

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 23, 2017

TIME: 1:30 P.M.

PLACE: Room WW54

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

ABSENT/ EXCUSED: None

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 Senate Commerce and Human Resources Committee (Committee) to order at 1:30 p.m.

MINUTES APPROVAL: **Senator Martin** moved to approve the Minutes of February 14, 2017. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

Senator Lakey moved to approve the Minutes of February 16, 2017. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

RS 25350 **Relating to Surplus of Self-funded Insurance Plans.** **Senator Thayn** provided background information and the rationale for this proposed legislation, the purpose of which is to make it easier to create self-funded health insurance plans. The proposed legislation adds to the current law giving authority to the Director of Insurance to extend a self-funded plan by up to 12 months to meet the minimum surplus requirements. All other requirements must be met.

MOTION: **Senator Thayn** asked for unanimous consent to send **RS 25350** to a privileged committee for printing. **Chairman Patrick** asked if there was opposition to the unanimous consent request. There were no objections.

S 1045 **Idaho Global Entrepreneurial Mission (IGEM).** **Megan Ronk**, Director, Idaho Department of Commerce (IDOC), reviewed the history of IGEM, a program created to support commercialization partnerships between Idaho's three research universities and private sector companies. Through the IGEM grant program, the IGEM Council (Council) invests in the development of new business and supports Idaho's research facilities, creating new products, companies, and high-value jobs while increasing the research capacity of Idaho's universities.

Ms. Ronk said the bill proposes a needed change in statute to provide authority to the Council to establish subcommittees, one of which is already operating, to provide strategic direction to the Council, to research policy issues, and to advise on funding decisions. Subcommittee members are drawn from the public, and this statutory change will ensure that subcommittee members are operating under the nature of State government when dealing with confidential information or any attorney/client privilege issues.

MOTION: **Senator Burgoyne** moved to send **S 1045** to the floor with a **do pass** recommendation. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

Relating to Telehealth Access. Senator Keough, disclosed a possible conflict of interest under Senate Rule 39(h). When not in legislative session, she works for the Associated Logging Contractors, a workmans' compensation insurance company and the Associated Logger's Exchange. She serves on the Associated Logging Contractor's Board as secretary.

Senator Keough said the purpose of the bill is to bolster the success of Idaho's Telehealth Access Act, Idaho Code §§ 54-5701 through 54-5713. The proposed legislation would allow for costs of telehealth services to be covered in the same manner and to the same extent as if the services were delivered in person.

Additionally, the proposed legislation is to aid in implementation of Idaho's Telehealth Access Act by: improving timely access to consultations without long travel and loss of work time; decreasing health care fragmentation which improves patient experience; reducing cost for patients and payers through better management of chronic disease and better access; increasing patient access to providers that might be otherwise unavailable due to distance; and improving health quality, equity, and affordability for all Idahoans.

DISCUSSION:

The focus of the discussion centered on costs, clarity of language, transparency and mandates.

Senator Martin expressed concerns with a sentence on line 12, "...same manner and to the same extent that the cost..." and wondered if the word "amount" would be better than "cost." He also had concerns about the implications of reimbursement requirements. He wanted to know if the examination and office visit would still be \$119 or would it be less. **Senator Keough** said that should this bill pass, insurance companies should negotiate with health care providers to arrive at a rate that means similar services would be reimbursed similarly whether the services are delivered in person or via telehealth.

Senator Burgoyne also questioned the language with respect to the word "cost" and said he felt there was a need for more specificity. He also expressed concern regarding geography as it related to costs, which could be higher or lower, depending on the location. He said the language could be read more than one way, which would be confusing. **Senator Keough** confirmed her openness to making changes or suggestions in wording to better clarify the intent of the legislation. She said the cost is relative to the same cost a health care provider has in delivery of services which is considered in establishing cost. This is the cost that the health care provider incurs, including facilities, overhead, staff, paperwork, and technical equipment. **Senator Burgoyne** wanted to know how a price could be determined in a system that seems to have over the years actively worked against individuals and is dependent on different contracts.

Senator Guthrie asked if the words, "another entity," signified a private payer and wondered if there would be a risk the cost would be higher for a patient who self-pays. **Senator Keough** did not have an answer to the question, but said there seemed like there was a disparity in price.

Senator Souza expressed concerns about the language, which she felt was too prescriptive and could limit a physician's flexibility to set their own rates. She also saw a need in the language for more transparency as to costs. **Senator Keough** explained the rationale for the legislation is a way to start a conversation about how this innovation could be used in a fair manner. She reiterated the language can be modified to provide more clarity.

Senator Thayn remarked he wanted to see the growth of telehealth. He suggested a conversation should take place about reimbursement rates categorized by self-pay, Medicaid, and insurance companies.

TESTIMONY:

Yvonne Ketchum-Ward, Chief Executive Officer (CEO), Idaho Primary Care Association, testified in support of the bill and discussed consultation costs, the difficulty of recruiting physicians in rural areas, and the benefits the legislation would provide.

Chairman Patrick asked if the intent of the bill was to tell insurance companies what to pay or the providers what to charge. **Ms. Ketchum-Ward** explained the legislation tells insurance companies to pay the provider the same amount as would be paid as if the provider saw the patient in person, which could be a range of fees, depending on the service.

Brian Whitlock, President and CEO, Idaho Hospital Association, testified in support of the bill. He said the hospitals throughout the State want to increase access to care while lowering costs, which he believes this bill accomplishes. His focus was on coverage and how the legislation would improve access to health care and help with costs. He offered to help with any language modifications.

Mr. Whitlock said the intent of the bill was to incentivize all entities involved to use technology. He said the details are complex and negotiable, and the bill is a means to move forward. He said he read the wording as more of a directive for the providers and carriers to get together and to work out the payment amounts. Patients may be willing to pay an extra co-pay amount to save hours of driving.

Neva Santos, Executive Director, Idaho Academy of Family Physicians, yielded her time to Dr. Ted Epperle.

Dr. Ted Epperle, Idaho family physician, CEO, Family Medicine Residency of Idaho, President of the Idaho Rural Health Association, and Chairman of the Board of the Idaho Healthcare Coalition, testified in support of the bill. **Dr. Epperle** stated that the Idaho Healthcare Coalition oversees the \$40 million grant that Idaho has been given to transform health care in the State. He said one of the seven goals is to help rural Idaho and everyone involved connect the dots for better health care for that population. He expressed the belief that the proposed legislation is a mechanism to further refine the good work done by Idaho's Telehealth Access Act. The intent of the language is to help everyone move forward. He said he did not believe this was a mandate or that a certain rate would be enforced. Telehealth is of value and that for an appropriate service that is provided, it should not matter under a plan whether or not it is provided in person or via telehealth. **Dr. Epperle** said that if providers and payers could be directed to come together for ease of use and transparency of how best to use telehealth in the State, countless numbers of lives would be helped and better health would happen at a lower cost.

Senator Thayn stated that if telehealth is a benefit, why should there be requirements. **Dr. Epperle** commented the purpose of telehealth is to ease people into the idea. There are many issues involved. **Dr. Epperle** said the bill should not be a mandate but an incentive to bring all participating entities together to resolve issues, making them as simple as possible to ensure everyone understands clearly and all are working on the same page.

Woody Richards, representing the American Family Insurance Company, Associated Loggers Exchange, and the Workers' Compensation Exchange, said he had no comment on the bill itself; however, he asked that the portion of the bill referring to workers' compensation be excluded from the existing legislation until such time as the Industrial Commission (Commission) could study the details. **Mr. Richards** said the Commission supports the continued study of continuing to work with the sponsor to find answers.

Chairman Patrick disclosed for the record that he is on the Industrial Commission Advisory Board, but did not feel that was a conflict.

Senator Lakey disclosed for the record that he is on the State Insurance Fund Board.

Stephen Thomas, representing the Idaho Health Plan Association (IHPA), testified in opposition to the bill. He said IHPA did not oppose telehealth itself, but did oppose the proposed legislation, which defines terms and specifies how a doctor/patient relation may be created remotely. IHPA read the bill as both a price and coverage mandate, thereby lessening market competition.

Chairman Patrick said that time constraints made it necessary to continue further testimony on **S 1058** until the next meeting on February 28 and invited Senator Keough and those still wishing to testify on the bill to return at that time.

GUBERNATORIAL APPOINTMENT: **Chairman Patrick** said the Gubernatorial Appointment of Senator Todd Lakey to the State Insurance Fund Board will be continued to the next Committee meeting of February 28, 2017.

ADJOURNED: There being no further business at this time, **Chairman Patrick** adjourned the meeting at 3:00 p.m.

Senator Patrick
Chair

Jeanne' Clayton, Assistant
Secretary

Linda Kambeitz, Secretary