Department of Labor (DOL), to the floor with the recommendation that she be confirmed by the Senate. **Vice Chairman Guthrie** seconded the motion. The motion carried by **voice vote**.

**PASSED THE
GAVEL:**

Chairman Patrick passed the gavel to Vice Chairman Guthrie to introduce the presenter for the rules review.

**DOCKET NO.
07-0402-1701**

Safety Rules for Elevators, Escalators, and Moving Walks. Gary Barnes, Industrial Safety Manager, Idaho Division of Building Safety (DBS), referred to the Incorporation by Reference items for this rule provided to the Committee.

DISCUSSION:

Vice Chairman Guthrie and **Senator Potts** praised Mr. Barnes for his hard work on the Incorporation by Reference summary.

MOTION:

Senator Martin moved to approve **Docket No. 07-0402-1701**. **Senator Thayne** seconded the motion. The motion carried by **voice vote**.

**PASSED THE
GAVEL:**

Vice Chairman Guthrie passed the gavel back to Chairman Patrick.

ADJOURNED:

There being no further business at this time, **Chairman Patrick** adjourned the meeting at 2:44 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary