

MINUTES
HOUSE HEALTH & WELFARE COMMITTEE

DATE: Thursday, February 27, 2014

TIME: 9:00 A.M.

PLACE: Room EW20

MEMBERS: Chairman Wood(27), Vice Chairman Perry, Representative(s) Hancey, Henderson, Hixon, Malek, Morse, Romrell, Vander Woude, Rusche, Chew

**ABSENT/
EXCUSED:** None

GUESTS: Dave Taylor, IDHW; Elizabeth Criner, ISDA; Stacey Satterlee, ACS CAN; Julie Taylor, Blue Cross; Marnie Packard, Pacific Source / IVC; Colby Cameron, Sullivan & Reeger/Dentaquest; Jim Baugh, DRI

Chairman Wood(27) called the meeting to order at 9:00 a.m.

MOTION: **Vice Chairman Perry** made a motion to approve the minutes of the February 12, February 13, February 17, February 18, February 20, and February 25, 2014, Committee meetings. **Motion carried by voice vote.**

HCR 43: **Rep. Paul Romrell**, District 35, presented **HCR 43**, a Resolution recognizing the importance of oral health for all Idahoans. He described the various Idaho programs addressing children's oral health. Poor oral health care, as has been demonstrated by the removal of Medicaid dental health benefits, has a costly general health impact.

Elizabeth Criner, Idaho State Dental Association, testified in support of **HCR 43**. Dentists are committed to building the awareness of community oral health issues through initiatives. This legislation helps dentists further educate communities about the relationship between a healthy mouth and a healthy body.

Stacy Satterlee, American Cancer Society, Cancer Action Network, testified in support of **HCR 43**. Oral health is often taken for granted and can be a sign of systemic diseases, which early detection and treatment can be resolved. Cancer treatments can also intensify minor oral health issues. This resolution will improve the cancer patients' quality of life by raising awareness of oral health, daily health and our daily lives.

For the record, no one else indicated their desire to testify.

MOTION: **Rep. Hancey** made a motion to send **HCR 43** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Romrell** will sponsor the bill on the floor.

H 519: **Rep. John Rusche**, District 6, presented **H 519**, legislation that addresses the Mental Health Board request and concern about therapeutic services disrupted by the transport between facilities by the common use of restraints. The change directs transport without restraints, if instructed by the releasing physician. Recognizing that restraints may be necessary during a transport, the officer is allowed use of restraints, but must log the use.

Responding to questions, **Rep. Rusche** said most patients transported from a private hospital to a state hospital are in the custody of the state, which uses court commitment transport by police officers. The type of restraints are typically handcuffs, but could include leggings.

Jim Baugh, Executive Director, Disability Rights Idaho, testified in support of **H 519**. Surveys from mental health individuals indicate their desire to not have restraints used as a standard procedure for transport. Restraints decrease the effectiveness of mental health treatment and hinder recovery ability. This bill gives the Doctor in charge of the transfer control of the situation, unless the officer decides otherwise, at which time a report is filed for the patient records.

For the record, no one else indicated their desire to testify.

MOTION: **Vice Chairman Perry** made a motion to send **H 519** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Rusche** will sponsor the bill on the floor.

H 527: **Rep. Ed Morse**, presented **H 527**, legislation that mandates the Department of Health and Welfare (DHW) adopt technological tools to investigate, audit, and control fraud in public assistance programs, with an implementation criteria. It requires use and adoption of the National Correct Coding Initiative (NCCI) for more service detailed coding, a recovery audit contractor, and cost benefit analysis of public assistance reward program. It also requires the DHW annually report to the germane Legislative Committee.

Responding to questions, **Rep. Morse** said the DHW is currently working with a recovery audit contractor program. Both NCCI and the Medicaid Management Information System (MMIS) are in use. The screening audit data collection analytics vary, based on software and data availability.

MOTION: **Rep. Hixon** made a motion to send **H 527** to the floor with a **DO PASS** recommendation. He spoke to the motion, saying we need to be good Idaho tax dollar stewards, especially where data analytics can drive the oversight of these functions and the cost is revenue neutral.

Rep. Morse, answering questions, said the activities are handled within the Department, except the external audit recovery contractor used to identify and recover overpayments. This type of contractor has been used in the past and is paid on a contingency fee basis. The Department indicates a cost associated with data system enhancements. The cost neutrality is from DHW analysis that implementation cost would be offset by increased future recovery.

Dave Taylor, Deputy Director, DHW, Medical and Welfare Fraud Unit, was invited to answer Committee questions. He said the Department is already doing the work listed in the bill. Depending on the DHW decision, the reward and recovery program costs would be covered by recoveries. The Medicaid Program Integrity Unit, with 16 staff members, has a 2013 recovery rate of over \$1 million beyond the unit's cost. A contractor, brought in approximately eighteen months ago, has been used in a limited fashion, with strict Department parameters. He was unaware of how this compares with other states. Answering a question, he expressed appreciation of the legislation's intent, but it does not change what they are already doing.

For the record, no one indicated their desire to testify.

Rep. Morse explained the legislation lays out a protocol and a series of programs for the Department to follow, including reporting their anti fraud successes and effectiveness to the germane committees and the public.

VOTE ON MOTION: **Chairman Wood(27)** called for a vote on the motion to send **H 527** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Chew** requested she be recorded as voting **NAY. Rep. Morse** will sponsor the bill on the floor.

H 535:

Rep. Janet Trujillo, presented **H 535**, legislation to limit the responsibility of the State Catastrophic Health Care Cost Program (CAT) and the County Medical Indigency Program to cover only those individuals whose income is below 100% of the federal poverty level (FPL). She gave a history of the indigent program, noting the intent that they are the payor of last resort. She then described Cobra's impact on hospitals, Idaho's CAT fund program, the Affordable Care Act (ACA) catastrophic coverage, and how subsidies help make health insurance affordable. She compared Medicaid, county, and CAT fund payouts to the monthly cost for healthcare through the ACA, noting the many options and better preventative care available under that program. The estimated cost savings are \$12 million to the State General Fund and nearly \$6 million to the counties.

Rep. Rusche, a CAT Fund and Health Care Exchange Board Member, commented that the CAT Fund pays 95% of the Medicaid interim rate. It is the individual's responsibility to pay the premium and any additional co-pay connected with their product.

Tony Poinelli, Idaho Association of Counties, was invited to answer a question. He said the term "in need" is in line with individuals with a non-emergency medical need or prior application. The CAT Fund applications are all reviewed by a medical reviewer.

MOTION:

Rep. Hixon made a motion to send **H 535** to the floor with a **DO PASS** recommendation.

Rep. Trujillo responded to a question, stating anyone choosing not to have insurance would fall under COBRA, placing the burden back on the hospital system, whose business models include this type of patient. A study of 1,300 CAT Fund cases yielded the state and county fiscal calculations.

Katherine Mooney, Program Director, CAT Fund Program, was invited to further answer the question. She said the sample of cases were broken down with the help of a DHW staff member, determining that 60% were above and 40% were below 100% FPL. The group addressed in this legislation are financially stable, but have made the choice not to have insurance.

Jim Baugh, Disability Rights of Idaho, testified in **support** of **H 535**, because people with disabilities, mental illnesses, or veterans with non-service disabilities, can have incomes exceeding 100% FPL, although not employed full time. Medicare requires a two-year qualification waiting period. These individuals need to transition into the insurance exchange, which may not happen before the January, 2016, enactment date. He expressed support for the transition away from the CAT Fund, but expressed concern with predicting what will happen with the ACA in two years.

For the record, no one else indicated their desire to testify.

Answering further questions, **Rep. Trujillo** said persons awaiting Medicare would be exempt from the indigency program, but would have the ACA emergency provisions, so they would not be vulnerable.

Rep. Rusche expressed his concern that this forces greater state dependency. Individuals can pay a fee rather than obtain insurance and be legally ACA compliant. This would cause provider cost shifting to commercial insurers, especially since Medicare and Medicaid rates cannot be increased. In absence of true Medicaid expansion, people will be on and off the CAT Fund when their FPL level fluctuates, causing separation of claims treatment. He expressed further concern that the cost savings will not be as much as indicated, upon federal Medicaid expansion funding. Finally, Rep. Rusche pointed out the hospitals and carriers, who will have to face the cost shift, were not at the hearing to testify today.

Chairman Wood(27) said individuals who are informed and understand the cost of a policy, which could be free, will sign up. There will be two open enrollment periods before the enactment date. This legislation starts the state down the road to Idaho's version of its indigent healthcare system redesign by putting everyone who is not disabled in the private sector with insurance. ACA is affordable to the patient, not the taxpayer, which is what was intended. He agreed with concerns about the future, but expressed his confidence that it is a step in the right direction.

VOTE ON MOTION:

Chairman Wood(27) called for a vote on the motion to send **H 535** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Rusche** asked to be recorded as voting **NAY.** **Rep. Trujillo** will sponsor the bill on the floor

ADJOURN:

There being no further business to come before the Committee, the meeting was adjourned at 10:22 a.m.

Representative Wood(27)
Chair

Irene Moore
Secretary