

**AMENDED #1 AGENDA  
HOUSE HEALTH & WELFARE COMMITTEE  
1:30 P.M.  
Room EW42  
Wednesday, January 12, 2011**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	Organizational Meeting	
	<b>Calendar Items</b>	
	<b><i>Galen Institute Conference Call</i></b> Thursday, January 13th 10:00 a.m. to 12:00 p.m. EW12	
	<b><i>JFAC Committee Meeting</i></b> Monday, January 17th 8:00 a.m. WW02	
	<b><i>JFAC Committee Meeting</i></b> Wednesday, January 19th 8:00 a.m. WW02	
<b>Medicaid Presentation</b>	<b><i>Joint House Senate Committee Meeting</i></b> Thursday, January 20th 3:00 pm WW02	
<b>Medicaid Presentation</b>	<b><i>Joint House Senate Committee Meeting</i></b> Monday, January 24th 3:00 pm WW02	

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Janice McGeachin  
Vice Chair Carlos Bilbao  
Rep Thomas Loertscher  
Rep Paul Shepherd  
Rep Steven Thayn  
Rep Fred Wood  
Rep Jim Guthrie  
Rep Ken Roberts  
Rep John Rusche  
Rep Susan Chew

COMMITTEE SECRETARY

Irene Moore  
Room: EW14  
Phone: (208) 332-1138  
email: imoore@house.idaho.gov

MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Wednesday, January 12, 2011

**TIME:** 1:30 P.M.

**PLACE:** EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:**

**GUESTS:** Bob Uebelher, Connolly & Smyser; Victoria Johnson, Mary Gautier, Jackie Jermann, Health Systems Agency (IHSA); Daniel Wolf, IAGE SEIV/NAGE; Ryan Fitzgerald, Principle Strategic.

With a quorum present, the meeting was called to order at 1:35 p.m. by **Chairman McGeachin**.

**Chairman McGeachin** welcomed the members and guests and introduced the secretary, **Irene Moore** and page, **Nayar Barron**. The Chairman invited each member to give a brief introduction.

**Chairman McGeachin** discussed the rules process emphasizing review by committee without subcommittee formation and joint hearings with the Senate Health & Welfare Committee. The Chairman noted that welfare rules are going to the House Commerce & Human Resources Committee.

**Chairman McGeachin** briefly discussed online review of rules and the need for laptops at each meeting, indicating hard copy requests be directed to Irene. The Chairman pointed out that by taking this step the committee saves \$5,000 and lots of trees. The Chairman asked the members to note a 3:00 p.m. presentation by the Idaho Department of Health & Welfare to the Senate Health & Welfare Committee in room WW54 on accessing online rules.

**Chairman McGeachin** discussed the rules of conduct and cell phones.

**Chairman McGeachin** then discussed the need to keep debates cordial and limit personal commentary to legislation currently before the committee.

**Chairman McGeachin** discussed briefly the committee meeting on Fridays and the upcoming meeting on January 14th.

**Chairman McGeachin** discussed the committee's focus, responsibilities, and goals this session are to reduce health care costs and become educated about federal health care law and Medicaid budget.

**The Chairman** discussed calendar items listed on the agenda and how they pertained to the committee's focus, responsibilities and goals.

**Chairman McGeachin** presented information on the healthy eating pyramid and its relationship to health care and medical issues.

**Representative Wood** asked to be excused from JFAC and Chairman McGeachin agreed to make the request.

**Representative Rusche** inquired about recording the conference call from the Galen Institute on January 13th. **Chairman McGeachin** directed the secretary to make the necessary inquiries to determine if it would be possible.

**Chairman McGeachin** then asked **Vice Chairman Bilbao** to say a few words to the committee.

**Representative Roberts** inquired about other national groups sharing information on the health care issues. Discussion followed. The committee agreed to keep each other informed of any conventions or conference calls they learn about.

**Chairman McGeachin** closed with comments.

**Adjourn**

There being no further business to come before the committee, the meeting was adjourned at 2:00 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

AGENDA  
**HOUSE HEALTH & WELFARE COMMITTEE**  
1:30 P.M.  
Room EW42  
Friday, January 14, 2011

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	<b><u>Board of Pharmacy</u></b>	
<b>27-0101-1001</b>	Remove unnecessary language.	Mark Johnston, R.Ph. Executive Director Board of Pharmacy
<b>27-0101-1002</b>	Changes to definitions, record keeping requirements, and medication administered in emergency resulting from vaccine administration.	
<b>27-0101-1003</b>	Removal of Rule 358	
<b>27-0101-1004</b>	Data collection on controlled substances	
<b>RS 19960</b>	Electronic prescribing.	
<b>RS 19964C2</b>	Amended naturopathic formulary	
<b>RS 19965C2</b>	Out-of-state mail service pharmacy review and counseling requirements	
<b>RS 20005</b>	Update on controlled substance	
<b>RS 20006</b>	Limited prescription by pharmacist	

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Rep John Rusche

Rep Susan Chew

MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Friday, January 14, 2011

**TIME:** 1:30 P.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** Representative(s) Loertscher, Shepherd

**GUESTS:** Travis Drake, House Republican Caucus; Dennis Swanson, Rules Coordinator; Tony Smith, Sullivan Reburger & Eiguren; Emily Patchin, Gallatin Public Affairs; Benjamin Davenport, Max Pond, Risch Pisca; Lincoln Smyser, Bob Uebelher, Connolly & Smyser; Pam Eaton, Idaho Retailers Association; Berk Fraser, RPH, Fred Meyer Pharmacy; Ed Hawley, Admin. Rules

Meeting was called to order at 1:32 p.m. by **Chairman McGeachin**.

**MOTION:** **Representative Wood** moved to approve the minutes of January 12. **Motion carried on voice vote.**

**Chairman McGeachin** called the committee members' attention to the copy of the Idaho Department of Health & Welfare *Facts | Figures | Trends 2009–2010* booklet in their meeting folders.

**Docket No. 27–0101–1001:** **Mark Johnston**, Executive Director of Idaho State Board of Pharmacy, presented **Docket No. 27–0101–1001**, which deals with terminology changes and clarification of the use of e-prescribing and paperless systems. The proposed changes would also bring the rule into alignment with federal law and reduce confusion with what is listed on the face of refills. *Written* includes electronically written, and *Paper prescription* refers to hard copy of any prescription. Additional changes allow for labels to include quantity, expiration date and refill requirements, documentation of transfers of prescriptions, partial refills and electronic transfers of controlled substances.

Responding to committee questions, Mr. Johnston indicated that in the event of a pharmacy manager leaving, inventory would be taken immediately and the annual cycle time frame would change accordingly. He also indicated *all previous refills* refers to refills of the prescription in question.

**MOTION:** **Rep. Wood** moved to approve **Docket No. 27–0101–1001**. **Motion carried on voice vote.**

**Docket No. 27–0101–1002:** **Mr. Johnston** then presented **Docket No. 27–0101–1002**, to allow immunization by Pharmacist. The existing rule does not address how they obtain authority to administer immunization. Immunizations are occurring regularly at large pharmacy chains such as Albertson's, Fred Meyer's, and Walgreens, especially for influenza vaccinations.

In response to concerns expressed by committee, Mr. Johnston explained that the Board had considered restrictions on immunizations, but since they had been allowed previously without restriction, they chose not to impose any at this time. He also indicated that recent concern with pharmacy immunization and children ages 2–5, who might have adverse reactions, brought to light situations where the vaccine was administered by someone with improper training. He further stated that current practices are consistent with those required by CDC (Centers for Disease Control) and the proposed rules improve current practices. Costs would increase with training programs that are currently being developed. Additional cost savings could be realized for Central District Health since there would be no doctor-office related charges.

**MOTION:** Rep. Rusche moved to approve **Docket No. 27–0101–1002. Motion carried on voice vote.**

**Docket No. 27–0101–1003:** Mr. Johnston then presented **Docket No. 27–0101–1003**, which is a rules rewrite project to clear a conflict with Idaho Wholesale Drug Distribution Act of 2007 pertaining to Veterinary drug outlets. Letters have been sent to all registered Idaho veterinary drug outlets notifying them to obtain wholesale distributor licenses.

**MOTION:** Rep. Roberts moved to approve **Docket No. 27–0101–1003. Motion carried on voice vote.**

**Docket No. 27–0101–1004:** Mr. Johnston went on to present **Docket No. 27–0101–1004**. This docket covers data collection on controlled substances and access of pharmacists to the current internet database. Such access would curb doctor-shopping activity which is used for the purpose of obtaining numerous prescriptions of the same substance. Also addressed in this rule are pharmaceutical distribution by machines in doctors' offices and resulting incomplete patient profiles.

In answer to questions from the committee, Mr. Johnston stated that the reporting occurs weekly and takes 8–13 days to appear on the system and although not required that doctors and pharmacists use the database, the number of hits (171,600 in 2010) indicates there is a lot of action. He also said that it had been presented to the Board of Medicine and the physicians will be notified by an article in their monthly newsletter, which is more effective and less expensive. It will also be posted on the actual website. No action is being taken at this time to require dispensing practitioner registration and set up inspections and reviews, but could be pursued at a future date.

**MOTION:** Rep. Chew moved to approve **Docket No. 27–0101–1004. Motion carried on voice vote.**

**RS 19960:** Mr. Johnston presented **RS 19960** which contains nine rules for electronic prescribing of controlled substances and would change two statutes. Changes refer to terminology changed for electronic use : *written in ink or indelible pencil* and regulates the blanks or forms upon which to write controlled substances.

**MOTION:** Rep. Thayn moved to introduce **RS19960. Motion carried on voice vote.**

**RS 19964C2:** Mr. Johnston then presented **RS 19964C2** which cleans up terminology and updates Idaho Code that doesn't list drug outlets needed for licensing. Definitions and other housekeeping changes make an act that is easier to navigate.

**MOTION:** Rep. Rusche moved to introduce **RS 19964C2. Motion carried on voice vote.**

**RS 19965C2:** Mr. Johnston went on to present **RS 19965C2**, with proposed changes that separate drug review from counseling requirements. Allows patient to refuse counseling and dispensing prescriber to perform review and counsel. There are no changes or affect to mail service pharmacies.

In response to questions from the committee, **Mr. Johnston** indicated that counseling from mail order pharmacies are regulated by the Out-Of-State Mail Service Act and, after presentation by the Mail Service Board, any implication of mail service pharmacies were taken out of this statute.

**MOTION:** **Rep. Rusche** moved to introduce **RS 19965C2. Motion carried on voice vote.**

**RS 20005:** **Mr. Johnston** went on to present **RS 20005** which is an update of the schedule of controlled substances to federal regulation.

**MOTION:** **Rep. Wood** moved to introduce **RS 20005. Motion carried on voice vote.**

**RS 20006:** **Mr. Johnston** presented **RS 20006** which changes the definition of *practice of pharmacy to limited prescription by pharmacy* and applied to prescriptions and pharmacy education. He then gave the example of cough syrup with codeine which is seldom sold due to the possibility of violating the one-per-48-hours regulation since there is no way of determining if additional prescriptions have been filled in that time frame. The database would capture prescriptions of such a substance and deter purchase for illegal purposes, while allowing the pharmacist to dispense on a legal level. Additionally, the patient would not incur doctor's office visit cost.

In response to questions from the committee, **Mr. Johnston** further stated that pharmacists would not be able to determine through the database whether any other prescriptions had been filled within the 8–13 day database update time frame, but they would be able to see trends of abuse.

**MOTION:** **Rep. Wood** moved to introduce **RS 20006. Motion carried on voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 2:47 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

**JOINT  
 HOUSE HEALTH & WELFARE COMMITTEE  
 AND  
 SENATE HEALTH & WELFARE COMMITTEE  
 AND  
 JOINT FINANCE APPROPRIATIONS COMMITTEE**  
**8:00 A.M.**  
**WW02**  
**Monday, January 17, 2011**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<b>8:00 - 8:15</b>	Health & Human Services Overview	Amy Johnson Principal Budget & Policy Analyst Department of Health & Welfare
<b>8:15 - 9:00</b>	Department of Health & Welfare Overview	Richard Armstrong Director Department of Health & Welfare
<b>9:00 - 9:45</b>	Medical Assistance Services - Medicaid	Leslie Clement Medical Administrator Division of Medicaid
<b>9:45 - 10:00</b>	Break	
<b>10:00 - 11:00</b>	Medical Assistance Services - Medicaid	Leslie Clement

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 Rep Loertscher  
 Rep Shepherd  
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 Rep Wood(27)  
 Rep Guthrie  
 Rep Roberts  
 Rep Rusche  
 Rep Chew

COMMITTEE SECRETARY

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MINUTES  
JOINT MEETING  
**HOUSE HEALTH & WELFARE COMMITTEE  
SENATE HEALTH & WELFARE COMMITTEE  
AND  
JOINT FINANCE APPROPRIATIONS COMMITTEE**

**DATE:** Monday, January 17, 2011

**TIME:** 8:00 A.M.

**PLACE:** WW02

**HOUSE MEMBERS:** Co-Chairman McGeachin, Representative(s) Bilbao, Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**SENATE MEMBERS:** Co-Chairman Lodge, Senator(s) Broadsword, Darrington, Smyser, Heider, Vick, Nuxoll, Bock, Schmidt

**JFAC MEMBERS:** Chairman Bell, Senator(s) Cameron, Keough, Broadsword, Bair, Brackett, Mortimer, Toryanski (Batt), Heider, Bilyeu, LeFavour; Representative(s) Bolz, Eskridge, Wood(27), Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet

**ABSENT/ EXCUSED:** Representative(s) Patrick, Shepherd

**GUESTS:** Bob Uebelher, Lincoln Smyser, Connolly & Smysor; Joy Cameron, Cheryl Hammach, A New Leaf/ IADDA; Moriah Nelson, Idaho Primary Care Association; Todd Dvorak, Associated Press; Pan J .Spannknebel, Health & Welfare; Robbi Barrutia, SILC; Dave Goins, Idaho News Service; Benjamin Davenport, Risch Pisca; Tammy Perkins, Lindsay Russell, Governor's Office; Denise Chuckovich, IPCA; Karen Rush-Wilson; Paula Marcotte, MHPAI; Kurt Stembridge, GSK; Kathie Garrett, Partners in Crisis; Jim Bauud, Disability Rights of Idaho; Jason Lowry, IADDA/CCI; Debbie Poole, Nenna Smith, Tomorrow's Hope; Ben Botkin, Times-News; Clark Corbin, Post Register; Sharon Harrigfeld, IDJC; Diana Cox, Jeremy Chan, Givens Pursley; Jim Hammond, Senator; Steve Millapo, Idaho Hospital Association; Mindy McFarland, Katherine Hansen, Community Partnerships; Drew Hall, Quane Kenyon, Richard Roberge, Sara Stover, Dick Armstrong, Leslie Clement, Dick Schultz, Jodi Osborn, Dave Taylor, Department of Health & Welfare; Mary Niland, WITCO/Accses Idaho; Fred Riggins; Tina Jensen, KIVI; Kara Veit, Idaho Public Television; Jeff Church, Veritas Advisors; Kris Ellis, Bentor/Ellis Association; Dan Popkey, Brian Murphy, Idaho Statesman; Betsy Russell, Spokesmen Review; Dustin Hurst, Idaho Reporter; Brooke Hetmer, JFAC Intern; Roger Sherman, Idaho Children's Trust Fund; Mike Brassey, St. Luke's Health System; Richard Kinney, BSU; Matt Malek, Jeremy Pisca, Max Pond, with Risch Pisca; Akira Keller; Zach Edenfield; Rob Owens.

Meeting was called to order at 8:01 a.m. by Chairman Bell.

**Amy Johnson**, Principle Budget and Policy Analyst, Legislative Services Offices, presented an overview of the Health and Human Services budget for 2011 and recommendations for 2012. She detailed the 12 Divisions with 25 programs under each Division. She then explained how the budget was developed, with comparisons in Medicaid costs for 2011 general funds and 2012 forecast versus budget. She stated there is an \$84M gap in the forecast versus budget for 2012, with a general fund portion of \$25M.

Ms. Johnson moved on to discuss **HB 710** and its legislative intent regarding appropriations and indirect support services. Medicaid pricing increases were frozen, and temporary program flexibility was included. She further discussed the pricing and benefit modification priorities. Pricing modification priorities included no increase in reimbursed Medicaid rates. adjustments to overpayments, negotiation with providers to achieve pricing reductions, and reduction of prices in other areas. Benefit modification priorities included adjustment of minor benefit changes, implement managed care and selective contracts, implement a prescription drug plan, explore Medicaid waivers, implement waiting lists for nonessential services and a standardized assessment for services, eliminating self referral. She also said all changes will be forwarded to the respective Committees and JFAC.

In other states, according to a Kaiser survey on cost containment actions, provider eligibility was still restricted. The largest area of concern was provider payments; Ms. Clement noted the physician, hospital, nursing home, and dental rates. She also mentioned the finding that managed care rates decreased when provider care rates were reduced. Other significant rate changes were seen in Iowa, Kansas, Louisiana and Oklahoma. Many of the Managed Care Organization rate adjustments were from states cutting rates, due to reductions in provider rates. Most states have at least one provider tax that can be used. Idaho has an inpatient and nursing home provider tax. Co-pays, which differ from state to state, offer the provider the challenge of collection, which actually reduces the provider rate.

Many states have cost containment measures for pharmacy controls. The prescriptive controls would carve out or add in maximum allowable costs for managed care. Benefit reductions for major services were outlined, including: dental; imaging; medical supplies or durable medical equipment; personal care; and occupational, physical care or speech therapy. For managed care changes, the dual eligibility area is not allowed to be changed.

Ms. Johnson shared information about the Medicaid Addendum with service categories that set forth the rate of pay guidelines, by federal or state rule. A detailed forecast summary has been prepared by the Health and Welfare Department and is available online. It includes a breakdown of State spending by areas, from child to adult, the most expensive to the least, by category. There were 11 top service categories with underlying costs listed for in-patient hospital care and also therapy.

In response to questions, Ms. Johnson explained that State Medicaid Directors can self-assess and tax themselves to generate more money in matching the state funds; this is allowed at the federal level. She clarified that State access requirements haven't changed for Health and Human Services, but CMS is expected to issue new rules handling this and provider payment reduction. Federal payments coming to the states may be a stop-gap for now. She will look at providing Idaho with a list of policies that other states employ, which may be of use.

**Richard Armstrong**, Director of the Department of Health and Welfare, presented an overview of policies, along with colleagues Dr. Richard Roberge and Quayne Kenyon. They are requesting increases for fiscal year 2012 to benefit Idaho citizens. This is 30% higher than 2008. Medicaid is the main challenge to their budget. Their human services costs are driven by the economy and program eligibility criteria.

Enrollments are on the increase, specifically Medicaid and food stamps. Food stamps are based on household income, with a maximum per year of \$29K. The State's role is determining eligibility and continuing oversight of each case. In 2007, 87,104 people were on food stamps, with a 256% increase in 2010. Of the \$2.3B allotted, Medicaid accounts for \$1.8B of that amount.

Mr. Armstrong detailed the budget reductions impact on their employees, caseloads and staff reductions. Their Department has redesigned and streamlined many processes to handle 75% of cases on the same day as the participant's application was submitted. Technology has helped to relieve some work load, including a system to route calls from the main office to workers available in offices in other areas. However, even with these improvements, the Department is still struggling. Exit interviews reveal pay and workload stress as their primary reasons for leaving.

The Medicaid Trustee and Benefits budget increased by 39% and continues to grow, with problems that range beyond the Medicaid program. To balance the request for fiscal year 2012, there is a need for an increase in utilization with managed care is a priority. The Department will strive to improve quality and outcome instead of paying for more procedures. Other options would be to appropriate more money or reduce costs, such as pricing, services, and number of people enrolled in Medicaid. New enrollees are typically children in low-income families and the monthly cost of covering these relatively healthy children is \$170. However, a child with a disability costs \$1,200 per month. Monthly figures per adult with special needs are \$1,500 to \$1,800. The challenge is to contain costs for those who are elderly or developmentally challenged.

Another concern discussed was low reimbursement rates and providers refusing services for patients. A realistic option is to preserve core life or death services by reducing community support services. The Department can evaluate support services or look to other entities to help enhance the quality of life that they no longer have resources to serve. Families may need to step up and help their loved ones take care of needs that Medicaid has covered in the past. In this way, the Department could still preserve critical core services that the community and family cannot provide.

In response to questions, Director Armstrong clarified that a robust volunteer program used to exist to help people without family or others in their lives. He believes that this program fell away as services were provided by the Department. Emergency medical care services are delivered by a majority of volunteers, although finding necessary special skills is a challenge. Department personnel are not available to organize such associations, so this would fall to each community.

Regarding the possibility of implementing a random drug testing program, the Director commented that the Department has completed a lengthy study and details will be forthcoming. One finding was that the restriction on adults has an effect on any children in the household. They also determined that some programs cost more than the actual reduction in expenses. However, this is not a clear cut across all programs.

Director Armstrong addressed volunteering in areas that have a liability of lawsuits. Many volunteers are not providing therapeutic services, but instead simply offering observations. If a person is reported as being agitated and struggling, someone could contact the Department, which would then respond. Many family members of such individuals have demonstrated much commitment and provided care, while others are not able to provide that same level of care due to a variety of reasons. There was concern expressed at the lack of volunteers in such instances, who were trying to provide needed resources for troubled individuals, but getting burned out and leaving. The number of volunteer hours has to be sustainable. This type of outreach is necessary without criminalizing the mentally handicapped and elderly. He clarified that the State has been able to maintain an acceptable level of federal errors and is not at risk of penalty.

Regarding a possible fee for service and greater match money from the federal government, the Director responded that mental health services are complicated, as adult mental health is provided through the State, and children's mental health is contracted out. He then discussed the issues administering federal money and the Medicaid model, including medication management.

In response to a question about maintaining federal eligibility, the Director answered that each State has differing numbers of Medicaid customers and dollar amounts for spending. He would like to see this move to a managed care environment, instead of a fee-for-service program, which would mean separating the social services from the medical model. The Department is looking at volunteers from the private sector to pay for consultants and education. This necessitates the consultants' understanding of Idaho's position, not focusing on other parts of the country whose programs differ.

Director Armstrong elaborated on changes implemented with Assertive Community Treatment teams, in recognizing a crisis before it occurs. The Department would first question if the individual has insurance coverage and look at the known risk factors, so the service levels wouldn't change. He acknowledged that it is difficult to predict behaviors, especially with mental illness. The protocol indicates logic and reasonability, and to watch how individuals respond. The basic objective is not to jeopardize public safety. Caseloads and waiting lists are growing for substance abuse and mental health services and may require waiting for court-ordered hospitalization. Substance treatment has a limited budget and there is a triage process of assessing cases before admitting individuals into treatment. The Department is unable to provide substance treatment services to everyone who needs it, but is trying to reduce the initial entries for their review. Even those with private insurance for such services would need to be looked at on an individual-by-individual basis.

Director Armstrong explained that in the last ten years, pharmaceuticals have improved the functionality of individuals with mental health issues. Group homes and community supports have increased dramatically. The more critical issue regards those who are already in a stable living environment and how to manage the services they receive. The Department's dilemma is deciding which services they will be able to continue to support, keeping in mind the present inequalities of the system and striving for an improved health care model.

**Ms. Leslie Clement**, Administrator for the Division of Medicaid, presented on the Administrative Budget, as well as Second Trustee and Benefit payments. She stated that administrative costs are down, from 3.8% to 3.1% of their budget, with Medicare administrative costs accounting for 5% and private health plans higher at 8-18%. They are suffering key staff losses with their Financial Operations Bureau Chief going to the private sector, the Developmental Disability Services Bureau Chief retiring at the end of January, and other staff expected to retire, at a time when caseloads are increasing. 80% of the budget is used for contracted services, including federally mandated activities, rents & other costs, plus employee travel for federally mandated licensing and certification. The personnel that oversee regulatory activities account for the remainder of the budget. Staff costs were matched 50/50 by federal funds, with nurses and certain licensing certifications at a slightly higher match. Operating costs were matched at rates between 50% and 75%.

Ms. Clement outlined the workforce reduction impact. 15 individuals were laid off and 13 additional positions were frozen in the Division. The Adult Developmental Disability Program had a 5% increase in caseload, with a staff reduction of 13%. The Pharmacy staff is also down from 11 to 8. Whereas most medical authorizations in 2009 were completed within 24 hours, they now take 48 to 72 hours. The medical staff is concerned about this delay in medications being approved. Most medical services, developmental disabilities benefits, and long term care supports are delayed. A recent Federal audit found the State out-of-compliance for plans not being authorized within required timeframes.

There are many good job candidates for the vacant positions, but there is a tremendous learning curve. The lack of staff has decreased customer response time by 30%. Licensing & Certifications are behind across the State. This affects nursing facilities, hospitals, clinics and assisted living facilities who are all impacted by the inability of the Department to respond in a timely manner to requests and complaints. Staff feedback indicates that morale is generally good in spite of the challenges presented. They are concerned about further budget reductions and the fact that many of the staff are taking on second jobs.

Ms. Clement gave figures for the 2011 Supplemental Budget. Their request is to restore the General Funds Operating Budget at \$847.1K. This includes across-the-board reductions and shifts from operating to personnel budgets. 86% of the Operating Budget is in contracted costs. They are also collaborating with Utah to obtain a Children's Healthcare Improvement Fund Grant, which will address healthcare delivery issues and the fragmentation or lack of data communication with Utah. This mostly affects Eastern Idaho. In the 2012 Operating Budget, the spending authority for the UT HIT grant is \$400K. The General Fund increase to this budget is approximately 6%.

In response to various questions, Ms. Clement remarked that the Health and Welfare staff will have a great challenge to meet the current demands and intensive work will be required from contractors. She also clarified that the grant for Idaho and Utah's Health Data Exchange does indeed comply with new federal healthcare requirements. Regarding the existing statutes that give the Department of Health and Welfare authority to provide benefits, Ms. Clement said that they have been through zero-based budget exercises in detail. The Medicaid program drives so much of what they do, which is a federal mandate. The challenge is how to meet these federal and state requirements with their existing staff. One of the problems is service utilization and people taking advantage of the system. The Department can urge healthcare providers to decline making appointments for services that they deem as medically unnecessary. This generally relies on each physician's expertise and judgment.

Regarding the possibility of institutionalizing those who are developmentally disabled and currently being provided with services at home, Ms. Clement stated that their staff makes an assessment to ensure that the resources available align with the needs of the individual. There is an internal process of appeal and review if the issue is debated.

Ms. Clement addressed the Medicaid Management and Information System. This is a challenge to start up and other states have struggled as well. Weekly performance reviews indicate the number of claims pending or denied, or define areas not meeting appropriate standards, then recommend solutions. There has been slow but steady progress. Certain providers are working out well, whereas others with satellite offices or specialties are a challenge.

Concern was expressed about reimbursement of overpayments to providers now charging interest. Ms. Clement explained that interim payments made are not associated to claims. There is a process to recoup these funds and take back a percent of payout from each claim. Currently 1,500 providers are assessed and another 1,000 will be receiving notices. It is important to do as much as possible, as soon as possible. Ms. Clement expects that most of these cases will be cleaned up over the next couple of months.

Regarding workforce impact and cutbacks, some businesses have had facilities ready to open, but the survey team was delayed for a month or two. Some inspections are still conducted by region; but, federal licensing and certifications for health facilities have always been at the state level.

On the topic of Idaho's eligibility standards for children, Ms. Clement stated that our state is the second most restrictive in the country and reporting at 185% of federal poverty level. The benefits provided in Idaho are at least as favorable, and in some areas better, than most states across the country. Other areas have capped waiver programs, but historically, Idaho has not had a waiting list.

Ms. Clement moved on to the second portion of her presentation on the Division of Medicaid Trustee & Benefits Program. There are three benefit plans: Coordinated, Enhanced, and Basic. The Coordinated plan has the fewest enrollees. 90% of enrollees are children on the Basic plan. Federal funding matches are favorable. There was some major General Fund relief from the federal government in 2009, but this has shifted back to the State.

Ms. Clement next spoke on the Medicaid response to **House Bill 701**. Dental services were expanded; also a selective contract for transportation has been reviewed and implemented. Medicaid also surveyed the public in two parts, and reviewed the information received from providers and non-providers. Focus was on current year reductions and how other suggestions can be implemented over time.

Ms. Clement presented the Department's results from the top five cost drivers. Hospitals were well over target. Nursing facilities were over target, by a smaller margin. Pharmacy changes were expected with federal laws dictating the method of payment. Other short term or temporary rules may become long term for the children's disability program.

Congress acted to extend the 2011 mid-year FMAP change, through June 2011, instead of ending in December 2010. Levels were adjusted for the months impacted, shifting some monies to the Millennium Fund. Ms. Clement described the Medicaid "Clawback" as a method established by the federal government to help transition funding of Medicare prescription drug coverage that was once the sole responsibility of State Medicaid programs. The total fiscal year 2011 impact is to shift \$2.2M to the Millennium Fund, as recommended by the Governor. Regarding the "Cliff" FMAP change for 2012, Congress has not and is unlikely to extend the enhanced federal funding, which ends June 2011. This does not permit a Millennium Fund opportunity, and so shifts to the General Fund.

Ms. Clement outlined the Nursing Home Assessment, to minimize general fund reductions while preserving federal funds. The result is \$10M in annualized savings. One of the parameters to be considered was that all cases must receive approval for any changes and pricing from the federal government, with a waiver or State plan amendment. A notice of policy change will be published.

As a method to reduce State Medicaid costs, eligibility has historically been reduced to eliminate certain categories and change qualifying procedures. However, under current law, this is not permissible until 2014. All Idaho provider rates are frozen, with rates not to exceed Medicare. Assessments will be used from eligible provider funds to retain federal funds.

Ms. Clement continued by presenting benefits mandated by federal law. One place to focus on is the level of care criteria, and to discuss what instances would result in institutionalization. Federal laws were passed on mental health services that require parity, and they will not approve any elimination of mental health coverage to the program. Under State optional benefits, waiver components were discussed about the number of services within the waiver to have flexibility. The school districts can put up their own match for benefits (not within the general funds savings). Children receive special protection and their services have to be maintained, however the adult services can be further examined.

The Governor has petitioned the federal government for greater flexibility in choices to make changes in eligibility standards, methodologies and procedures where necessary, such as a standardized treatment checklist form. This would require a change in procedures and would currently violate maintenance requirements. Another choice would be a blunt approach to eliminate some benefits that are not federally mandated. Businesses and enrollees would be impacted and need to be prepared for cost shifting. Ms. Clement addressed the possibility of reducing the scope of benefits provided, which would be a difficult and slow process.

Scenario number one, which meets the budget shortfall target, involves a blunt approach and impacts businesses that provide services, including numerous agencies statewide. This would include eliminating optional adult benefits, such as developmental disability center services and psychosocial rehabilitative services. Other services would stay intact. The second scenario would fall \$4.5 million short of the budget target. Multiple strategies would reduce some optional benefits, adult benefits, and extend all 2011 temporary rule reductions.

The ability to use cost-sharing is limited. Many surveys stated that Idaho should be charging co-payments. However, federal law asserts that any premiums charged cannot limit eligibility, and there is no ability to collect in the event of failure to pay. There is a required letter to opt out, which most participants would probably choose. Providers in other states had difficulty trying to collect on co-payments as little as \$2 to \$3, but are able to deny services if not paid.

Under any scenario, the Department is committed to working with hospitals on new payment methodologies. They will seek opportunities to reduce higher cost services through programs such as the Money-Follows-the-Person grant, allowing individuals to move from institutions back into their homes and communities.

There being no further business to come before the committee, the meeting was adjourned at 11:13 a.m.

**ADJOURN:**

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Chairman Bell  
Chairman House Appropriations

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Irene Moore  
Secretary, House Health & Welfare

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Co-Chairman McGeachin  
Chairman House Health & Welfare

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Co-Chairman Lodge  
Chairman Senate Health & Welfare

**AGENDA**  
**HOUSE HEALTH & WELFARE COMMITTEE**  
**1:30 P.M.**  
**Room EW42**  
**Tuesday, January 18, 2011**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<b>Presentation</b>	Introduction to Electronic Rules Review	Tamara Priscock & Jan Hanke Idaho Dept of Health & Welfare
	<b>Idaho Clinical Laboratories</b>	
<b>16-0206-1002</b>	Revision of rules to reflect current practice	Dave Eisentrager Laboratory Improvement Section
<b>16-0206-1001</b>	This chapter of rules was repealed. 16-0206-1002 is companion docket	Dave Eisentrager
<b>16-0213-1002</b>	Fee Rule — Drinking water laboratory certification — rewritten	Chris Ball Idaho Dept of Health & Welfare
<b>16-0213-1001</b>	Fee Rule — Certification of Idaho Water Quality chapter of rules being repealed. 16-0206-1002 is companion docket	Chris Ball
<b>16-0202-1001</b>	Rules of the Emergency Medical Services (EMS) Physician Commission	Dr. Murry Sturkie EMS Physician Commission
<b>16-0203-0901</b>	Changes to eliminate some licensure levels and extension of temporary rule	Wayne Denny, Idaho Dept of Health & Welfare
<b>16-0208-1001</b>	Fees for vital record certified copies	James Aydelotte Idaho Dept of Health & Welfare
<b>16-0211-1001</b>	Immunization requirements for children attending licensed day care facilities in Idaho.	Carmela Kerns-Gupta Idaho Immunization Program

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

Irene Moore  
Room: EW14  
Phone: (208) 332-1138  
email: [imoore@house.idaho.gov](mailto:imoore@house.idaho.gov)

MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Tuesday, January 18, 2011  
**TIME:** 1:30 P.M.  
**PLACE:** Room EW42  
**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:**

**GUESTS:** Brad Hunt, O.A.R.; Kurt Stembridge, GSK; David Eisentrager, Christopher Ball, Idaho Bureau of Laboratories; Wayne Denny, Idaho EMS Bureau; Murry Sturkie, EMS Physician Commission; Jan Hanke, Bev Barr, Carmela Kers-Gupta, DHW; Tom Patterson, Idaho Immunization Coalition; James Aydelotte, Vital Stats, IDHW; Mitch Scoggins, IDHW — Immunizations; Christine Hahn, IDHW — Epidemiology; Kathie Garrett, Academy of Family Physicians; Larry Benton, Benton, Ellis, Kerry Ellen Elliott, PHD.

The meeting was called to order at 1:31 p.m. by **Chairman McGeachin**.

**Presentation** **Chairman McGeachin** welcomed **Jan Hanke**, Idaho Department of Health & Welfare, for a brief introduction to the electronic rules review being used this year by the committee. **Ms. Hanke** introduced **Bev Barr** and **Frank Powell**, Rules Specialists, Department of Health & Welfare. **Ms. Hanke** verbally instructed the members to use the links imbedded in the agenda or from the legislative home page.

In response to questions, **Ms. Hanke** further instructed about the color coding and links to additional resources within the dockets

**Docket No. 16-0206-1002:** **Dave Eisentrager**, Manager, Laboratory Improvement Section, Idaho Clinical Laboratories, presented **Docket No. 16-0206-1002**, which has been rewritten to bring all laboratories under the same set of rules with regulation by complexity of testing and in alignment with federal regulation. He then explained that the major changes included items required by the Administrative Procedures Section and language corrections or updates. Also included are the removals of inaccurate or obsolete items, the consulting services section, and the quality review committee.

In response to questions, **Mr. Eisentrager** stated that agents of the federal government maintain state authority with Clinical Laboratory Improvement Amendment (CLIA ) licensing and regulations.

**MOTION:** **Rep. Rusche** moved to accept **Docket No. 16-0206-1002**. **Motion carried on voice vote.**

**Docket No. 16-0206-1001:** **Dave Eisentrager** presented **Docket No. 16-0206-1001** which is a chapter repeal of the old Rules Governing Quality Assurance for Idaho Clinical Laboratories.

**MOTION:** Rep. Rusche moved to accept **Docket No. 16-0206-1001**. Motion carried on voice vote.

**Docket No. 16-0213-1002** Dr. Chris Ball, Chief of the Bureau of Laboratories, presented **Docket No. 16-0213-1002**, which is a rewritten fee rule for drinking water laboratory certification that updates changes, aligns more closely with the Environmental Protection Agency (EPA) and delineates the evaluation of drinking water labs in Idaho. Highlights of this docket include the current code for drinking water analysis, elimination of the advisory committee, and appeals process. Also updated are the certification fees. He then stated that private labs were involved in the rule making process and there were no verbal or written objections. The proposed fees would increase revenue by \$12,500, which would offset the costs. He then concluded with an explanation of the minor changes in the reporting time frame to regulators, timely notification of high-level contaminate levels and reduction of record keeping from 7 to 5 years in conformance to EPA guidelines.

In answer to questions, Dr. Ball indicated that this is a complete rewrite of the rules which aligns with the most current standards. Any future changes would occur only with new procedures. He also indicated that the EPA offers comment periods for potential changes for drinking water and his bureau monitors and responds when warranted.

**MOTION:** Rep. Rusche moved to accept **Docket No. 16-0213-1002**. Motion carried on voice vote.

**Docket No. 16-0213-1001:** Dr. Ball introduced **Docket No. 16-0213-1001**, which repeals the existing chapter of rules and is a companion to **Docket No. 16-0206-1002**.

**MOTION:** Rep. Chew moved to accept **Docket No. 16-0213-1001**. Motion carried on voice vote.

**Docket No. 16-0202-1001:** Dr. Murry Sturkie, Emergency Physician with St. Lukes Hospital and Chair of the Idaho Emergency Commission, presented **Docket No. 16-0202-1001**, which provides standards for licensed Emergency Medical Service (EMS) personnel. Changes include the addition of pediatric-specific language and improved identification display for easy recognition at any emergency scene. Also included are a plan for use of unexpected personnel at an EMS scene, additional skill improvement language that clarifies four specific skills, and the consolidation of several incubation techniques into one.

Upon questions from the committee, Dr. Sturkie indicated that there is no restriction to the number of EMS personnel per medical physician who can also assist EMS personnel in skill training and qualification.

**MOTION:** Rep. Bilbao moved to approve **Docket No. 16-0202-1001**. Motion carried on voice vote.

**Docket No. 16-0203-0901:** **Wayne Denny**, Program Manager, Emergency Service Bureau, Department of Health & Welfare, introduced **Docket No. 16-0203-0901**, which is an extension of a temporary rule from 2010 that brings terminology and rule into alignment. **Mr. Denny** further stated that the replacement rule is not completed and is expected for 2012, which is why the extension of the temporary rule is required. He then reported that the language remains unchanged from the last session. Included are housekeeping changes, additional background check changes proposed for alignment with other agencies, clarification of licensing model, and alignment with federal licensing model. Additional changes reduce titles to be more specific to job performed and remove job titles never implemented. Finally, he indicated the addition of EMS response data input.

Responding to committee questions, **Mr. Denny** said that there have been comments to the proposed rules, but none to the temporary rules.

**MOTION:** **Rep. Rusche** moved to approve **Docket No. 16-0203-0901 Motion carried on voice vote.**

**Docket No. 16-0208-1001:** **James Aydelott**, Senior Registrar and Bureau Chief, Bureau of Records, Department of Health and Welfare, presented **Docket No. 16-0208-1001**, which deals with increased fees for vital record certified copies and keeps rules consistent with statutes.

**MOTION:** **Rep. Bilbao** moved to approve **Docket No. 16-0208-1001. Motion carried on voice vote.**

**Docket No. 16-0211-1001:** **Carmela Kerns-Gupta**, School and Childcare Immunization Program Coordinator, Department of Health and Welfare, appeared before the committee to present **Docket No. 16-0211-1001**, covering immunization requirements for children attending licensed daycare facilities. Proposed updates include definitions, number of vaccines required, allowing children to attend daycare while updating their vaccinations, and assistance from the Department in cases of noncompliance. In addition to current vaccines, those for hepatitis A, varicella, pneumococcal, and rotavirus would be required.

Responding to committee questions, **Ms. Kerns-Gupta** stated that the additional vaccines are part of the vaccine purchase program. She also clarified that any child with an opt-out form on file is considered in compliance and would not be excluded by the daycare operator.

**Dr. Tom Patterson**, Pediatrician, Saltzer Medical Group, Idaho Immunization Coalition testified **in favor of Docket No. 16-0211-1001**. Dr. Patterson expressed the need for these changes to further protect children whose parents have not kept up to date on *catch-up vaccines*.

**MOTION:** **Rep. Bilbao** moved to approve **Docket No. 16-0211-1001. Motion carried on voice vote. Rep. Shepherd** requested that he be recorded as voting against the motion.

**Docket No. 16-0215-1001:** **Carmela Kerns-Gupta** presented **Docket No. 16-0215-1001**, which proposes changes to the school immunization rules to align requirements with national recommendations and increase the number of school children who are protected from vaccine-preventable diseases. She outlined the key changes as updating definitions to match current medical practice, increasing the number of polio, hepatitis A and varicella vaccine following age appropriate guidelines, and allowing children to attend school while in the process of updating their vaccines. The final change, she explained, provides schools with assistance from the Department in cases of noncompliance.

**Dr. Tom Patterson**, Pediatrician, Saltzer Medical Group, Idaho Immunization Coalition testified **in favor of Docket No. 16-0215-1001**. Dr. Patterson emphasized that the key impact of this rule is for children entering kindergarten whose parents consider them okay with their immunizations because they've now entered school. This is increasingly important with the current rise in pertussis and other illnesses. In answer to questions by the committee he indicated that the pertussis vaccine is safe for adolescents and adults and replaces the PT (pertussis toxin) given to adults every 10 years. He also indicated that by protecting adolescents and adults we also protect infants, who are highly susceptible to the disease and are too young to be immunized.

**MOTION:** **Rep. Rusche** moved to approve **Docket No. 16-0215-1001**. **Motion carried on voice vote.** **Rep. Shepherd** requested that he be recorded as voting against the motion.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:48 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

JOINT  
HOUSE HEALTH & WELFARE COMMITTEE  
AND  
SENATE HEALTH & WELFARE COMMITTEE  
8:00 A.M.  
WW02  
Wednesday, January 19, 2011

AND JFAC COMMITTEE

SUBJECT	DESCRIPTION	PRESENTER
8:00 a.m. — 8:30 a.m.	Medicaid Questions and Answers	Leslie Clement, Administrator
8:30 a.m. — 9:10 a.m.	Substance Abuse Treatment and Prevention, and Mental Health Services; LBB 2087	Kathleen Allyn, Administrator
9:10 a.m. — 9:50 a.m.	Division of Welfare Self Reliance Programs; LBB 2-93	Russ Barron, Administrator
9:50 a.m. — 10:00 a.m.	Break	
10:00 a.m. — 10:30 a.m.	Services for the DEvelopmentally Disabled; LBB 2-19	Robert Luce, Administrator

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

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MINUTES  
JOINT MEETING  
**HOUSE HEALTH & WELFARE COMMITTEE**  
**SENATE HEALTH & WELFARE COMMITTEE**

**DATE:** Wednesday, January 19, 2011

**TIME:** 8:00 A.M.

**PLACE:** WW02

**HOUSE MEMBERS:** Co-Chairman McGeachin, Representatives Bilbao, Loertscher, Shepherd, Thayn, Wood(27), Gurthrie, Roberts, Rusche, and Chew

**SENATE MEMBERS:** Co-Chairman Lodge, Senators Broadsword, Darrington, Smyser, Heider, Vick, Nuxoll, Bock, Schmidt;

**JFAC MEMBERS:** Chairman Cameron, Senators Bell, Keough, Broadsword, Bair, Brackett, Mortimer, Toryanski (Batt), Heider, Billyeu, LeFavour; Representatives Bolz, Eskridge, Wood(27), Patrick, Hagedorn, Thompson, Vander Woude, Ringo, Jaquet,

**ABSENT/ EXCUSED:** Representatives Loertscher and Shepherd

**GUESTS:** Nicole Morgan, High Valley Developmental; Tammy Gusman, Louise Pryor, Melinda Turnbull, Advanced Services LLC; Dave Goins, Idaho News Service; Bob Uebelher, Connelly & Smysor; Drew Hall, Dave Taylor, Jodi Osborn, Leslie Clement, Kathleen Allyn, Russ Barron, Robert Luce, and Cameron Gillman, Department of Health and Welfare; Julie Taylor, Blue Cross of Idaho; Moriah Nelson, Idaho Primary Care Assoc; Surn Stover, DFM; Katherine Hansen, IADDA; Kara Veit, IPTV; Brooke Hetmer, JFAC Intern; Ray Amaya, KBOI 760 AM; Jason Lawry, CCI/IADDA; Brian Fry; Clark Corbin, Post Register; Benjamin Davenport, Risch Pisca; Karen Rush-Wilson; Marilyn Sword, DD Council; Cheryl Hammach, A New Leaf/ IADDA; Jim Baugh, Disability Rights ID; Woody Richards, BX and IH; Evan Williams, Julie Feeler, Community Partnerships of Idaho; Russ Hendricks, Idaho Farm Bureau; Mary Miland, WITCO.

**Chairman Cameron** called the meeting to order at 8:03 a.m.

**Leslie Clement**, Administrator, Health and Welfare, summarized proposed cost savings with the 2011 budget, actual savings and price freezes. She then discussed limited cost savings opportunities and federal funding for hospitals, nursing facilities and intermediate care facilities. Physicians find Medicaid less attractive since it is a small percentage of revenue.

In response to questions, Ms. Clement stated that the Department has been asked to prioritize cost reductions to focus on price freezing. An extensive price study was done and they were able to eliminate areas where price reduction was not available. She would like to spend more time talking about pharmacy and physician price reductions and inflation factors in the germane meetings.

Regarding the management of prescription costs with different pricing methodologies, there is a preferred drug list in place and both state and federal levels offer rebates. They are looking to the federal government for help get a true cost, as opposed to the average wholesale price.

The Department is reviewing physician pricing and compliance so it is not higher than Medicare prices. There is a primary care case management fee of \$3.50 per member. They are in the process of restructuring to pay less for the healthier population, using the various Health and Welfare plans offered. There would be a small increase in after-hour office payments, to encourage doctor visits instead of emergency room visits.

In response to questions regarding changing caps on prices, Ms. Clement stated that it depends on the policy source. Federal laws allow an assessment rate of 5.5%. Hospitals are at 2%, nursing homes are near 5%, and intermediate care facility rates are not currently available. Changes are needed in the statute concerning assessment to reduce the scope of benefits and services offered by state agency rules, or eliminate the benefits and categories through amending the statute.

Ms. Clement indicated that changes would have to be reviewed for a cost shift, to eliminate lower-priced preferred service and leave the high cost service. Waiver eligibility and the Americans with Disabilities Act both help to lessen restrictions to receive services. She recommended that policy discussions prioritize needs, where resources should go, and balance cost shifting to achieve the 10% reduction needed. The Department can determine or limit co-pays and who gets charged. Providers can refuse service to individuals that cannot make the co-payment. It is possible to collect co-pays for non-emergency, but not for emergency, services. Tier budgets are one way to manage services based on the budget and the child's need for service. Service coordinators at the local level could help individuals in this way.

Ms. Clement stated that due to federal mandates, they are unable to reduce children's benefits, but that it would be possible to eliminate the state's psycho-social rehabilitation services (PSR), which is an optional adult benefit. She discussed the possible consequences of eliminating the current PSR services, which have come under criticism and debate. She stated that this would not solve the long term statewide medical issue, and recommended instead moving forward with a comprehensive approach for mental health services in Idaho with qualified and competent providers. She expects positive outcomes that would be apparent with the use of those services.

**Chairman Bilbao** said that this PSR issue would come under the jurisdiction of joint committees and need a concurrent resolution to work it out. It was his preference that the issue be addressed in changing the statute. The committee agreed to seek input from other committees and move forward one step at a time.

**Kathleen Allyn**, Administrator of the Division of Behavioral Health, said her Division is requesting their fiscal year 2012 budget be set at \$93.7 million. This figure is 4% of the total Department's expenses and covers children and adult mental health. There are seven regional mental health clinics operated by the state for adult mental health. Children services have more trustee and benefits funding, due to a greater share of services delivered by private providers. The children's program includes mental health services under Medicaid, and is privatized for services outside of Medicaid. The adult mental health services directly impact the number of referrals to the state psychiatric hospitals, who work with the hospitals to plan admission, discharges, and manage crises. Most of the funding for these programs comes from the state general funds and most of the reductions are in personnel. Mental health grants are also used and experienced a reduction this last year as well.

Crisis holds have increased, wherein the patient is a danger to himself or others, and the number of evaluations has increased. Crisis services are provided without regard to income or other status. Some cases for insured clients can be referred out, but changes need to be made to improve responsiveness. The Division has been organized to operate with three service hubs, each with a local director, instead of seven regions, for improved services. Recent telecommunications access has reduced travel costs by \$380,000. The Division has obtained \$14M in free medications for clients. Also, non-cognizable funds and transfers showed surpluses higher than expected, aiding developmental health deficit coverage.

In response to questioning, Ms. Allyn clarified that each client with other insurance is contacted by letter with a follow-up to find possible placement and to make sure they receive the requested services. In regards to cost management, the Division's strategies have decreased the number of hospitalizations needed. Concerning children and school mental health services, there is a mental health clinician, although many parents have already secured a private provider. She confirmed that the Division has received complaints about the timeliness of the assessment report and information. Help is being solicited from counties, courts, and corrections to speed up this process. Regarding this assessment coordination, the pre-sentencing investigation officer and the Mental Health and Substance Abuse Division are getting closer to an acceptable solution. The Division has experienced some difficulties as a result of the disbanding of the Idaho Council on Children's Mental Health; however, several regions have maintained mental health councils. The reduction of some of these adult mental health personnel has lessened the budget deficit.

Ms. Allyn outlined the budget for the Division of Substance Abuse, Treatment, and Prevention. This covers prevention programs, treatment services, and regulatory work. The majority of their clients are either in or re-entering the community from the federal justice program. 60% of their operating costs are used for a contract with Business Psychology Associates. This is a shift from 2009, when the largest source of funding was from the state's general fund. 2010 was the first full year of billing Medicaid, with increasing federal funds coming into the system. There is also an Access to Recovery Grant, totaling \$13M over four years, a federal grant to support the Web Intra Treatment System, and a reauthorization of State Epidemiological Outcomes Workgroup Grant, with spending authority for \$200,000. These have no impact on the general fund.

**Russ Barron**, Administrator for the Division of Welfare Self Reliance Programs, outlined the Division of Welfare's budget request. He indicated that food stamp benefits are not reflected in the budget, as they are federally distributed to recipients. Also child support payments are not included in the budget figures. Federal funds are mainly used, in addition to some state general funds and receipts. There is an overall budget increase, resulting from the stimulus funding reduction of \$23M for 2012. In 2010, the Division of Welfare and its agency partners served one in three Idahoans. Caseloads increased dramatically, as food stamp requests went up almost 40% between July 2009 and July 2010. Productivity has improved in work loads and staffing. This is attributed to changes in processing, technology, policy, and risk management.

The Division has examined changes in the workforce and alternative funding for services. Alternative funding will no longer be available in 2012, which places an increased demand on the general fund. Most of the Division's expenses are due to subsidizing the employment program. There are extreme waiting lists and people standing in lobbies for services. The program restructuring has resulted in service level changes. The Child Support program has eliminated some positions and stopped optional services. Restructuring has also affected Aid to the Aged, Blind, and Disabled (AABD). Optional adult services have been reduced or completely removed from the program. Many certified family homes have been hard hit. The main areas of risk include: AABD cash, automation support, child support, and electronic benefits transfer.

The Governor's Budget Recommendation is to ask for federal spending authority for fiscal year 2012 an AABD caseload increase, Idaho Benefit Eligibility System maintenance, and a grocery tax credit.

**Robert Luce**, from the Department of Health and Welfare's Family and Community Services Division, presented an overview of Community Developmental Disabilities and the Idaho State School and Hospital (ISSH). With current budgets, they are trying to do more with less and still recognize areas of risk. These programs help Idahoans with developmental disabilities and their families live productive lives in their communities.

Mr. Luce related the importance of the services functioning together in a continuum, like building blocks, and the effect on one altered service has on other services. The Infant Toddler Program (ITP), the least costly of their programs, aids children to increase their developmental milestones and get them back on track at grade level by age three. This program reduces the chance that these children will later need Community Developmental Disability services or stabilization through the ISSH. The Division is currently out of compliance with the federal performance targets in the ITP program and operating under a Plan of Correction. Adequate resources are needed to maintain current performance or to improve, threatening their licensure and federal match dollars.

The Division also has a crisis prevention network, which helps individuals stay in their homes and lessens the census at the ISSH. This transition program is the gate keeper to the ISSH, a safety net for those individuals with severe developmental disabilities who cannot reside safely in the community. The ISSH is struggling to operate with reduced staff and census. The Family and Community Services Division allocations represent 4.2% of the Department's budget request. Full-time employees have been reduced in the last year and a half, and there are many vacant unfunded positions. The Division is concerned about being able to maintain the crisis prevention network, the performance targets for child identification and timely services, and sustaining the program's compliance with regulations and licensure at ISSH. Fewer infants and toddlers were served in 2010; many lost the opportunity last year to be involved in the program's services and get back on track by age three. This lack of early intervention will likely cost the state more dollars for higher cost programs down the road. The daily cost for an individual to reside at the ISSH is approximately \$700. Overall, the Division struggles to be effective with inadequate funding to support families with developmental disabilities.

In response to questions regarding an analysis of federally mandated programs for Health and Welfare, to differentiate between funding amounts and federal matching, Mr. Luce stated that he could provide this for the committee later. **Cameron Gilliland** was called upon, with Family and Community Services (FACS), and said that their commitment to schools will not alter services for at least one year. They will meet with schools and other stakeholders to address issues as they arise. Also, the new system with an asset test for food stamps estimated a 5% increase for FACS. In response to additional questioning, there are income guidelines for AABD; which can be provided for the committee members, as well as a monthly forecasting report for the Division.

**ADJOURN:** There being no further business to come before the joint committees, the meeting was adjourned at 10:34 a.m.

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Chairman Cameron  
Vice Chairman JFAC

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Irene Moore  
Secretary

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Co-Chairman McGeachin  
Chairman House Health & Welfare

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Co-Chairman Lodge  
Chairman Senate Health & Welfare

AGENDA  
**HOUSE HEALTH & WELFARE COMMITTEE**  
1:30 P.M.  
Room EW42  
Thursday, January 20, 2011

DOCKET	DESCRIPTION	PRESENTER
<b>Bureau of Audits and Investigations</b>		
16-0506-1001	Amending rules to reference Department's rules when criminal history and background check are required and update disqualifying/denial list.	Steve Bellomy Bureau Chief of Audits & Investigations Idaho Department of Health & Welfare
16-0506-1002	Addition of administrative costs fee for requests from other states when checking Idaho Child Protection Central Registry for foster/adoptive parent applicants.	Steve Bellomy
<b>Division of Behavioral Health</b>		
16-0750-1001	Updates to allow for breath alcohol test in addition to the blood draw alcohol test on individuals brought in for treatment.	Gina Westcott Region 4 Mental Health Program Manager Idaho Department of Health & Welfare

Meeting will adjourn and move to joint meeting with Senate to begin at 3:00 p.m. in room WW02

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin

Vice Chair Bilbao

Rep Loertscher

Rep Shepherd

Rep Thayn

Rep Wood(27)

Rep Guthrie

Rep Roberts

Rep Rusche

Rep Chew

COMMITTEE SECRETARY

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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Thursday, January 20, 2011  
**TIME:** 1:30 P.M.  
**PLACE:** Room EW42  
**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew  
**ABSENT/  
EXCUSED:** Representative(s) Loertscher, Shepherd  
**GUESTS:** Susan Altman, Idaho resident; Howard Beladoff, Beladoff Law Office; Jim McGeachin, Idaho resident; Daniel Ediger, Idaho resident; Dustin Hurst, Idaho Reporter.Com; Kathleen Allyn, Gina Westcott, Division of Behavioral Health, Idaho Department of Health & Welfare; Fernando Castro, Department of Health & Welfare; Kathie Garrett, AACT Idaho; Ross Knight, Idaho State University; Max W. Pond, Risch Pisca.

Meeting was called to order at 1:32 p.m. by Chairman McGeachin.

**Docket No. 16-0506-1001:** **Steve Bellomy**, Bureau Chief of Audits and Investigations, Department of Health & Welfare, presented **Docket No. 16-0506-1001**, which is a rule change for the Criminal History Unit. He explained how applicants are processed and that 22,000 background checks were processed in 2010, with 263 either disqualified or voluntarily withdrawn. He then reviewed the requested changes for clarification of terminology, and addition of the new medicaid transportation broker rules.

**Mr. Bellomy** described in detail Section 210.01, paragraph j, which pertains to a terminology change from *voluntary manslaughter* to *manslaughter*, encompassing involuntary and vehicular manslaughter. He then indicated that some manslaughter charges do not warrant a permanent unconditional denial and the proposed rule goes beyond the intention of the change. **Mr. Bellomy** suggested that the committee either reject Section 210.01.j, to revert the rule back to involuntary manslaughter, or accept the amendment with the assurance that a temporary rule will be introduced to further define which manslaughter charges result in either an unconditional denial or a 5-year disqualification. If rejected, the public will be protected since both manslaughter charges will carry a 5-year disqualification under other proposed rule changes.

**Mr. Howard Beladoff**, an attorney representing an individual on the Fort Hall Indian Reservation, testified **in opposition to Section 210.01.j of Docket No. 16-0506-1001**. Mr. Beladoff expressed concern for applicants, like his client, with previously passed background checks and vehicular manslaughter charges which occurred many years ago, who would now receive unconditional denials, jeopardizing existing certifications and sources of income. He further stated his support of a rule change other than the one proposed and his support of the 5-year disqualification.

**Ms. Susan Altman**, an Idaho resident from Meridian, Idaho, stated that she is recently retired from the Department of Health and Welfare and was employed as the Department Criminal History Unit Program Supervisor, participating in the writing and rule changes for **Docket No. 16-0506-1001**. She then stated the reasons behind the proposed changes to Section 210.01.j, emphasizing that since the implementation of the temporary rule, only two applications were disqualified based on Section 210.01.j. **Ms. Altman** then outlined the process for applicants to challenge the disqualification. She further stated that she is **in support of Docket No. 16-506-1001 in it's entirety or without Section 210.01.j**.

In response to questions by the committee, **Ms. Altman** responded that the rule could be rewritten to specify if and when the various categories of vehicular manslaughter apply.

**MOTION:** **Rep. Roberts** moved to accept **Docket No. 16-0506-1001 with the exception of Section 210.01.j. Motion carried on voice vote.**

**Docket No. 16-0506-1002:** **Mr. Bellomy** presented **Docket No. 16-0506-1002**, which allows the Criminal History Unit to conduct an Idaho Child Protection registry check for other states and charge a \$20 fee.

**MOTION:** **Rep. Rusche** moved to accept **Docket No. 16-0506-1002. Motion carried on voice vote.**

**Docket No. 16-0750-1001:** **Gina Westcott**, Program Manager for Region 4 Mental Health, Division of Behavioral Health, Department of Health and Welfare, and member of the Professional Resource Committee under the Joint Powers Entity for Allumbaugh House, presented **Docket No. 16-0750-1001**, which provides for Tuberculosis skin test reading and the use of an accurately calibrated breathalyzer to determine blood alcohol content.

In response to questions from the committee, **Ms. Westcott** further stated that since these are medically monitored facilities with the ability to care for individuals with a high alcohol blood level, the .24 level indicated in the amendment, which was requested by the facility, is acceptable. She also stated that they do not test for hepatitis A and this amendment would not cause any increase in clients.

**MOTION:** **Rep. Rusche** motioned to accept **Docket No. 16-0750-1001. Motion carried on voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:18 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

**AMENDED #1 AGENDA  
HOUSE HEALTH & WELFARE COMMITTEE  
AND  
SENATE HEALTH & WELFARE COMMITTEE  
3:00 P.M.  
WW02  
Thursday, January 20, 2011**

Please Note Room Change to Auditorium

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<b>Presentation</b>	Medicaid Cost Drivers and Cost Components, focusing on data and costs related to budget discussions	Leslie Clement, Administrator

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

Irene Moore  
Room: EW14  
Phone: (208) 332-1138  
email: imoore@house.idaho.gov

MINUTES  
JOINT MEETING  
**HOUSE HEALTH & WELFARE COMMITTEE**  
**SENATE HEALTH & WELFARE COMMITTEE**

**DATE:** Thursday, January 20, 2011  
**TIME:** 3:00 P.M.  
**PLACE:** WW02  
**HOUSE MEMBERS:** Chairman Bilbao, Representatives McGeachin, Loertscher, Shepherd, Thayn, Wood (27), Guthrie, Roberts, Rusche, and Chew;  
**SENATE MEMBERS:** Co-Chairman Lodge, Senators Broadsword, Darrington, Smyser, Heider, Vick, Nuxoll, Bock and Schmidt.  
**ABSENT/ EXCUSED:** Senator Bock  
**GUESTS:** Paul Leary, Leslie Clements, Department of Health and Welfare; Robbi Barrutia, State Independent Living Council; Bob Uebelher, Connelly & Smysor; Katherine Hansen, IADDA.

**Chairman Bilbao** called the meeting to order at 3:06 p.m.

**Leslie Clement** and **Paul Leary**, Department of Health and Welfare's Division of Medicaid, presented information on Medicaid cost drivers and components. Mr. Leary delineated the 11 major cost drivers within Medicaid. He spoke first about Inpatient Hospital Benefits, which are federally mandated. This is the most expensive category, with projected 2012 spending at \$258.6M. More adults are being seen as inpatients and the cost per adult is going up, the largest cost being room and board. Also driving costs are the Newborn Intensive Care Unit (NICU), as well as labor and delivery. Qualis Health reviews and manages the cases.

Mr. Leary outlined the costs for outpatient hospital benefits, which are also federally mandated. Projected 2012 spending in this category is at \$108.5M. These benefits include speech, occupational and physical therapy, with 40% of other outpatient benefits paid to emergency rooms. Private therapy providers have a different model of reimbursement and outpatient benefits are managed by Primary Care Case Manager (PCCM) referrals or prior authorization.

Regarding prescription drugs, Mr. Leary said that these are state-optional services and are the third most expensive cost driver for Medicaid, at \$153.7M for 2012 projected spending. This reflects the amount paid to pharmacies, not the net cost for pharmaceuticals, and do not include rebates, so the overall budget will be reduced. About one third of this spending is for mental health prescriptions. By law, Medicaid should receive the lowest cost from manufacturers for their drugs, most of whom offer federal rebate programs. There is a state maximum allowable cost (SMAC) that identifies generic and multiple manufacturers' average cost and markup. There is a panel that examines the various classes of drugs and looks for equivalent drugs and supplemental rebates. These are all controls to achieve the lowest drug costs. The prescription cost and rebate together generate the true net cost of each drug. In response to questioning, Mr. Leary stated that there may be cost savings between using low and high volume pharmacies, but federal law prohibits establishment of a formulary, so there are other processes to determine uniform prices.

Mr. Leary next shared information on physician benefits, which are federally mandated and are the fifth most expensive category for their budget, at \$119.4M. Much of their projected spending is for children receiving checkups and immunizations. There is a fee for benefit, and cases are managed through PCCM. Cost reductions can be found by freezing rates, utilizing the correct coding initiative, new edits, and case management fee restructuring. Physicians are now reimbursed \$2.50 for each patient on the basic benefit plan. If the physician has extended hours, there is a 50 cent increase. These policies are being adopted statewide.

Mr. Leary explained that dental benefits are a state-optional program, with projected spending of \$51.9M, depending on the contracted services. These services are based on a capped rate per member, per month, are under a managed care contract, and there is a uniform scope to the program to manage costs. In response to questioning, he explained that if adult optional dental services were to be eliminated, the state plan would have to be amended by Medicaid; not the Legislature. Also, he added that in December, there was a re-bid on the entire dental benefits plan and everyone involved is now under new contracts. Not all provider contracts were renewed. The criteria to select providers determined the new network of providers.

**Leslie Clement**, described the state's agreement with the federal government's Medicaid program, stating what benefits and qualifications are required of providers, outlining their scope, rates paid, and eligibility. The state has some flexibility with their plan with the use of some type of waiver.

Ms. Clement presented the federally-mandated nursing facility benefits. There are eight children and 5,021 adults currently participating in the program, with a projected cost of \$167.9M, making these benefits the second most expensive category for the Division of Medicaid. Services are provided for individuals with advanced health care issues, who are on the enhanced plan. This includes 24 hour nursing care, rehabilitation and assistance. The primary driver for these costs is the number of days of service. Over half the residents paid for by Medicaid had stays over 270 days. The prospective payment may have direct or indirect caps and the rates vary across the state between urban and rural areas.

Ms. Clement said the Aged and Disabled (AD) Waiver is comprised of a few children, ages 18 to 21, and nearly 10,000 adults, with a projected spending of \$130.2M in 2012. This is a state optional benefit with a fee-for-service reimbursement. The criteria are determined by regional staff and Department nurses throughout the state. Services rendered must also meet cost effectiveness standards. The current costs are up, as are the number of users, which is also expected to grow as the population ages. The three main areas of care are: attendant care, personal care services (PCS), and residential assisted living facilities (ALF). Adult foster care is included, as well as a small number of services provided for those who live in certified family homes (CFH), not including room and board.

The Developmental Disability (DD) Waiver was also presented by Ms. Clement as another state optional benefit, with total projected 2012 spending at \$93M. Individuals must be 18 years or older to receive services. Some benefits must be in place to allow these clients to live and function in the community. Intermediate and intellectual care facilities are utilized, as well as services to residential rehabilitation agencies. The primary cost drivers are case loads and cost fees. There is a fee for service and an allocated resource amount that each individual cannot exceed.

In response to questioning, Ms. Clement indicated that individuals using the DD Waiver may have a low IQ or difficulty with behavior management. They must receive active treatment which trains and teaches them how to do things by themselves. There are many requirements for therapy, and the costs can be daily or hourly, depending on the type of service and utilization. The Department is reviewing reducing waiver services. Many of the CFH providers are owners getting certified to take care of family members. There has been some debate about these CFH providers, but they are more cost effective than supported living. Also in response to questioning, Ms. Clement explained that it is possible for costs to be shifted to individuals who have commercial health insurance coverage. Population management can also be considered. Other options in reducing the budget are to do with administration and duplication edits.

Ms. Clement gave information on Intermediate Care Facilities (ICF), a state optional benefit, with total 2012 projected spending at \$44.6M. The purpose is to provide health and rehabilitation services to persons with intellectual disabilities, to help them gain maximum independence. Most users stay in these facilities more than 270 days.

Another category outlined by Ms. Clement was DD centers, a state optional benefit with 2012 projected spending at \$70.9M. There is a fee for these services, most of their clients are children in the enhanced plan, and there is a maximum number of hours allowed per week. In response to questioning, Ms. Clement clarified that these benefits are different than the Medicaid program. The Family and Children Service (FACS) Center provides services, whereas the Division of Medicaid reimburses providers for services. These programs can work in tandem; however, their criteria are different.

Regarding Psycho-Social Rehabilitation (PSR), Ms. Clement commented that these state-optional benefits have a projected spending for 2012 of \$88.3M. These services are community based, and most users are on the enhanced plan. The caseloads are up, but the cost-per-user has gone down due to a weekly limit on hours. There have been administrative reductions, new hard caps added, and duplication edits. Of the 19 different services offered, 88% are billed with a PSR code.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 4:58 p.m.

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Chairman Bilbao  
Vice Chairman House Health & Welfare

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Irene Moore  
Secretary

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Co-Chairman Lodge  
Chairman Senate Health & Welfare

**AMENDED #1 AGENDA  
HOUSE HEALTH & WELFARE COMMITTEE  
1:30 P.M.  
Room EW42  
Monday, January 24, 2011**

<b>DOCKET</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<b>16-0319-1001</b>	Amended rules to update safety and sanitation requirements for Certified Family Homes.	Randy May Deputy Administrator Division of Medicaid
<b>16-0309-1001</b>	Estate recovery section reorganization and notice of transfer or encumbrance update.	Jeff Weller Financial Specialist Division of Medicaid
<b>16-0310-1001</b>	Rules alignment with both federal regulations and the CMS-approved HCBS waiver requirements.	Natalie Peterson Bureau Chief Bureau of Long Term Care Division of Medicaid
<a href="#"><u>RS19936C1</u></a>	Amendment to license qualifications to require a combination of education and documented experience in a residential care facility.	Roger Hales General Counsel Bureau of Occupational Licenses
<a href="#"><u>RS19938</u></a>	Removal of members of the Board of Examiners of Residential Care Facility Administrators from the Public Employee Retirement System of Idaho (PERSI) and deleting outdated language.	Roger Hales
<a href="#"><u>RS19954</u></a>	Remove outdated language and add provisions for licensure by endorsement, hearing aid dealer and fitter language to the unlawful practice section.	Roger Hales
<a href="#"><u>RS19956C1</u></a>	Eliminate technician license status, establish trainee permit, and clarify qualification requirements.	Roger Hales

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin

Vice Chair Bilbao

Rep Loertscher

Rep Shepherd

Rep Thayn

Rep Wood(27)

Rep Guthrie

Rep Roberts

Rep Rusche

Rep Chew

COMMITTEE SECRETARY

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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Monday, January 24, 2011

**TIME:** 1:30 P.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** None

**GUESTS:** Roger Hales, General Counsel, Bureau of Occupational Licenses; Marilyn Sword, Development Disabilities Council; Tony Smith, Sullivan, Reberger & Eiguren; Corey Cartwright, Department of Health & Welfare - Attorney General; Cathy Hart, Jody Erickson, Sharon Duncan, Idaho Commission on Aging; Robert Vande Merwe, Idaho Health Care Association; Kathie Garrett, Partners in Crisis; Jim Baugh, Disability Rights, Idaho; Frank Powell, Department of Health & Welfare, Administrative Procedures Section; Bob Uebelher, Connolly & Smyser; Ed Hawly, Administrative Rules; Leslie Clements, Department of Health & Welfare.

Meeting was called to order at 1:30 p.m. by Chairman McGeachin.

**MOTION:** **Rep. Bilbao** moved to approve the minutes of January 14 and January 18; motion carried on voice vote.

**Docket No. 16-0319-1001:** **Randy May**, Deputy Administrator, Medicaid Division, Department of Health and Welfare, presented **Docket No. 16-0319-1001**, which stipulates conditions of guardianship for Certified Family Home (CFH) provider, authorizes use of qualified manufactured homes as CFH, and increases to five years the septic system pumping certification requirement.

In answer to committee questions, **Mr. May** further detailed that guardianship determination would be on a case-by-case basis. He also indicated that CFH brick and mortar inspections occur at the time of application and eye-to-residence inspections are conducted every two years. **Mr. May** then clarified the two types of CFH homes and what happens upon discovery of inappropriate use of resident funds.

**Marilyn Sword**, Executive Director, Idaho Council on Developmental Disabilities, testified in support of **Docket No. 16-0319-1001, Section 100.04.c**, which limits guardianship to relatives of the resident in a CFH. After a brief history of the Council, she then detailed their 2003 study results and, in response to questions from the committee, discussed implications of a resident remaining in his or her current CFH while guardianship changes from that CFH provider.

**Cathy Hart**, Idaho State Long-Term Care Ombudsman and Coordinator for Adult Protection Services, testified in support of **Docket No. 16-0319-1001**.

**MOTION:** **Rep. Thayn** moved to accept **Docket No. 16-0319-1001**. Motion carried on voice vote.

**Docket No. 16-0309-1001:** **Jeff Weller**, Supervisor, Financial Operations Unit, Department of Health and Welfare, presented **Docket No. 16-0309-1001**, which updates the notification by Medicaid recipients to the Department of Health and Welfare when real property is transferred. He stated that this notification process helps avoid unintentional loss of benefits and identifies unlawful property transfers. **Mr. Weller** further stated that the fiscal impact would be positive with the recovery of assets that would previously have been missed.

**MOTION:** **Rep. Bilbao** moved to accept **Docket No. 16-0309-1001**. **Motion carried on voice vote.**

**Docket No. 16-0310-1001:** **Natalie Peterson**, Bureau Chief, Division of Medicaid Long-Term Care Program, presented **Docket No. 16-0310-1001**, which updates the Home and Community Based Services (HCBS) waiver program language to align with federal requirements and broadens the conditions of eligibility for Aid to the Aged, Blind, and Disabled (AABD).

**MOTION:** **Rep. Rusche** moved to accept **Docket No. 16-0310-1001**. **Motion carried on voice vote.**

**RS 19936C1:** **Roger Hales**, Attorney in private practice in Boise, representing Residential Care Administrators, presented **RS 19936C1**, proposed legislation that amends the qualifications for licensing to require both education and documented experience in a residential care facility.

**MOTION:** **Rep Rusche** moved to introduce **RS 19936C1**. **Motion carried on voice vote.**

**RS 19938:** **Roger Hales** presented **RS 19938**, which removes the members of the Board of Examiners of Residential Care Facility Administrators from the Public Employee Retirement System of Idaho (PERSI) by changing their compensation to an honorarium.

**MOTION:** **Rep Wood** moved to introduce **RS 19938**. **Motion carried on voice vote.**

**RS 19954:** **Roger Hales**, on behalf of the Speech and Hearing Services Licensure Board, then presented **RS 19954**, proposed legislation that updates terminology, provides recognition for existing out-of-state licenses, and includes hearing aid dealers and fitters in Idaho Code Section 54-2927.

In answer to questions by the committee, **Mr. Hales** further explained that the out-of-state licensees were previously treated the same as a new applicant. With this change they will still have to take a new exam and may have additional requirements in order to meet Idaho licensing standards. He also stated that the Board currently does not do fingerprinting or background checks and relies on sworn statements by the licensees. **Mr. Hales** then detailed the two types of professional licensure as either reciprocity, two states agreeing to license each other's people, or endorsement, which looks at a specific individual and his or her competency. He then said the change for hearing aid dealers and fitters corrects an oversight and aligns them with all aspects of licensing.

**MOTION:** **Rep. Wood** moved to introduce **RS 19954**. **Motion carried on voice vote.**

**RS 19956C1:** **Roger Hales**, representing the Board of Acupuncture, presented **RS 19956C1**, proposed legislation that eliminates the technician license, establishes a trainee permit, clarifies qualifications for acupuncture certification, and adds failure to comply with the Board as a reason to discipline a licensee. He then stated, in response to questions from the committee, that certification is a shorter course designed for persons with an advanced medical degree.

**MOTION:** Rep. Rusche moved to introduce **RS 19956C1**. **Motion carried on voice vote.**  
**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:24 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

JOINT  
**HOUSE HEALTH & WELFARE COMMITTEE**  
**AND**  
**SENATE HEALTH & WELFARE COMMITTEE**  
**3:00 P.M.**  
**WW02**  
**Monday, January 24, 2011**

LOCATED IN THE CAPITAL LARGE AUDITORIUM, WW02

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<b>Presentation</b>	<b>Developmental Disability Waiver Services and related State Plan benefits</b>	<b>Paige Grooms Alternate Care Coordinator Division of Medicaid</b>
<b>Presentation</b>	<b>Children's Re-design</b>	<b>Lauren Ertz Alternative Care Coordinator Division of Medicaid</b>
<b>Presentation</b>	<b>School-based Services</b>	<b>Lauren Ertz Alternative Care Coordinator Division of Medicaid</b>
<b>Presentation</b>	<b>Aged and Disabled Waiver Services, including a discussion of State Plan Personal Care Services</b>	<b>Natalie Peterson Bureau Chief Division of Medicaid</b>
<b>Presentation</b>	<b>Mental Health Benefits, short and long-term planning</b>	<b>Pat Guidry Program Manager Division of Medicaid</b>

COMMITTEE MEMBERS

Chairman McGeachin

Vice Chair Bilbao

Rep Loertscher

Rep Shepherd

Rep Thayn

Rep Wood(27)

Rep Guthrie

Rep Roberts

Rep Rusche

Rep Chew

COMMITTEE SECRETARY

Irene Moore

Room: EW14

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MINUTES

## HOUSE HEALTH & WELFARE COMMITTEE SENATE HEALTH & WELFARE COMMITTEE

**DATE:** Monday, January 24, 2011

**TIME:** 3:00 P.M.

**PLACE:** WW02

**HOUSE MEMBERS:** Co-Chairman McGeachin, Representatives Bilbao, Loertscher, Shepherd, Thayn, Wood (27), Guthrie, Roberts, Rusche, and Chew;

**SENATE MEMBERS:** Chairman Lodge, Senators Broadsword, Darrington, Smyser, Heider, Vick, Nuxoll, Bock and Schmidt.

**ABSENT/ EXCUSED:** Representative(s) Loertscher, Shepherd, Roberts

**GUESTS:** Mike Friend, John Levesang, Idaho School of Business; Fairy Hitchcock, Hitchcock Family Advocates; Dale Dutt, Dutt Family Advocates; Corinna Stiles, Jim Baugh, Disability Rights Idaho; Beau Stiles, Developmental Disabilities Council; Mike Skelton, Brian Hulet, All Seasons Mental Health; Bob Uebelher, Connolly & Smyser; Melinda Turnbull, Advanced Services; Amy Holly, Sullivan, Reberger, Eiguren; Robbi Barrutia, State Independent Living Council; Benjamin Davenport, Risch Pisca; Roger Howard, Living Independence Network Corp.; Kathie Garrett, Partners in Crisis; Clark Corbin, Post Register; Katherine Hansen, Idaho Association of Developmental Disabilities Agencies (DDA); Josh Casten, AAA Home Care; Linda Jackson, Idaho Occupational Therapy Association.

Meeting was called to order at 3:08 p.m. by Chairman Lodge.

**Leslie Clement**, Director, Department of Health & Welfare, Division of Medicaid, introduced **Lauren Ertz**, Alternative Care Coordinator, Division of Medicaid, who is presenting the Children's System Redesign of the Developmental Disability (DD) Services.

Ms. Ertz detailed the history of the redesign, the development of the benefits, the open houses, the parent and provider surveys, the rule making meetings, and the public meetings.

She then discussed the redesign objectives, which increase the opportunities for family involvement, improve the quality of services, have service options that include supports in addition to therapy, and are cost neutral.

Ms. Ertz described the current and redesign benefits, which replace Intensive Behavioral Intervention (IBI) with support services that include respite, habilitative supports, and family education. The focus is on integration into the community, which gives more learning opportunities among peer groups and removes the burden on the provider so the child can just be a child. The family education includes strategies to use with the child.

Another redesign benefit is intervention services, which teach children new skills and adaptive behavior. Crisis intervention is a direct consultation about the child with an Emergency Medical Technician (EMT) service on a 24-hour basis to help the family through the situation and focus on in-home crisis intervention. She then described collaboration services, which combine family training, interdisciplinary training and therapeutic consultation, stating that family involvement is necessary to get the best outcome.

Ms. Ertz described the DD continuum of services, which focus on age groups of birth to 17 years of age and 3 to 6 years of age.

In outlining the individual participant budgets, she detailed the number of participants by category, the redesign budget, the current average budget per child, redesign budget per child, and distribution percentages.

The timeline for the children's redesign shows a 15-month phase-in process to begin in July, 2011.

In response to questions from the committee members, Ms. Ertz stated that the benefit package is unique to Idaho and modeled after our advanced DD system. Most other states offer children's waiver programs, but only a few states are using the authority options. Within the children's DD population are different levels of need. Use of an independent assessor will be the same dollar amounts that are currently spent on assessments.

Replying to a staffing question, Ms. Ertz said the existing staff would be performing most of the family-centered planning, but would have to use contractors and existing dollars to provide services outside the staff capabilities.

The adult DD population in the current system will be removed from the state plan, so the Department will work with the adult stakeholder groups to find out what needs to be replaced.

DDA providers will coordinate the school-based services.

The individual participant budget indicates a change in children aged 3-6 with behavioral issues from \$10,404, as a current average budget per child, to \$29,300 for the redesign budget per child, which is a specific category that is currently being under-utilized and is shifting participant dollars from other categories, such as the Children with DD category.

During family training, the amount of involvement of the family or guardian would be determined for any intervention.

Speech therapy is not in the DD benefits, but is a part of the Medicaid state plan.

There is a concern in rural areas that qualified providers would be difficult to find, so they are considering Telehealth, which communicates through computer live chat rooms with a high level of expertise. This type of help is being used in hospitals to get effective diagnoses. Also, the regular support staff does not require a Masters or BA level of education, so this type of expertise would only be needed for crisis services, which has a low number of participants.

**Lauren Ertz** then presented information on Medicaid School-Based Services. She began by discussing legislative changes and the history of the Individual with Disabilities Education Act (IDEA) with Medicaid.

Comparisons to surrounding states show that only Idaho, Nevada and Utah offer collateral contact. Idaho is the only state that offers IBI evaluation, interpretive services, and developmental therapy and evaluation.

She then detailed the recent school review findings which were done in anticipation of the possibility of a federal audit. Ms. Ertz stated that they were concerned that Medicaid was being billed while the child was receiving other therapy services, was sleeping, was absent, there was no school, and the amounts of time billed were unrealistic. They also noted the staff would often use classroom aides to provide the services.

Responding to questions from the committee members, Ms. Ertz said that IBI and developmental therapy will continue. She said that discussions with educators will determine how to fill the gap between intervention collaboration supports and Medicaid.

Respite support services would not work in the school setting since it's for families who need relief from their care giving. The cost is lower than intervention or rehabilitation services with less requirements. Qualifications for respite services are minimum with 16 years of age, if provided in a center, and 18 years of age if independent care, with basic CPR and first aid training. Relatives are allowed to provide respite services.

All Idaho benefits have gone through the legislative process as compared to other states who have basic benefits in the state plan with home or community benefits in a waiver program.

**Leslie Clement** explained that the intent is to provide a normal environment for education instead of a specialized environment. The appearance in Idaho is that Medicaid is funding education benefits to a moderately increasing population. There remains the concern that a federal audit could occur and discrepancies could lead to removal of federal funding with a penalty payback amount. Efforts with sample audits are pro-active to identify and correct any problems. Ms. Clement stated an audit was expected in 2010, but did not happen.

**Paige Grooms**, Alternative Care Coordinator, Adult Care Programs, Division of Medicaid, presented information on the services for adults diagnosed with DD, which is unique in Idaho since it is offered on a state plan and also through a 1915c Waiver for home and community-based services. She then described the eligibility requirements, explained the various aspects of developmental therapy, detailed the DD Waiver, institutional level of care, independent assessment of needs and budget, the Department care management, and the consumer direction option.

In response to questions from the committee, Ms. Grooms explained the difference between the state plan and Developmental Disabilities Agencies' (DDA) services. She said that the state plan can't target benefits and offer them to eligible individuals on an hourly fee-per-service basis. DDA can be accessed by both on a waiver or non-institutional level of care for individuals in the community and offered to the population not meeting the institutional level of care. The H 701 cash grant reduction had an impact on the certified family home (CFH) providers, since they use the funds to pay for room and board. CFH providers can also be impacted by consumer-directed services. The Idaho State Center, which does independent assessments, had a contract reduction last year to align with cost-containment measures. Services are being provided in a way that continues the integrity of the evaluation process. The Department continues to review outcomes and monitor them to maintain quality of service. The provider perspective for developmental therapy is the most cost effective, but there is the challenge of no outcome definitions by which to measure.

**Natalie Peterson**, Bureau Chief, Long-Term Care Program, Division of Medicaid, presented information on the Aged and Disabled (A&D) Waiver. She described the waiver's intent, eligibility requirements, provider types, and available services. She then compared the costs of nursing facilities and the waiver. Ms. Peterson discussed the personal care services (PCS) state plan for adults and the A&D Waiver opportunities, which included the Money Follows the Person Grant.

In answer to questions from the committee, Ms. Peterson stated that they have requested \$8.9M for total state and federal funds. The current federal medical assistance percentage (FMAP) is approximately 79%, and the state match would be approximately 21%. Participants will have enhanced FMAP. The Money Follows the Person Grant is an opportunity for marketing, outreach and education for institutional-based people who are unaware of the services and could access them after leaving the institution. She said the waiver covers physical and mental disabilities with a review by a Medicaid nurse.

**Pat Guidry**, Program Manager, Office of Mental Health and Substance Abuse, Division of Medicaid, presented information on mental health services. Ms. Guidry provided an historical perspective of mental health (MH) and psychosocial rehabilitation (PSR) services.

She detailed indicators of the need for reform, citing issues with participant treatment eligibility, existing benefits, agency requirements, and utilization management. She said that there is a need for evidence-based practices and treatment standards that match industry standards.

Ms. Guidry then discussed the three dimensions that serve as the criteria for defining a person as chronically mentally ill. The amount of PSR cases indicated a problem with the provider network identifying, assessing, communicating the areas of service, and delivering services within their businesses. A new provider agreement was developed and the entire network was re-enrolled with a 3-year credential cycle.

She discussed the 2008 reform project and its three phases. She said that phase one was accomplished through rule changes and stake analysis. Phase 2 was interrupted with the 1% reduction benefits and development of the Governor's Behavioral Health Transformation Work Group.

In detailing the 1915b Managed Care Waiver, Ms. Guidry stated that the emphasis is on psychosocial need versus medical necessity, and it guarantees access to professionals and evidence-based services for quality care.

Responding to questions from the committees, Ms. Guidry stated that the assessment process is free from conflict of interest and takes into account all individuals, with any degree of impairment. The Department provider model has been tried across the country and indicates that the managed care organization model is preferred since it does an efficient and effective job.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 5:21 p.m.

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Chairman Lodge  
Chairman Senate Health & Welfare

\_\_\_\_\_  
Irene Moore  
Secretary  
House Health & Welfare

\_\_\_\_\_  
Co-Chairman McGeachin  
Chairman House Health & Welfare

**AMENDED #1 AGENDA  
HOUSE HEALTH & WELFARE COMMITTEE  
1:30 P.M.  
Room EW42  
Wednesday, January 26, 2011**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
	<b>Medical Presentations on Cost Savings to the State</b>	
	Dr. Scott Kido, Idaho Dental Association	
	Steve Millard, President, Idaho Hospital Association	
	Katherine Hansen Idaho Association of Development Disability Agency	
	Wanda Warden, Idaho Care Providers Network	
	Bill Benkula Idaho Residential Habilitation Association	
	Roger Howard Living Independence Network Corporation	
	Robert Vande Merwe Assisted Living ICFMR and Nursing Facilities	
	Susie Pouliot, Chief Executive Officer Idaho Medical Association	
	Paula Marcotte Mental Health Provider Association of Idaho	
	Jeremy Pisca, PhRMA	

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin

Vice Chair Bilbao

Rep Loertscher

Rep Shepherd

Rep Thayn

Rep Wood(27)

Rep Guthrie

Rep Roberts

Rep Rusche

Rep Chew

COMMITTEE SECRETARY

Irene Moore

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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Wednesday, January 26, 2011

**TIME:** 1:30 P.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** None

**GUESTS:** Brian Fay, Jason Lawry, Community Connections Inc.; Roger Howard, Living Independence Network Corporation; Tammy Gusman, Melida Turnbull, Louise Pryor, Advanced Services; Kris Ellis, Robert Vande Merwe, Gerald Bosen, Mark Maxfield, Brett L. Waters, Keith Holloway, Jason Jensen, Rex Redden, Tiffany Redden, Idaho Health Care Association; Bob Uebelher, Connelly & Smyser; Karen Rush-Wilson, Idaho Resident; John Schulkins, Kindred Healthcare; T Shane Bell, Nampa Care Center; Rick Holloway, Western Health Care; Shawna Kraus, Parke View Rehabilitation; Rick Heilleleila, R H Mental Health; Greg Dickerson, Human Supports of Idaho; Doug Loertscher, Starr Family Behavioral Health; Paula Marcotte, Mental Health Providers Association; Teah Marcotte, Tera Curry, C.O.C.; Beverly Phillips, Abundance BHS; Nicole Sherwood, Developmental Concepts, Inc.; Corey Makizuni, Idaho Association of DDA; Bill Spence, Lewiston Tribune; Marty Durand, Cynthia Dunagan, Shane Robinson, Idaho Association for Residential Habilitation Agencies; Richelle Tierney, Nina Brandes, Mindy McFarland, Teronda Robinson, Community Partnerships of Idaho; Kathie Garrett, Partners in Crisis; Joanne Anderson, Air Case Management; Ken McClure, Idaho Medical Association; Steve Millard, Idaho Hospital Association; Corinna Stiles, Disability Rights Idaho; Jeremy Irvin, Idaho Resident; Jim Shelton Wagers, Idaho State Dental Association; Tami Chafin, ISDA; Graham Paterson, Idaho Oral Health Alliance; Cathy Kowalski, Northern Idaho Association of Education of Young Children; Kathleen Hansen, P. Burgess, Idaho Association of Developmental Disabilities Agencies; Heidi Low, ACSCAN; Susie Pouliot, Molly Steckel, Idaho Medical Association; Kim Simpson, Aubrey Simpson, Idaho Residents; Pam Rouda, Nampa Schools; Marilyn Sword, James Steed, Developmental Disabilities Council; Wanda Warden, Ken Warden, Idaho Care Providers Network; Dick Schultz, Department of Health & Welfare; Paula Laberti, John Barthelmess, Community Out Reach Counseling; Jason McArthur, Anthony M. Decker, Robert M. Decker, Westcare Management; Lisa Cahill, Nicole Lang, The Arc, Inc.; Leslie Clement, Medicaid; Pam Eaton, Idaho Retailers Association, JoAn Condie, Idaho State Pharmacy Association, Dana Gover, Idaho Resident; Sarah Fuhriman, Roden Law Office; Bill Roden, PhRMA / Delta Dental; Ryan Fitzgerald, Idaho Association of Chiropractic Physicians; Benjamin Davenport, Risch Pisca.

Meeting was called to order at 1:34 p.m. by Chairman McGeachin.

**MOTION:** **Rep. Bilbao** moved to approve the minutes of January 20. **Motion carried on voice vote.**

**Chairman McGeachin** welcomed the presenters who were invited to respond to the specific questions: *what is health care doing today to save money for the state and consumer*, and, *if your industry was affected by cuts, what recommendations do you have to save money in Medicaid*. Chairman McGeachin explained that the groups presenting today were chosen they were identified as major cost drivers in the Medicaid budget; however, written comment from other sectors of health care would also be accepted.

**Dr. Scott Kido**, a Nampa dentist, representing the Idaho State Dental Association (ISDA), indicated that the top adult program priorities should be the relief of pain and suffering, with minimized dental related medical emergencies, the reduction of high levels of dental disease in the Medicaid population, with emphasis on early education and treatment for children ages 2 or younger, and the limiting of restorative procedures and non-emergency extractions. **Dr. Kido** further stated that the ISDA recommended modification of the DentaQuest contract to allow coverage for relief of pain and suffering and minimize dental-related medical emergencies. He then stressed that cutting all dental services would result in expensive hospital emergency room visits, which would burden the hospital staff.

In response to questions from the committee, Dr. Kido explained that 80% of all dental disease is found in 20% of the population, with Medicaid patients making up a large part of that group. He further stated that prevention targeted at children is more effective since any disease is well established by adulthood. He then said that a restorative focus currently exists and a change to one of prevention would make great strides in reducing the disease burden to the population.

**Steve Millard**, President, Idaho Hospital Association (IHA), gave a brief overview of the hospitals within the IHA. He then stated that additional cuts in Medicaid could result in patients putting off care, more non payments, and an increase in charity care. The hospitals have made efforts to keep costs down with electronic systems that make orders legible, reduce re-work and phone calls. St. Alphonsus Hospital has saved over \$5M in direct costs by drastically decreasing their nosocomial infection rates. Mr. Millard then stated that the IHA suggests implementing managed care for chronic patients, continued development of the medical home model with care from the patient's own doctor, changing the payment system, and Medicaid meetings with health care providers.

In response to questions from the committee, Mr. Millard further stated that managed care is currently voluntary and contains a lot of barriers that could be removed. He emphasized that solutions from other states might not be right for Idaho and the concept of bundling payments has not proven to work well in areas where it was tried. He suggested giving a group of providers the responsibility of the health care with a budget cap so they could make money if their costs were less than the cap. The larger hospitals are evaluating formation of groups that qualify for the accountable care organization designation. Mr. Millard also stated that the Affordable Care Act was supported by his hospitals. He then explained that only the physician could order use of specific equipment, although some hospitals have utilization guidelines. Mr. Millard also agreed that if physicians and patients have prior knowledge of the cost, it would help them determine if a procedure is necessary.

**Katherine Hansen**, President, Idaho Association of Developmental Disabilities Agencies (DDA), presented a brief background of the agency, the breakdown of the number of adults with disabilities and how they access support. Ms. Hansen delineated between adults not on the DD waiver and those on the DD waiver with a breakdown of where they live and what supports help them learn skills in the home and in the community. She then discussed the 22-hour cap for developmental therapy and its impact on integration into the community. Ms. Hansen suggested that there be meetings with stakeholders during the next two weeks to discuss areas that can be streamlined and ways to minimize duplication within the existing system. Suggested short-term changes could include reduction of the weekly cap for developmental therapy for adults, non-emergency transportation, adult day care services, extension of HB701 temporary rules, and possible retirement criteria for developmental therapy. Long-term suggestions are national accreditation instead of state licensing/certification and a moratorium on any new DDA.

**Wanda Warden**, Representative, Idaho Care Providers Network, outlined the network's community living support system. She then stated that they would like to combine their recommendations with other agencies and the Department of Health and Welfare through joint meetings to be held over the next two weeks.

**Bill Benkula**, Representative, Idaho Residential Supported Living Association (IRSLA), described his association's membership, services, functions, and current cost savings practices. He then stated that IRSLA opposes reductions in supported living services since the rates are already minimal and must still meet federal requirements, adding that IRSLA would request an additional two weeks and the opportunity to meet with other groups to discuss areas of possible reduction.

**Roger Howard**, Executive Director, Living Independence Network Corporation (LINC), appeared before the committee to discuss the Aged and Disabled (A&D) Waiver under Idaho Medicaid. He said his focus would be Personal Care Services (PCS), which are the largest cost under the A&D Waiver. Mr. Howard then described PCS, current funding, reimbursement rates, participants, and recent legislative changes. He listed recommendations, which included extending the current rate reductions, use of the Money Follows the Person Grant, modification or elimination of requirements for RN plan development after an assessment, increased choices in Home and Community Based Services (HCBS) and Federal Medical Assistance Percentages (FMAP), options for a provider tax, and combine attendant and homemaker services with a rate reduction. He then suggested reviews of the assessment process when establishing level of care, a possible reduction in PCS, the cost effectiveness of waiver components and implementation of a tobacco tax increase.

**Robert Vande Merwe**, Executive Director, Idaho Health Care Association (IHCA), Idaho Center for Assisted Living (ICAL), described the types of facilities and how they are providing cost savings to both the State of Idaho and the consumer. He then described how additional dollars could be generated by updating the nursing home provider assessment, creating an intermediate care facility (ICF) assessment, and privatizing the Idaho State School and Hospital (ISSH). He then suggested discussion with federal regulators to limit HCBS and DD waiver programs to the least expensive in-patient care available. Possible cost reductions for assisted living included facility surveys conducted by a local organization, consolidation of travel, and elimination of duplicate HCBS services. Mr. Vande Merwe listed additional reductions in Targeted Service Coordinator reimbursements, developmental therapy, DDAs, and Psycho Social Rehabilitation (PSR). He suggested prior authorization for home care be required since the cost is double that of Assisted Living Facilities (ALF), reduction in the use of CFHs and preventative care benefits, since it exceeds most health care plans. He also stated we could limit commercial transportation, reduce non-emergency dental care, require prior authorization for

chiropractic care, physical, occupational and speech therapies, MRIs, CAT scans and other expensive tests. He then suggested the focus be on patient health and safety instead of on skill building.

In answer to questions from the committee, Mr. Vande Merwe indicated that CFHs can do much more than an ALF and the entire medicaid population could benefit from prior authorization for tests. He stated IHCA/ICAL will continue to collaborate with the Department of Health and Welfare to find cost savings ideas.

**Susie Pouliot**, CEO of the Idaho Medical Association (IMA), detailed the association and previous actions taken by Medicaid. She stated that meetings with Medicaid have produced a reduced payment for some procedures that previously exceeded medicaid rates and eliminated all consultations in alignment with medicaid policies. Additional cost cutting would force providers to limit the number of Medicaid patients, which would result in increased Emergency Room (ER) visits at a higher cost. She then suggested that cost cutting might be obtained through current initiatives that address efficiencies in care delivery.

In response to the committee, Ms. Pouliot, explained that actions taken lowered some services paid above medicare rates which had been higher due to statutory increases. The statutory increase has been suspended for the past two years and most practices are not seeking more medicaid patients. If the physicians don't feel the reimbursement match is going to be available, they may start a trend to opt out of the program. She further indicated that previous models limited managed care in favor of the medical home model to allow implementation of chronic disease care and give patients more health care ownership.

**Paula Marcotte**, President, Mental Health Providers Association of Idaho (MHPAI), discussed Psychosocial Rehabilitation Services (PRS), what is provided, and their patients. She further indicated that they are home and community based with psychotherapy, pharmacological management, and adult partial care treatments. She then listed a variety of unintended consequences given the loss of adult community based programs. The MHPAI cost reduction suggestions are adopting the Department of Health and Welfare's Scenario 2, extension of temporary rules, requiring national accreditation, a 10% decrease in PSR service hours, and a cap on provider agreements.

**Jeremy Pisca**, attorney, Risch Pisca, Representating PhRMA, gave a brief history of PhRMA, and the impact of the current economic climate. He also stated that the vast majority of PhRMA companies participate in the Partnership for Prescription Assistance Program, which provides free medications for those who are medically indigent and don't qualify for Medicaid. He then indicated that the majority of PhRMA drugs are name brand, which pay federal and state rebates. Mr. Pisca then suggested the generic rebates be considered as a possible area for revenue.

He then turned the presentation over to **Deanne Calvert**, Chairperson of the Idaho Pharmaceutical Research and Manufacturers of America Task Force, who detailed the costs and returns for developing, testing, and bringing a single drug to market. She then outlined how chronic care management programs, which consider all aspects of the patient's health and provide comprehensive information to a variety of care providers, can reduce the number of complications and hospital stays while increasing the quality of life. Key aspects of this approach are clinical decision support, performance measurement, and patient engagement. She stated this approach, combined with automatic prescription refills and appointment reminders, could improve a patient's adherence to medication and open the opportunity for co-pay waiver policies for patients who enroll in monitoring programs and meet medication adherence goals. She also said that PhRMA supports the Prescription Drug Monitoring Program (PDMP) found in other states, which reduces prescription drug abuse. Ms. Calvert then spoke about the use of computerized physician order entry and e-prescribing, which often include warnings about drug allergies, interactions, doses, routes, and frequencies, and offer federal matching funds. She then stated that collection of rebates for generic brand prescriptions would provide additional state revenue. She concluded by outlining the challenges to the Pharmaceutical industry.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 4:12 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

**AMENDED #2 AGENDA  
HOUSE HEALTH & WELFARE COMMITTEE  
1:30 P.M.  
Room EW42  
Friday, January 28, 2011**

<b>DOCKET</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<b>16-0309-1003</b>	Medicaid Basic Plan Benefits revisions.	Sheila Pugatch Principal Financial Specialist Division of Medicaid
<b>16-0309-1004</b>	Medicaid Basic Plan Benefits revisions.	Sheila Pugatch
<b>16-0310-1004</b>	Medicaid Enhanced Plan Benefits revisions.	Sheila Pugatch
<b>16-0310-0902</b>	Medicaid Enhanced Plan Benefits revisions.	Paul Leary Deputy Administrator Division of Medicaid

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

Irene Moore  
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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Friday, January 28, 2011

**TIME:** 1:30 P.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** Representative(s) Loertscher

**GUESTS:** Elizabeth Caval, Community Partnerships; Bev Barr, Sheila Pugatch, Department of Health and Welfare; Trista Wolfe, Idaho Resident; Patrick Kirk, Aspen Mental Health; Michael Skelton, All Seasons Mental Health.

Meeting was called to order at 1:32 p.m. by Chairman McGeachin.

**MOTION:** **Rep. Bilbao** moved to approve the minutes of January 24. Motion carried on voice vote.

**Docket No. 16-0309-1003:** **Sheila Pugatch**, Principal Financial Specialist, Division of Medicaid, presented **Docket No. 16-0309-1003**, which is being modified to update definitions, specify reporting requirements for share payments, and add annual cost reporting by pharmacies.

**MOTION:** **Rep. Thayn** moved to accept **Docket No. 16-0309-1003**. Motion carried on voice vote.

**Docket No. 16-0309-1004:** **Sheila Pugatch** presented **Docket No. 16-0309-1004**, which is a temporary rule for private hospitals that removes both the outpatient cost reductions and the 8.5% payment reductions for the hospital interim payment. In response to committee questions, Ms. Pugatch stated that by lowering the rate of out-of-state payments, a cost savings will be realized by the general fund.

**MOTION:** **Rep. Bilbao** moved to accept **Docket No. 16-0309-1004**. Motion carried on voice vote.

**Docket No. 16-0310-1004:** **Sheila Pugatch** then presented **Docket No. 16-0310-1004**, which continues the freeze on daily rate inflation increases for nursing facilities and Intermediate Care Facilities for the Intellectually Disabled (ICF/ID). In response to questions from the committee, she further stated that these rule changes last until June 30th of 2011 and any permanent changes would be handled through legislation.

**Robert Vander Merwe**, Idaho Health Care Association, testified in support of **Docket No. 16-0310-1004**, stating that an assessment bill is being drafted. In response to questions from the committee, he said that his association will help with new departmental legislation and a new cap needs to be created on a federal level.

**MOTION:** **Rep Wood** moved to accept **Docket No. 16-0310-1004**. Motion carried on voice vote.

**Docket No. 16-0310-0902:** **Paul Leary**, Deputy Administrator, Department of Medicaid, presented **Docket No. 16-0310-0902**, which is a temporary rule reducing service limits for Medicaid covered Developmental Disability (DD) services and continues current practice. He stated that the economic conditions have not changed and the Department continues to monitor the impact of the service reduction. Mr. Leary further stated that rules for the Children's DD Services redesign will be presented during this legislation but will not, if passed, be effective until July 1, 2011.

In response to questions from the committee, Mr. Leary stated that this rule applies to both adult and children services. He then said that the proposed Children DD Services redesign includes the overall DD limitations.

**MOTION:** **Rep. Roberts** moved to accept **Docket No. 16-0310-0902**. **Motion carried on voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:01 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

AGENDA  
HOUSE HEALTH & WELFARE COMMITTEE  
1:30 P.M.  
Room EW42  
Wednesday, February 02, 2011

DOCKET	DESCRIPTION	PRESENTER
16-0310-1002	Medicaid Enhanced Plan Benefits	David Simnitt Project Manager Division of Medicaid
16-0313-1002	Consumer-Directed Services	David Simnitt
16-0321-1001	Development Disabilities Agencies Chapter Rewrite	Eric Brown Program Supervisor Division of Medicaid
16-0411-1001	Developmental Disabilities Agencies Chapter Repeal	Eric Brown

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Wednesday, February 02, 2011

**TIME:** 1:30 P.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** Representative(s) Loertscher, Chew

**GUESTS:** Jim Baugh, Disability Rights of Idaho; Mary Rumble, Idaho Resident; Stephanie Whipps, Idaho Center for Autism; Cheryl Hammack, Joy Cameron, A New Leaf/IADDA; Toni Barnes, Perry Wolfe, Consumer Direct; Melinda Turnbull, Advanced Services; Erika Bacon, Idaho Resident; Tony Gusman, Advanced Services; Donna Farmer, Idaho Resident; Cori Dalton, Idaho Resident; Tresa Bau, Idaho Resident; Mike Friend, Idaho State Billing Solutions; Dr. Linda Clark, Joint School District No. 2; Ila Cockrum, Caldwell School District - Special Education Director; Max Pond, Risch Pisca; Ross Knight, Associated Students of Idaho State University; Robbi Barrutia, Idaho State Independent Living Council; Karen Echeverria, Idaho School Board Association; Katherine Hansen, Idaho Association of Developmental Disabilities Agencies (DDA); Marilyn Sword, Amanda Holloway, Christine Pisaim, Developmental Disabilities Council; Kelly Kelle, Idaho Association of DDA; Ed Hawley, Administrative Rules; David Simnitt, Stephanie Perry, Lauren Ertz, Medicaid; Cameron Gilliland, Darcy Nesor, Rebecca Fadness, Frank Powerll, Department of Health & Welfare Family Adult and Children Services; Angela Lindig, Idaho Parents Unlimited; Tami Jerve, Idaho Behavior Health; Mike Friddle, IFBF; Corinna Stiles, Disability Rights of Idaho

Meeting was called to order at 1:30 p.m. by Chairman McGeachin.

**MOTION:** **Rep. Bilbao** moved to approve the minutes of January 26 and January 28, **Motion carried on voice vote.**

**Docket No. 16-0310-1002:** **David Simnitt**, Project Manager, Medicaid, presented **Docket No. 16-0310-1002**, which eliminates Developmental Therapy and Intensive Behavioral Intervention (IBI) Medicaid services for children, with development disabilities (DD), and provides instead an array of support, intervention, and collaboration services. He then described the redesign process and direction, detailing some of the issues and how they are improved with the new benefit package. Mr. Simnitt discussed the new annual participant budget methodology and the phase-in, which would begin on July 1, 2011, based on birthdays, with both systems continuing until all are rolled over. He stated that a grandfathering clause was included in the rule to give Developmental Disabilities Agencies (DDA) up to two years to complete competency course work required for the new services. Mr. Simnitt then detailed the services, either through a state plan or a waiver, provided by surrounding states. He concluded with an explanation of Section 663.02.a and stated that the Department supports removal of that section.

In response to questions from the committee, Mr. Simnitt said the redesign meets Case Management Services (CMS) funding requirements and provides new tools to make targeted reductions. He then explained that Idaho is unique in the services delivered with DD since most surrounding state plans require Intermediate Care Facility for the Intellectually Disabled (ICF/ID) level for a waiver, delivery is school-based, and the amount of funding is less. Programs are designed around evidence-based practices, so everyone at each tier has a budget, instead of the current one-size-fits-all approach, creating a robust early developmental program for young children with significant maladaptive behavior. Mr. Simnitt stated that the shared responsibility approach, with all care givers and community, is necessary for severe DD.

**Leslie Clement**, Administrator, Medicaid Division, responded to additional committee questions stating that a consistent move away from the fee-for-service element is to set established budgets with constraints. A proposal to acquire an independent assessor to evaluate where a person falls in the tiers is the only area where selective contracting has been pursued thus far. This assessor would do evaluations statewide.

**Mr. Simnitt** responded to additional questions by emphasizing that the budget category is identified by the child's needs with all planning to include the parents, so they know what they are getting.

**Jim Baugh**, Executive Director, DisAbility Rights Idaho (DRI), testified before the committee that his organization, although supporting the concept of redesigning Medicaid children's DD services, is **in opposition to Docket No. 16-0310-1002**. Their research shows the need for 25 hours per week of therapist-led intensive behavioral intervention. DRI is also concerned that there are no services under the plan for DD children who don't need the ICF/ID level of care to achieve new skills, and only require support and respite care. The use of a waiver to deliver school based services will eliminate federal funds to the schools and not save any general fund dollars. Mr. Baugh stated concern that required competency courses will not be available in time to supply credentials to meet provider qualifications and will deprive children of those services. DRI is also concerned about the Act Early Waiver and it's limitation to autistic children aged 3 to 6 since diagnosis at 4 or 5 years old is very common and would then allow a very short period of use. He concluded that DRI suggests DD services budgets be based on individual needs like the rest of the redesign.

**Mary Rumble**, Idaho Resident, appeared before the committee **in opposition to Docket No. 16-0310-1002**. She stated that the individualized budgets created by an average of current use, which gives each family the same budget, cuts the numbers of service hours drastically. She detailed how the decrease would drop the 3-6 year old group from 22 hours to 12.2 hours. Ms. Rumble discussed the habilitative intervention change from skill building to a support service at the same cost. In conclusion she asked that the redesign as presented be returned for a cost savings program.

**Stephanie Whipps**, Idaho Center for Autism, Educator, Business Owner, Advocate, testified **in opposition to Docket No. 16-0310-1002**, stating that there would be incredible risks by cutting off their ability to provide and be reimbursed for school-based services. She also stated that shortening the hours of service for autistic children makes such services of little value. In answer to questions from the committee she stated that she does have contracts with the schools, but the majority of her services are for families in their homes.

**Erica Bacon**, Idaho Resident, appeared before the committee **in opposition to Docket No. 16-0310-1002**. As the mother of two autistic children, she detailed how the decrease in therapy hours would impact each of her children and the disparity of their needs based on their age and behavioral levels.

**Cori Dalton**, Idaho Resident, Teacher, testified **in opposition to Docket No. 16-0310-1002**. Her autistic son has shown great progress through the early intervention model. She described the type of service her son receives and expressed concern that the redesign will cause regression, behavioral problems and put him in a restrictive environment, impeding his right to an education. She stated that the Act Early Waiver, if extended to 8 years old, would be helpful to those children not diagnosed until 4-5 years old. She said her son currently accesses 22 hours, which will be cut to 5 hours with the redesign.

**Tresa Bau**, Idaho Resident, Parent, appeared before the committee **in opposition to Docket No. 16-0310-1002**. She stated that the redesign was portrayed as enhancements and expanded services; however, the reality is a 75% cut for her son's services from 22 to 6 hours, ceasing any progress he is making. She questioned the tier concept and it's lack of consideration for any maladaptive index.

**Mike Friend**, Executive Consultant, Idaho State Billing - Educational Solutions, testified **in opposition to Docket No. 16-0310-1002**. He outlined his organization's concerns for the financial burden on school districts if IBI and Developmental Therapy are eliminated. In response to questions, Dr. Friend stated his organization does the medicaid billing for 90 school-based clients in Idaho. He also advised the committee he serves as a part-time Assistant Superintendent in the Middleton School District.

**Linda Clark**, Superintendent of Meridian School District, appeared **in opposition to Docket No. 16-0310-1002**. She stated her concern that the redesign will eliminate a significant amount of school-based Medicaid services for the most vulnerable students in the district. She stated that school-based Medicaid dollars are flow through and require no additional state funds. By changing the program the \$800,000 reimbursement would be in jeopardy. She said the district would need time to develop ways to handle the negative impact prior to the expiration of current services.

**Ila Cockrum**, Special Education Director, Caldwell School District, testified **in opposition to Docket No. 16-0310-1002**, stating that services have to be provided by federal law. She said that the 6B and preschool population is rapidly growing, and the autism population is three times higher than a year ago, requiring one-on-one intensive intervention.

**Karen Echeverria**, Executive Director, Idaho School Board Association, appeared before the committee **in opposition to Docket No. 16-0310-1002**. She stated her association's concern for the loss of federal funds that will occur if there are no provisions to pay for school district therapies, which will still have to be provided. Ms. Echeverria stated that the annual cost to the school district is \$15-\$20M, with or without any reimbursement.

**Katherine Hansen**, President, Idaho Association of Developmental Disabilities Agencies (DDA), testified before the committee **in favor of Docket No. 16-0310-1002**, stating that they suggest the Department of Health & Welfare meet with stakeholders on a regular basis to discuss unintended consequences and the transition into the new services. In response to questions, Ms. Hansen said the agencies are willing to come up with creative ways to consider additional funds to help with services that fall outside the budgets given to the families.

**Marilyn Sword**, Executive Director, Idaho Council on Developmental Disabilities, appeared **in opposition to Docket No. 16-0310-1002**, stating her council questions how children who are ineligible for the waiver will be able to get services as needed. She said the budget methodology needs to change from tiers to an evaluation of the child's individual needs to determine the right plan and insure there are funds available. The Act Early Waiver delivers intensive services and the highest budget, which falls short of what providers need to charge. Ms. Sword also stated that there needs to be collaboration with the impact on adult services for a smooth transition from children's services.

Upon questions by the committee, **David Simnitt** stated that Idaho is unique in delivering services to children who do not meet the ICF/ID level of care and will continue to meet their needs. He then stated that habilitative supports do have a component of skill building with less regimentation to facilitate the children's involvement in community activities. Mr. Simnitt said there is a commitment to identify which school services would be impacted, even though the rule doesn't eliminate anything. He then explained that federal audits are a strong possibility and this redesign addresses areas where the audit would have found problems.

**MOTION:** **Rep. Roberts** moved to accept **Docket No. 16-0310-1002 with the exception of Section 663.02.a. Motion carried on voice vote.** **Rep. Rusche** requested that he be recorded as voting nay.

**Docket No. 16-0313-1002:** **David Simnitt** presented **Docket No. 16-0313-1002**, which applies to consumer-directed services for children with DD, allowing the families a more direct role in the selection and management of service providers. Support brokers and a fiscal employer agent will help families develop and manage their services and the Department staff will review, approve, and monitor their plans. This rule also allows parents who qualify to serve as an unpaid support broker for their child. Transition planning from children's to adult services is also included in this rule.

**MOTION:** **Rep Wood** moved to accept **Docket No. 16-0313-1002. Motion carried on voice vote.**

**Docket No. 16-0321-1001:** **Eric Brown**, Program Supervisor, Licensing and Certification, Division of Medicaid, presented **Docket No. 16-0321-1001**, which creates a separate licensing and certification chapter for DDA and moves it out of IDAPA 16.04.11.

**Katherine Hansen** testified **in support of Docket No. 16-0321-1001**, stating that they will work with the Department to achieve clear and consistent rule applications.

**MOTION:** **Rep. Wood** moved to accept **Docket No. 16-0321-1001. Motion carried on voice vote.**

**Docket No. 16-0411-1001:** **Eric Brown** then presented **Docket No. 16-0411-1001**, which repeals IDAPA 16.04.11 Rules governing DDA, since **Dockets 16-0321-1001** and **16-0310-1002** separated the certification requirements from the Medicaid benefits and services requirements.

**MOTION:** **Rep. Roberts** moved to accept **Docket No. 16-0411-1001. Motion carried on voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 3:20 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

AGENDA  
**HOUSE HEALTH & WELFARE COMMITTEE**  
 Upon Adjournment of the House  
 Room EW42  
 Friday, February 04, 2011

<b>DOCKET</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<b>16-0309-1002</b>	Medicaid Basic Plan Benefits	Matt Wimmer Program Manager Medical Care Unit Department of Health & Welfare
<b>16-0310-1007</b>	Medicaid Enhanced Plan Benefits (Temporary)	Matt Wimmer
<b>16-0310-1003</b>	Medicaid Enhanced Plan Benefits	Sheila Pugatch Principal Financial Specialist Division of Medicaid
<b>16-0310-1101</b>	Medicaid Enhanced Plan Benefits - Extension of temporary rule	Sheila Pugatch
<b>16-0310-1102</b>	Medicaid Enhanced Plan Benefits - Extension of temporary rule	Sheila Pugatch
<b>24-1301-1001</b>	Rules of the Physical Therapy Licensure Board (Temporary)	Roger Hales General Counsel Bureau of Occupational Licenses
<b>24-1301-1002</b>	Rules of the Physical Therapy Licensure Board	Roger Hales
<b>24-2601-1001</b>	Rules of the Idaho State Board of Midwifery (Temporary)	Roger Hales

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin

Vice Chair Bilbao

Rep Loertscher

Rep Shepherd

Rep Thayn

Rep Wood(27)

Rep Guthrie

Rep Roberts

Rep Rusche

Rep Chew

COMMITTEE SECRETARY

Irene Moore

Room: EW14

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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Friday, February 04, 2011

**TIME:** Upon Adjournment of the House

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** Representative(s) Loertscher, Thayn

**GUESTS:** Sheila Pugatch, Bev Barr, Paul Leary, Matt Wimmer, Department of Health & Welfare; Monica Fowers, Physical Therapy Board; Aaron Thain, AAA Home Care; Kris Ellis, Benton & Ellis Consulting; Roger Hales, Idaho Board of Licensing, Physical Therapy Board, and Midwifery Board; Ed Hawley, Administrative Rules; John Schulkins, Idaho Health Care Association; Lynn Tominaga, Idaho Ground Water Appropriators, Idaho Rural Water Appropriators; Ryan Fitzgerald, Principle Strategic

Meeting was called to order at 10:37 a.m. by Chairman McGeachin.

**Docket No. 16-0309-1002:** **Matt Wimmer**, Program Manager, Medical Care Unit, Department of Health & Welfare, presented **Docket No. 16-0309-1002**, which controls costs and maintains access to non-emergency medical transport services for all Medicaid participants via statewide contracts. This is a cost savings with no impact to services by participants. It details inspection and credential requirements and has a September 1, 2010, effective date.

In response to questions from the committee, Mr. Wimmer said the contract is a per member/per month set fee and offers more than the previous program, with a \$500,000 savings, based on previous per member/per month rates of \$7.44 versus the new locked-in rate of \$7.04.

**MOTION:** **Rep. Wood** moved to accept **Docket 16-0309-1002**. **Motion carried on voice vote.**

**Docket No. 16-0310-1007:** **Matt Wimmer** then presented **Docket No. 16-0310-1007**, which extends the temporary rule for contracted dental services for Medicaid Enhanced Plan participants. This rule limits costs to the current dental program through 2013, except inflation adjustments required by statute, and allows the contractor to limit plan providers, with no discrimination. The contract provider must maintain a network to ensure treatment access to Medicaid participants within reasonable distances and time frames. The contractor must also provide both written notice to any excluded providers and assistance to find a dentist, including out of network, if necessary. The effective date for this rule change is November 1, 2010.

In answer to committee questions, Mr. Wimmer stated there is a local provider advisory committee in the program and there is more than adequate coverage across the state. Current definitions of services remain the same; however, they are working with the dental community groups to address them specifically.

**MOTION:** **Rep. Guthrie** moved to accept **Docket 16-0310-1007**. **Motion carried on voice vote.**

**Docket No. 16-0310-1003:** **Sheila Pugatch**, Principal Financial Specialist, Division of Medicaid, presented **Docket No. 16-0310-1003**, for approval with the exceptions of Sections 270.03 and 270.07. This rule affects Intermediate Care Facilities for the Intellectually Disabled (ICF/ID) and nursing homes. The savings for this rule would amount to \$6.4M in total Medicaid funds. This rule clarifies requesting a special rate add-on, payments prior to receipt of request, nursing home special rate requests, efficient incentive payments removal, and requires an 85% cost survey compliance rate for all Personal Care Service (PCS) Agency providers. She stated that Sections 270.03 and 270.07 need to have the formulas refined.

**MOTION:** **Rep. Rusche** moved to accept **Docket No. 16-0310-1003 with exceptions of Sections 270.03 and 270.07.**

**Aaron Thain**, President, AAA Home Care in Nampa, testified **in opposition to Docket No. 16-0310-1003**, stating that Sections 307.04.a, b, and c propose a cost-reimbursement that is a step backward by providing an incentive to inflate costs and maximize reimbursement. He then proposed the Legislature make the recent 3% cut permanent instead of the cost reimbursement, which would reduce the supplemental component from 55% to 52%.

In response **Sheila Pugatch** stated that the cost information is for specific overhead costs used to come up with the replacement component of 55%, and is not a full cost reimbursement model. The hourly rate is the rate used to multiply the supplemental component against the actual hourly wages of those who perform similar functions to personal care assistance. Cost information was used to determine the margins to identify the percentage.

**Chris Ellis**, Idaho Healthcare Association, testified **in support of Docket No. 16-0310-1003 except Sections 270.03 and 270.07**, stating that a meeting is scheduled for next week to work on the methodology to make the two excepted section schedules equitable.

**John Schulkins**, Idaho Health Care Association, stated he would forego testimony **in support of Docket No. 16-0310-1003.**

**Motion carried on voice vote.**

**Docket No. 16-0310-1101:** **Sheila Pugatch** then presented **Docket No. 16-0310-1101**, which is a temporary rule extension to establish a reimbursement system for subgroups of providers for developmental disability and mental health services.

**MOTION:** **Rep. Roberts** moved to approve **Docket No. 16-0310-1101. Motion carried on voice vote.**

**Docket No. 16-0310-1102:** **Sheila Pugatch** presented **Docket No. 16-0310-1102**, which is a temporary rule extension with changes that define nursing facility assessment processes and increase the total assessment percentage.

**John Schulkins**, Idaho Health Care Association, testified **in support of Docket No. 16-0310-1102** and continuation of the rules.

**MOTION:** **Rep. Roberts** moved to approve **Docket No. 16-0310-1102. Motion carried on voice vote.**

**Docket No. 24-1301-1001:** **Roger Hales**, Attorney representing the Physical Therapy Licensure Board, presented **Docket No. 24-1301-1001**, which requires an English proficiency exam for foreign educated individuals whose native language is not English.

Upon questions from the committee, Mr. Hales, stated that there are two common tests to determine proficiency in the United States which can be used and the board will consider other examinations as they become available.

**Monica Fowers**, Physical Therapist Licensure Board, responded to questions from the committee by stating that any issues with the testing process will be reviewed on a case-by-case basis.

**MOTION:** **Rep. Rusche** moved to approve **Docket No. 24-1301-1001**. **Motion carried on voice vote.**

**Docket No. 24-1301-1002:** **Roger Hales** then presented **Docket No. 24-1301-1002**, which updates terminology, allows for termination of non-active applications, and applies 4 hours of continuing education credit for the supervision of physical therapist students or assistant students.

**MOTION:** **Rep. Bilbao** moved to approve **Docket No. 24-1301-1002**. **Motion carried on voice vote.**

**Docket No. 24-2601-1001:** **Roger Hales**, representing the Board of Midwifery, presented **Docket No. 24-2601-1001**, which clarifies disciplinary grounds for a new applicant and allows consideration of previous disciplinary action from another state or crimes that reflect adversely on the person's fitness to be licensed.

**MOTION:** **Rep. Roberts** moved to approve **Docket No. 24-2601-1001**. **Motion carried on voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 11:29 a.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

**AGENDA**  
**HOUSE HEALTH & WELFARE COMMITTEE**  
**1:30 P.M.**  
**Room EW42**  
**Tuesday, February 08, 2011**

<b>DOCKET</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<b>16-0310-1005</b>	Medicaid Enhanced Plan Benefits - Response to House Concurrent Resolution No. 48 (2006 Legislation) mental health program clarifications. (Temporary)	Pat Guidry Program Manager Office of Mental and Substance Abuse
<b>16-0309-1005</b>	Medicaid Basic Plan Benefits - Eliminate or reduce specific benefits or services. (Temporary)	Paul Leary Deputy Administrator Division of Medicaid
<b>16-0310-1006</b>	Medicaid Enhanced Plan - Changes to eliminate or modify specific benefits or services. (Temporary)	Paul Leary
<b>16-0411-1101</b>	Developmental Disabilities Agencies. (Temporary)	Eric Brown Program Supervisor Division of Medicaid
<b>16-0737-1001</b>	Children's Mental Health Services	Chuck Halligan Program Manager Children's Mental Health

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Tuesday, February 08, 2011  
**TIME:** 1:30 P.M.  
**PLACE:** Room EW42  
**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew  
**ABSENT/  
EXCUSED:** Representative(s) Loertscher  
**GUESTS:** Lee Barton, Mental Health Providers; Dana Gover, Idaho Resident; Paul Leary, Frank Powell, Chuck Halligan, Department of Health & Welfare; Paula Marcotte, Mental Health Provider Association of Idaho; Mike Skelton, Jared Nye, All Seasons Mental Health; Ed Hawley, Administrative Rules; Kathie Garrett, NAMI Idaho; Fairy Hitchcock, Hitchcock Family Advocates; Max Pond, Risch Pisca; Bob Uebelher, Connolly & Smyser; Courtney Santillas, Idaho Federation of Families; Chris Culp, Idaho Behavioral Health.

Meeting was called to order at 1:30 p.m. by Chairman McGeachin.

**MOTION:** **Rep. Bilbao** moved to approve the minutes of February 2. **Motion carried on voice vote.**

**Docket No. 16-0310-1005:** **Pat Guidry**, Program Manager, Mental Health and Substance Abuse, Division of Medicaid presented **Docket No. 16-0310-1005**. which pertains to psychosocial rehabilitation (PSR) certification. She detailed the establishment of certification regulations based on the requirements from the United States Psychiatric Rehabilitation Association (USPRA). The changes include the acceptance of any bachelors degree for qualification, hiring workers with no mental health (MH) training who must follow a PSR training schedule during the first 30 months of employment, allowing workers to choose PSR training topics as identified by USPRA, and grandfathering the existing PSR work force for college plus ongoing post-hire education to receive an adult or child certification. She also said that any PSR worker must be supervised by a licensed master's level MH professional. Ms. Guidry stated the changes are necessary to ensure a competent and engaged PSR work force and reflect industry standards.

In response to questions from the committee, Ms. Guidry stated that approximately 25 people have the national certification in Idaho with a current patient population of over 13,000. This rule gives sufficient time and leeway for individuals who consider this a profession to get the national certification. There are economical and free training opportunities in classrooms and online, with some sponsored by a chapter of USPRA. She then commented that the training stated in the rule is in the classroom and can be modified to include online training. She said the impact to the state budget is expected to be zero with the cost paid by the individuals achieving the certification.

**Lee Barton**, Owner, The Mental Health Provider Agency, representing the Mental Health Providers Association of Idaho (MHPAI), appeared before the committee **in support of Docket 16-0310-1005**, with the exception of the term "USPRA" in connection with the approved hours for continued education. He stated that referring to "USPRA approved hours" is meaningless since they have no published standards for acceptance. MHPAI requests that the rule be modified to reflect a single certification instead of one for child and another for adult. He also stated that it costs \$450 per individual to test for the USPRA certification, which is a cost not compensated by Medicaid. Mr. Barton then said that the Department is requiring 60 hours of continuing education prior to sitting for the USPRA exam while USPRA requires only 45 hours, stating that the lower hours would reduce the training costs.

In response to questions from the committee, **Pat Guidry** stated that other licensed individuals delivering PSR have the skill set by achievement of licensure that demonstrates their knowledge. She said that by increasing standards it is expected that those who view it as a profession will become licensed and those who view it as a job will move out of the field. Ms. Guidry said that Medicaid is using a care-directed approach versus a prior-authorization approach with PSR services.

**MOTION:** **Rep. Wood** moved to approve **Docket No. 16-0310-1005**.

Responding to questions from the committee, **Pat Guidry** agreed that rule will be modified to remove "USPRA" for continued education and change the requirement of a single certificate for both child and adult licensing. She then explained that the 60 hour requirement is a better option since the USPRA 45 hours is based on providers in other states with compartmentalized services where a worker, who may only have a high school degree, provides a single service, while an Idaho worker provides multiple services and must be more knowledgeable.

**Motion carried on voice vote.**

**Docket No. 16-0309-1005:** **Paul Leary**, Deputy Administrator, Division of Medicaid, presented **Docket No. 16-0309-1005**, which is a temporary rule extension following fiscal direction. Removed are the Healthy Connection (HC) Referral for Urgent Care Clinics, to reduce the amount of Emergency Room (ER) visits, the functional and intake assessments for MH Clinic services, with the addition of the Comprehensive Diagnostic Assessment Addendum, and, collateral contact. Changes include the reimbursement for HC Primary Care Case Management to a tiered program for patients on the Enhanced Plan, with an increase for extended hours, reduction in MH Clinic assessment hours from 12 to 4, with testing services no longer included, and contact lens coverage alignment with commercial insurers and other Medicaid programs. Mr. Leary detailed the estimated 2011 and 2012 budget savings based on regular federal funding match rates. He then said the effective date of this rule is January 1, 2011.

In response to questions from the committee, Mr. Leary stated that getting public input, developing the changes, and some system issues resulted in the short fiscal year time span of the rule. He then said that they are working with federally qualified health care clinics to identify people in the ER and get them rerouted back to the clinics.

**Mike Skelton**, All Seasons Mental Health Care, appeared before the committee **in opposition to Docket No. 16-0309-1005**, stating that he agrees with the need for rule change but is concerned with the decrease in PSR services.

**MOTION:** **Rep. Guthrie** moved to approve **Docket No. 16-0309-1005**. **Motion carried on voice vote.** **Rep. Rusche** and **Rep. Chew** requested they be recorded as voting nay.

**Docket No.  
16-0310-1006:**

**Paul Leary** presented **Docket No. 16-0310-1006**, which are a result of legislative intent.

Removed are collateral contact, supportive counseling, service coordination for patients eligible for personal assistance services, home health skilled nursing for A&D waiver participants, and some provider requirements, with separate limitations for psychological and neuropsychological testing, from the annual assessment limit. Hourly reductions included annual assessment benefits from 12 to 4, Developmental Disabilities (DD) benefits from 12 to 6, and weekly PSR limit to 5 hours. Also reduced were the adult DD plan development requirements and the MH clinic and PSR treatment plan benefits, with no requirement for new annual plans. Changes include the DD program administrative and procedural requirements, to eliminate duplication, restriction of the use of certain MH benefits with certain DD benefits, skill training choice by eligible participants, from MH or DD programs, and restriction of MH partial care to individuals with serious and persistent mental illness. Specific needs will determine the choice of PSR or partial care. Mr. Leary then detailed the 2011 and 2012 state fiscal year (FY) estimated savings.

In response to questions from the committee, Mr. Leary stated that the match rate was reduced by 3% in 2011 for the 3rd and 4th quarters, which increased the state general fund amount. He said there is no anticipated increase in the cost to other areas of Medicaid with the reduction in services and decrease of assessment hours since they were duplications and participants have access to an array of services outside the skill training area. He indicated that a duplication was eliminated in skilled nursing for home health, which is available on the A&D Waiver.

**Kathie Garrett**, Board Member, NAMI of Idaho, appeared before the committee **in opposition to Docket No. 16-0310-1006**, stating that eliminating the duplication of services forces individuals to choose between Developmental Disability Agency (DDA) and PSR services. She emphasized that the services offer different focuses and treat the patients in different manners. She noted that the targeted patients have complicated symptoms and medication that interfere with their decision-making processes, making the choice a crisis for them. Ms. Garrett stated that a coordinated, collaborative approach would have been much better for this rule design.

**Lee Barton**, Owner, The Mental Health Provider Agency, representing the Mental Health Providers Association of Idaho (MHPAI), appeared before the committee **in support of Docket No. 16-0310-1006**. He stated that MHPAI understands the need for cuts and agrees with a tailored approach as presented in this rule with continuation through FY 2012.

**ORIGINAL  
MOTION:**

**Rep. Wood** moved to approve **Docket No. 16-0310-1006**.

**SUBSTITUTE  
MOTION:**

**Rep. Rusche** offered a substitute motion to reject **Docket No. 16-0310-1006**, stating that the changes will cause deep and prolonged difficulties for the patients, families, and communities in Idaho.

**VOTE ON  
SUBSTITUTE  
MOTION:**

**Chairman McGeachin** called for a vote on the substitute motion to reject **Docket No. 16-0310-1006**. **Motion failed on voice vote.**

**VOTE ON  
ORIGINAL  
MOTION:**

**Chairman McGeachin** called for a vote on the original motion to approve **Docket No. 16-0310-1006**. **Rep. Rusche** requested a **roll call vote**. **Motion passed, 6 aye and 3 nay. Voting in favor** of the motion: Reps. Shepherd, Thayn, Wood, Guthrie, Roberts, McGeachin. **Voting in opposition** to the motion: Reps. Bilbao, Rusche, Chew.

**Docket No. 16-0411-1101:** **Eric Brown**, Program Supervisor, Bureau of Licensing and Certification, Division of Medicaid, presented **Docket No. 16-0411-1101**, which is a temporary rule for disclosure of benefits. It clarifies the assessment requirements for DD services and changes the review from annual to every two years. He stated the rule also removes supportive counseling and collateral contact services.

**MOTION:** **Rep. Roberts** moved to approve **Docket No. 16-0411-1101**. **Motion carried on voice vote.** **Reps. Rusche** and **Chew** requested that they be recorded as voting nay.

**Docket No. 16-0737-1001:** **Chuck Halligan**, Program Manager, Children's Mental Health Program, Division of Behavioral Health, Department of Health & Welfare (DHW), presented **Docket No. 16-0737-1001**, which allows the Department to limit and prioritize children's MH services to use the limited resources for those with the greatest needs. It is also consistent with the adult MH rules. He emphasized that only services within the Division of Behavioral Health are impacted by this rule.

In response to questions by the committee, Mr. Halligan stated they are monitoring to assure that children without other resources receive the necessary services while children with other resources are serviced in the private sector, reducing case loads and eliminating duplication. He then stipulated that the first priority is crisis services, the second is court ordered services, and the third is voluntary/requested services. For each priority the Division will work with the individual's family to either provide the service or help them get it from the private sector. He said they have a rating system that assigns points for each factor during the assessment. The number of clinicians and the number of points equals the case load.

**Courtney Santillas**, Executive Director, Idaho Family for Mental Health, appeared before the committee **in opposition to Docket No. 16-0737-1001** because it gives sole discretion to the DHW and opens up the possibility that services are provided based on funding. She stated that the current rise in uninsured families, coupled with the reduced services, will increase activity in the juvenile system since the behavioral problems will go untreated. Ms. Santillas said her group suggests DHW assure that families have access through either private or public programs. She also expressed concern about the elimination of respite care, especially for families who would use only that service. In an example of respite care, she detailed a family who may have no recourse but to rehospitalize their child.

**MOTION:** **Rep. Roberts** move to approve **Docket No. 16-0737-1001**.

**Rep. Rusche** stated that we will regret not taking care of MH for these children, who will incur a greater cost as they get older.

**Motion carried on voice vote.** **Reps. Rusche** and **Chew** requested that they be recorded as voting nay.

**Chairman McGeachin** told the committee that she appreciated their consideration of the difficult issues that face them. She stated that as the committee moves forward working and studying the budget, ideas will be welcome. She then reminded the committee that Monday will be the last day as a privileged committee.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:55 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

AGENDA  
**HOUSE HEALTH & WELFARE COMMITTEE**  
**1:30 P.M.**  
**Room EW42**  
**Thursday, February 10, 2011**

<b>DOCKET</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<b>19-0101-1001</b>	Rules of the State Board of Dentistry	Susan Miller Executive Director State Board of Dentistry
<b>23-0101-1001</b>	Rules of the Idaho Board of Nursing	Sandra Evans Executive Director Idaho Board of Nursing
<b>23-0101-1002</b>	Rules of the Idaho Board of Nursing	Sandra Evans
<b>24-0301-1001</b>	Rules of the State Board of Chiropractic Physicians	Roger Hales General Counsel Bureau of Occupational Licenses
<b>24-0601-1001</b>	Rules for the Licensure of Occupational Therapists and Occupational Therapy Assistants	Roger Hales
<b>24-0901-1001</b>	Rules of the Board of Examiners of Nursing Home Administrators	Roger Hales
<b>24-1401-1001</b>	Rules of the State Board of Social Work Examiners	Roger Hales
<b>41-0301-1001</b>	Rules of the Southwest District Health Department	David M. Loper Director Environmental Health Services Southwest District Health Department

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)

Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Thursday, February 10, 2011

**TIME:** 1:30 P.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** Representative(s) Rusche

**GUESTS:** Sandy Evans, Board of Nursing; Roger Hales, Idaho Bureau of Occupational Licensing; Susan Miller, Board of Dentistry; Charmaine Reed, Student Intern, NASW; James Roberts, Idaho State Veterans Hospital - Boise; Keith Holloway, Idaho Health Care Association; Bruce Krosch, Southwest District Health; Kerry Ellen Elliott, Idaho Association of Counties; Robert Vande Merwe, Idaho Health Care Association

Meeting was called to order at 1:30 p.m. by Chairman McGeachin

**Docket No. 19-0101-1001:** **Susan Miller**, Executive Director, Idaho Board of Dentistry, presented **Docket No. 19-0101-1001**, which is an update in language and practice for dental hygienists, based on guidelines from national organizations.

In response to questions from the committee, Ms. Miller stated that the national organizations change their documents quite often and the board is trying to stay proactive with those changes.

**MOTION:** **Rep. Thayn** moved to accept **Docket No. 19-0101-1001**. **Motion carried on voice vote.**

**Docket No. 23-0101-1001:** **Sandra Evans**, Executive Director, Idaho Board of Nursing, presented **Docket No. 23-0101-1001**, which clarifies procedures, administration of medication, and further defines family member. It also deletes paper licensure certificate references, and allows electronic licensure certificates. The educational program administrators section has been moved and some sections are also renumbered and/or retitled.

**MOTION:** **Rep. Wood** moved to accept **Docket No. 23-0101-1001**. **Motion carried on voice vote.**

**Docket No. 23-0101-1002:** **Sandra Evans** then presented **Docket No. 23-0101-1002**, which removes the Certified Medication Assistants examination requirements and allows the board to use some other means to determine competency and issue certification.

**MOTION:** **Rep. Roberts** moved to accept **Docket No. 23-0101-1002**. **Motion carried on voice vote.**

**Docket No. 24-0301-1001:** **Roger Hales**, Attorney, Bureau of Occupational License, representing the State Board of Chiropractic Licensing, presented **Docket No. 24-0301-1001**, which pertains to the chiropractic physicians' code of ethics. He detailed the changes, which establishes a report to the board for various violations, misconduct, malpractice settlements exceeding \$50K, convictions of specific crimes, and advertising guidelines when referencing research. He said the rule also outlines re-payments of overpayments by patients.

In response to questions from the committee, Mr. Hales stated that the Board was unable to take action in the past because no code of ethics existed.

- MOTION:** **Rep. Wood** moved to accept **Docket No. 24-0301-1001**. **Motion carried on voice vote.**
- Docket No. 24-0601-1001:** **Roger Hales**, representing The Board of Occupational Therapists, presented **Docket No. 24-0601-1001**, which clarifies the inactive status, the reinstatement requirements, the supervision for three treatment modalities, and the level of supervision for students, graduates, and assistants.
- MOTION:** **Rep. Thayne** moved to accept **Docket No. 24-0601-1001**. **Motion carried on voice vote.**
- Docket No. 24-0901-1001:** **Roger Hales**, representing The Board of Nursing Home Administrator, then presented **Docket No. 24-0901-1001**. Mr. Hales introduced board members James Roberts and Keith Holloway, for questions. He then discussed the licensing requirements of a Bachelors degree, internship, and passing the national examination. The internship requirement includes working both 32 hours in a nursing home facility and 8 hours with an Administrator to avoid overtime situations. An exception to the 32-hour requirement would occur when the entire time is spent training with an Administrator. The final change stipulates that Administrators are obligated to re-certify every 10 years.
- MOTION:** **Rep. Thayne** moved to accept **Docket No. 24-0901-1001**. **Motion carried on voice vote.**
- Docket No. 24-1401-1001:** **Roger Hales**, representing The State Board of Examiners, introduced board member Robert Payne for questions. He then presented **Docket No. 24-1401-1001**, which stipulates a degree in social work is required to qualify for licensing and clarifies the nature of the supervised practice that is necessary for a clinical social worker license. He stated the changes also clarify the number of hours in treatment and diagnosis. He said all changes bring the rule in line with current practice.
- MOTION:** **Rep. Roberts** moved to accept **Docket No. 24-1401-1001**. **Motion carried on voice vote.**
- Docket No. 41-0301-1001:** **Bruce Krosch**, Director, Southwest District Health, Public Health District 3, introduced David Loper, for questions and presented **Docket No. 41-0301-1001**. Mr. Krosch stated that this is a repeal of IDAPA 41.03.01, which was last updated eighteen years ago and is no longer needed. He said IDAPA 58, Title 01 is now used.
- MOTION:** **Rep. Shepherd** moved to accept **Docket No. 41-0301-1001**. **Motion carried on voice vote.**
- ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:11 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

**AMENDED #1 AGENDA  
HOUSE HEALTH & WELFARE COMMITTEE  
1:30 P.M.  
Room EW42  
Monday, February 14, 2011**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>RS20202</u></a>	Community Care Advisory Council	Kris Ellis, Idaho Health Care Association
<a href="#"><u>RS20325</u></a>	Midwife Services	Kris Ellis
<a href="#"><u>RS20372</u></a>	Idaho State School and Hospital	Rep. Bilbao
<a href="#"><u>RS20378</u></a>	Pregnant Prisoners	Rep. McGeachin
<a href="#"><u>RS20383</u></a>	Hospital Licenses and Inspections	Steve Millard Idaho Hospital Association

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

Irene Moore  
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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Monday, February 14, 2011

**TIME:** 1:30 P.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** None

**GUESTS:** Amy Holly, Sullivan Reberger Eiguren; Steve Millard, Idaho Hospital Association; Corey Surber, Jeremy Pisca, Saint Alphonsus; Bob Uebelher, Connolly & Smyser; Jeff Zmuda, Idaho Department of Correction; Clark Corbin, Post Register; Robert Vande Merwe, Idaho Health Care Association; Portia Rauer, Physicians Against Immunity; Cameron Gilliland, Department of Health & Welfare; Roger Seibea, Capitol West; Larry Benton, Benton Ellis; Alex Neiwirth, Idaho Association of Government Employees; Diana Cox, Givens Pursley.

Meeting was called to order at 1:34 p.m. by Chairman McGeachin.

**MOTION:** **Rep. Bilbao** moved to approve the minutes of February 4 and February 8. **Motion carried on voice vote**

**RS 20202:** **Kris Ellis**, representing Idaho Health Care Association, presented **RS 20202**, which is proposed legislation that reduces the number of Community Care Advisory Council members to 20 and allows the by-laws to determine the makeup of the Council.

In response to questions from the committee, Ms. Ellis, stated that the individuals stricken from the listings in Sections 1 and 4 were involved in the discussions and agreed with the changes.

**MOTION:** **Rep. Roberts** moved to introduce **RS 20202**. **Motion carried on voice vote.**

**RS 20325C1:** **Kris Ellis**, then presented **RS 20325C1**, proposed legislation that allows a licensed professional midwife to provide Medicaid services as an option for qualified Medicaid clients. Financial impact, will be detailed at bill presentation.

In response to questions from committee members, Ms. Ellis, stated that the number of deliveries that would switch to midwife assistance would be about 106 per year, based on the current percent of non-medicaid clients divided by half.

**MOTION:** **Rep. Thayn** moved to introduce **RS 20325C1**. **Motion carried on voice vote.**

**RS 20372:** **Representative Bilbao**, presented **RS 20378**, which is a proposed resolution to privatize the Idaho State School Hospital (ISSH) and develop a plan to sell or use the surrounding land and buildings. He stated that although the facility is currently well run by the Division of Medicaid, a private, managed care system would do a better job and save the State of Idaho a considerable dollar amount.

**MOTION:** **Rep Loertscher** moved to introduce **RS 20372**. **Motion carried on voice vote.**

**RS 20378:** **Chairman McGeachin** turned the meeting over to **Vice Chairman Bilbao**, who called on **Representative McGeachin** to present **RS 20378**.

**Representative McGeachin** stated that this legislation relates to restraint of pregnant prisoners during labor. She said that in working with the Department of Corrections, the type of restraints has been clarified and this legislation is a statewide policy that applies to all levels of jurisdiction.

In answer to questions from the committee members, Representative McGeachin said the time frame for definition of labor has been worked out. Representative McGeachin then introduced Hannah Brass, ACLU of Idaho, to further answer the question. Ms. Brass stated that the Section 4 definition relates to only active labor, with contractions, and delivery. She noted that in other states postpartum recovery and transfer are also covered. She then said that chemical restraint is not included.

**MOTION:** **Rep. Loertscher** moved to introduce **RS 20378**. **Motion carried on voice vote.**

**RS 20383:** **Steve Millard**, President, Idaho Hospital Association, presented **RS 20383**, which is legislation that corrects a narrow Supreme Court decision that defines "Use" as not including a decision. This legislation restores the law's intent to provide the same immunity to hospitals and their peer group committees. It also provides the physician access to the courts, with information maintained as confidential and not held to disclosures, so taking a case forward would come from other areas, such as records.

**MOTION:** **Rep. Bilbao** moved to introduce **RS 20383**. **Motion carried on voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 1:54 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

AGENDA  
**HOUSE HEALTH & WELFARE COMMITTEE**  
1:30 P.M.  
Room EW05  
Wednesday, February 16, 2011  
*Note Room Change*

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<b>Presentation</b>	Federal Health Care Law	Julie Taylor Blue Cross
<b>Presentation</b>	Federal Health Care Law	Suzanne Budge National Federation of Independent Business
<a href="#"><u>H 46</u></a>	Acupuncture	Roger Hales Attorney Board of Occupational Licensing
<a href="#"><u>H 47</u></a>	Speech/hearing service practice act	Roger Hales
<a href="#"><u>H 48</u></a>	Residential care administration act	Roger Hales

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Wednesday, February 16, 2011

**TIME:** 1:30 P.M.

**PLACE:** Room EW05

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** None

**GUESTS:** Suzanne Budge, SBS Associates, National Federation of Independent Businesses (NFIB); Bill Hoffman, Main Street Alliance; Tim Olson, Lyn Darrington, Regence Blue Shield of Idaho; Gayle Chaney, Idaho Speech & Hearing Board; Julie Taylor, Blue Cross; Kris Ellis, Idaho Acupuncture Association; Charles Raymond, Idaho Acupuncture Board; Roger Hales, Idaho Bureau of Licensing (IBOL); Max Pond, Risch Pisca; Norm Variin, Dave Self, Pacific Source.

Meeting was called to order at 1:33 p.m. by Chairman McGeachin.

**MOTION:** **Vice Chairman Bilbao** moved to approve the minutes of February 10. **Motion carried on voice vote.**

**Julie Taylor**, Director of Governmental Affairs, Blue Cross of Idaho, appeared before the committee as a representative of the health insurance industry. She introduced **Dave Self** and **Norm Verin**, from Pacific Source, who would be available to answer questions by the committee members.

Ms. Taylor presented an overview of the Patient Protection and Affordable Care Act (PPACA), and how it affects individuals, small businesses, and health plans. She also explained the individual and family coverage purchase subsidies and the qualification guidelines.

There were some items of the PPACA that went into effect on September 23, 2010, or upon renewal of the group coverage. At that time, essential benefit limits were changed, with lifetime limits eliminated, and annual dollar limits allowed until 2014, when they will also be eliminated. Although the dollar limits are eliminated, the number of specific visit limits can be stipulated. Ms. Taylor noted that the "essential benefits" defining rule hasn't been issued yet. Preventive care benefits have been defined as first dollar coverage with no co-payments.

Additional changes for September 23, 2010, were the elimination of pre-existing condition exclusions for children under 19 and the inclusion of children under 26 years of age on their parents' plans.

She then explained the medical loss ratio (MLR), which is the percentage of actual premium dollars spent for medical claims, and the new requirement of 85% for large groups and 80% for individual or small groups. This percentage does not include brokers fees, premium tax, and the cost to run the insurance company. Rebates will be made to policyholders if carriers go below those ratios.

In 2014 guaranteed issue goes into effect and they will have to provide insurance for any individual or group they apply. Ms. Taylor explained that the current community rating is 6:1, which gives a lot of flexibility to rates for health, gender, and age. With the upcoming change to 3:1, premiums for younger people will increase while those for older people will decrease.

She then discussed how exchanges relate to individual or small groups with less than 50 full-time employees (FTE), how they expect them to work with subsidies, plan options, sales of plans outside of the exchange, self-funding of the exchange, and the role of brokers and navigators.

The individual mandate will require everyone to purchase minimal coverage with a non-compliance tax penalty, which offers some avenues for exemption status.

She detailed the penalties that employers with over 50 FTE could face, whether or not they offered health insurance, how some of the requirements are based on the employee's total income, including a spouse's income, and under what conditions the employee could purchase coverage from the exchange.

It is expected by the insurance industry that premium costs will increase as a direct result of the mandated benefits, new infrastructure, and taxes.

Federal financing of the reform will come from the Flexible Spending Account limit change to \$2,500 per year, taxes on the pharmaceutical industry and medical devices, increased Medicare taxes for high income earners, reduction in Medicare payments, insurance company taxes, and the "Cadillac" plan tax.

In response to questions from the committee, Ms. Taylor introduced **Tim Olson**, Regence Blue Shield of Idaho, who stated that encouraging the public to take better care of itself is the best way to control costs and cover more uninsured people. **Julie Taylor** then responded that the need for the federal Medicaid match, which is 70/30, makes use of managed care networks (MCN) without using the federal rules for Medicaid and exchanges difficult.

She then said that the industry is regulated by the Department of Insurance for rates and products. How the PPACA will interact with that regulatory agency is unclear at this point. When questioned, Ms. Taylor admitted that she did not know if Blue Cross of Idaho would be able to continue participation in the BlueCross BlueShield Association or be able to sell and service national business if Idaho was not compliant with the Affordable Care Act. She said they are unsure about how the new Medicare will impact dual coverage holders, they just know there will be an impact. They do project reimbursement for Medicare Advantage plans will decrease, as it did this year with the increased rates and reduction in benefits; however, it is currently expected that the plan will remain. Ms. Taylor then explained that the under 65 market will see the most impact from the reform and the 65 and over market will use the Medicare with a supplement, or the Medicare Advantage plan. In those instances, the insurance company takes the entire risk for the plan enrollees and receives a monthly rebate from Medicare. The rebates are expected to decrease, leading to a loss of extra benefits. This law will cover children like those in the Katie Beckett Program, without their current caps, if their services are deemed essential benefits, and any dollar limitations would go away in 2014. She noted that the details on the user fee for the exchanges are not yet determined.

**Suzanne Budge**, State Director, National Federation of Independent Businesses (NFIB), appeared before the committee to discuss the effect of the PPACA on small businesses. Small businesses purchase insurance through a different market than large businesses and will be impacted by the exchange markets. NFIB suggests the state do their own exchange program instead of joining a federal program.

She then detailed the mandated 1099 tax form issuance for any purchase or service over \$600 and the growing concern by small business owners that they will have to hire an attorney, accountant, or other professional to deal with the complexity of the regulations.

In response to questions from the committee, Ms. Budge explained that the Affordable Care Act (ACA) tax credits are helpful to a very narrow demographic of businesses that must meet every criteria to be eligible. The impact and availability of the credits adds to the uncertainty of hiring.

**H 46:** **Roger Hales**, Attorney, representing The Board of Acupuncture and the Board of Occupational Licensing, presented **H 46**, which is legislation that eliminates the technician license status and replaces it with a trainee status and permit requirement of a true trainee scenario. He explained that the only ways to practice acupuncture in the state are either as a licensed acupuncturist, which requires 1,700 hours of acupuncture education plus passing a number of tests, or, as a certified acupuncturist, which requires an advanced medical degree plus 100 hours of didactic training. There are 3 previously licensed technicians and they will be able to retain and renew their licenses under Section 5 of this bill. Section 7, 54-5711, Suspension and Revocation, has been changed to include permits and clarify disciplinary action for fraudulent renewal or license obtainment. It also adds language that covers failure to comply with a board order in a disciplinary matter.

**MOTION:** **Rep. Rusche** moved to send **H 46** to the floor with a **DO PASS** recommendation. **Motion carried on Voice Vote. Rep. Chew** will sponsor the bill on the floor.

**H 47:** **Roger Hales**, representing The Speech and Hearing Services Board, introduced **Gale Chaney**, Member, The Speech and Hearing Services Board. He then presented **H 47**, which is legislation that eliminates archaic language, allows the board to issue licenses based upon endorsement, and adds back in the penalty section for practice without a license. This also reinstates language dealing with hearing aid dealers and fitters in the misdemeanor section, which was inadvertently left out in the 2005 re-work of this code.

**MOTION:** **Rep. Thayn** moved to send **H 47** to the floor with a **DO PASS** recommendation. **Motion carried on Voice Vote. Rep. Rusche** will sponsor the bill on the floor.

**H 48:** **Roger Hales**, representing The Idaho Residential Care Administrators Board, presented **H 48**, which is legislation that deletes archaic language relating to the initial board and moves board members from a compensation scenario to an honorarium scenario, to avoid mandatory Public Employee Retirement System (PERSI) participation

**MOTION:** **Rep. Wood** moved to send **H 48** to the floor with a **DO PASS** recommendation. **Motion carried on Voice Vote. Rep. Wood (27)** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:47 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

AGENDA  
**HOUSE HEALTH & WELFARE COMMITTEE**  
Upon Adjournment of the House  
Room EW42  
Friday, February 18, 2011

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<b>Presentation</b>	Idaho Department of Correction	Brent D. Reinke Director
<a href="#"><u>H 49</u></a>	Residential Care Administration Act	Roger Hales Attorney Board of Occupational Licensing
<a href="#"><u>RS20405</u></a>	Rules Rejected, Docket No. 16-0310-1002	Vice Chairman Bilbao
<a href="#"><u>RS20409</u></a>	Rules Rejected, Docket No. 16-0310-1003	Vice Chairman Bilbao
<a href="#"><u>RS20410</u></a>	Rules Rejected, Docket No. 16-0506-1001	Vice Chairman Bilbao
<a href="#"><u>RS20420</u></a>	Pharmacy Board	Taylor Nielsen Director of Pharmacy West Valley Medical Center

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

Irene Moore  
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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Friday, February 18, 2011

**TIME:** Upon Adjournment of the House

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** Representative(s) Loertscher

**GUESTS:** Bob Uebelher, Connolly & Smyser; Roger Hales, Idaho Board of Occupational Licensing; Matthew Malek, Risch Pisca PLLC; Shirlie Meyer, Residential Care Administration Board; Jamie Simpson, Department of Health & Welfare; Ed Hawley, Administrative Rules; Brent Reinke, Shane Evans, Idaho Department of Corrections; Taylor Nielson, Idaho State Health Providers; Christine Pisani, Developmental Disabilities Council.

Meeting was called to order at 11:40 a.m. by Chairman McGeachin.

**MOTION:** **Vice Chairman Bilbao** moved to approved the minutes of February 14. **Motion carried on voice vote.**

**Brent Reinke**, Director, Department of Corrections, presented an overview of the changes that have taken place in the Department of Correction (DOC). The Department reorganized it's structure from four to two Divisions and instituted new programs.

The 2009 budget was \$173.4M and the 2011 budget is \$145.7M. The DOC staff experienced a 28% turnover rate, which they are working to alleviate and manage. 11 positions are unfillable due to lack of funds, and it is anticipated that the number will increase to 14 in May or June. He then discussed the changes in business practices which resulted in zero growth in 2009 and 2010.

Mr. Reinke described the population makeup and the inmate costs, which decreased from \$57.44 to \$52.22. The cost per meal also decreased from 94¢ to 88¢. He also related the probation and parole numbers. He then described the new violation matrix. A probation officer has to demonstrate to a supervisor that all community resources have been utilized before incarceration can occur. This program has shown a 15% cost decrease and a resulting decline in probation violators going to a prison term sentence.

Mr. Reinke then introduced **Shane Evans**, Director, Education Treatment and Re-entry, who presented information about the educational programs. He stated that education is a core element that creates lasting opportunities for long-term change. The agency is a certified school and is accredited for six years. There were 492 GEDs earned in fiscal year (FY) 2010. He stated that research supports the reduced risks when inmates leave the facilities after having acquired a diploma or GED. Mr. Evans then detailed the Trio of Options program for offender treatment and it's ability to decrease the length of stay with increased intervention.

He then discussed how Idaho's unique approach is showing better results than surrounding states, who are closing facilities, renting beds, and releasing prisoners.

Mr. Evans then stated that the inmates have planted and harvested 44 tons of vegetables for the Idaho Food Bank, thereby giving back to the community.

In answer to questions from the committee, Mr. Reinke said that current fees are being reviewed as an additional means of revenue. The proposed increase in supervision fees would add \$720K. The proposed pre-sentence investigation fee would bring in \$216K and they are considering background check application fees as well as video visiting fees through secure internet lines. He then stated that the use of the Trio of Options will bring about a flip in the population numbers and an increase in riders by October or November of this year. He said they were given a 365-day rider last year and the courts are working with them to manage by need and risk based on best practices evaluation. The Unified Sentencing Act with this option will offer alternatives to long-term incarceration.

In response to questions about mental health evaluations being done in a timely manner, Mr. Reinke said the availability of mental health services are an issue, unless the person is self-insured. Statewide programs for prescriptions bill the DOC directly. Mr. Evans stated that the criminal justice system sometimes becomes a de facto mental health provider.

**H 49:** **Roger Hales**, Attorney, Idaho Bureau of Occupational Licensing, representing The Idaho Board of Residential Care Administrators, appeared before the committee to present **H 49**, legislature which details the qualifications necessary to receive a Residential Care Administrator license. The bill requires 800, 400 or 200 hours of onsite experience based on education level. It allows the board to consider other experience for the qualifications and also allows the board to ask for an internship-type program. Mr. Hales then detailed the types of training required by surrounding state programs.

In response to questions from the committee, Mr. Hales stated that existing facilities will already have a licensed administrator and can petition the board to consider other experience, if they are unable to meet the onsite experience stipulations.

**MOTION:** **Rep. Roberts** moved to send **H 49** to the floor with a **DO PASS** recommendation. **Motioned carried on voice vote.** **Rep. Roberts** will sponsor the bill on the floor.

**RS 20405:** **Vice Chairman Bilbao** presented **RS 20405**, which covers the rejected section 663.02.a from Docket No. 16-0310-1002.

**RS 20409:** **Vice Chairman Bilbao** presented **RS 20409**, which covers the rejected sections 270.03 and 270.07 from Docket No. 16-0310-1003.

**RS 20410:** **Vice Chairman Bilbao** presented **RS 20410**, which covers the rejected section 210.01.j from Docket No. 16-0506-1001.

**MOTION:** **Vice Chairman Bilbao** moved to introduce **RS 20405, RS 20409, and RS 20410** and send them to the second reading calendar. **Motion carried on voice vote.**

**Rep. Thayne** will sponsor **RS 20405**; **Rep. Guthrie** will sponsor **RS 20409**, and **Chairman McGeachin** will sponsor **RS 20410**.

**RS 20420:** **Rep. Chew**, presented **RS 20420**, proposed legislation stipulating that the Board of Pharmacy includes one member with experience in hospital pharmacy.

**MOTION:** **Rep. Thayne** moved to introduce to print **RS 20420**. **Motion carried on voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 1:23 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

AGENDA  
HOUSE HEALTH & WELFARE COMMITTEE  
1:30 P.M.  
Room EW42  
Tuesday, February 22, 2011

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>HCR 9</u></a>	Idaho State School and Hospital	Representative Bilbao
<a href="#"><u>H 164</u></a>	Community Care Advisory Council	Representative Bilbao
<a href="#"><u>H 165</u></a>	Midwives	Kris Ellis Idaho Midwifery Council

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

- DATE:** Tuesday, February 22, 2011
- TIME:** 1:30 P.M.
- PLACE:** Room EW42
- MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew
- ABSENT/  
EXCUSED:** Representative(s) Loertscher
- GUESTS:** Randy May, Paul Leary, Department of Health & Welfare (DHW); Tony Smith, Kris Ellis, Benton & Ellis; Marilyn Sword, Developmental Disabilities Council (DD); Robbi Barrutia, State Independent Living Council; Jim Baugh, Disability Rights Idaho; Keith Halloway, Idaho Health Care; Michelle Bartlett, Idaho Midwifery Council; Toni Lawson, Idaho Hospital Association; Lincoln Smyser, Connolly & Smyser; McKinsy Miller, Gallatin; Robert Vande Merwe, Idaho Health Care Association.
- Chairman McGeachin** called the meeting called to order at 1:30 p.m.
- MOTION:** **Rep. Bilbao** moved to approve the minutes for February 16. **Rep. Rusche** requested a change in the minutes to include "When questioned, Ms. Taylor admitted that she did not know if Blue Cross of Idaho would be able to continue participation in the BlueCross BlueShield Association or be able to sell and service national business if Idaho was not compliant with the Affordable Care Act. **Motion carried on voice vote.**
- Chairman McGeachin** introduced and welcomed Elizabeth Harris, who will be the committee's page for this half of the session.
- HCR 9:** **Rep. Bilbao** presented **HCR 9**, which is legislation that directs the Idaho Department of Health & Welfare (DHW) and the Department of Administration to review and develop a plan for privatizing the Idaho State School and Hospital (ISSH) for managed care. He stated that there has already been interest from four organizations, and he attended a meeting with a managed care company from the East Coast, who gave insight into aspects of a managed care facility.
- The bill further directs the Department of Administration to develop a plan for either the use or sale of the buildings and 646 acres of land surrounding ISSH, as financially benefits the state. The proposal is to sell the existing property when the market is improved and provide managed care in the hospital, with a review of selling the hospital at a future date. The departments are encouraged to work with interested parties to develop a request for the proposal described in the resolution. This includes many groups who already work with the DHW and decide about patients at the ISSH.
- A 50% savings on expenditures is anticipated from the privatization of the ISSH. The actual savings will be based on the average of the proposals and may cause some adjustment in the \$3M annual savings. The request for proposal would set the dollar amounts.
- In response to questions from the committee members, **Rep. Bilbao** stated management of the building would be privatized, and discussion on the request for quote (RFQ) for the ownership or a provider model would be a future consideration. He said there is a bonding debt, but was unaware of the amount and its relativity to the estimated savings.

**Robert Vande Merwe**, Executive Director, Idaho Health Care Association, representing private Idaho Care Facilities (ICF), appeared **in support of HCR 9**. He said the DHW has submitted two Senate bills to change the name and focus of ISSH. They agreed that this bill would fit well with their reinvention of the ISSH.

In response to committee questions, **Mr. Vande Merwe** stated that privatization may be the best option since it may not be feasible to close the facility with the bond debt and their role in Idaho's development disability (DD) community. He stated that the ISSH is one of many licensed ICFs in the state, with the same rules, regulations, ideologies, and similar types of patients. He said there are 35 residents who could operate in community settings, but their guardians have objected to their discharge. He stated a private provider would have a much easier time when it comes to discharging those who don't need to be there. This resolution asks only that the State look into privatizing and the possible sale of the ISSH.

**Rep. Bilbao** reiterated that this bill directs the DHW and Department of Administration to take a look at providing the Legislature with information on what to do with the ISSH's patients, land, and hospital. Responding to questions, he agreed that there is a small subset of the population for which the ISSH is the only mental health facility that is a secure enough. This legislation doesn't force any changes, it merely requests the two entities look at options for savings to the state.

**MOTION:** **Rep. Roberts** moved to send **HCR 9** to the floor with a **DO PASS** recommendation. **Rep. Roberts** spoke in favor of motion and said that although the ISSH property was gifted to the DHW, it's time to look at other options to provide a long-term solution for both the State of Idaho and the people who need that level of care. **Motion carried on voice vote.** **Rep. Bilbao** will sponsor the bill on the floor.

**H 164:** **Rep. Bilbao** introduced **H 164**, legislation that reduces the number of members on the Community Care Advisory Council (CCAC) to twenty. The membership of the Council is currently named in the statute and must be amended every time an organization changes names. This bill will allow the membership to be defined by its bylaws with the ability to review or comment on any proposed rules for residential care or assisted living and use alternative meeting formats.

Responding to questions from the committee, **Rep. Bilbao** stated that the Council and the DHW have formed a cohesive working unit.

**Randy May**, Deputy Administrator, Medicaid Division, and member of the Community Care Advisory Council, testified **in support of H 164**, stating that the legislation helps the Council work more effectively and efficiently. He then stated that a website has been established and published to get pre-meeting comments. They are considering video conferencing for meeting input and participation.

**Kris Ellis**, Idaho Health Care Association, testified **in support of H 164**, stating that the Council works diligently on legislation, including the rule changes that have already come before this committee.

**MOTION:** **Rep. Thayn** moved to send **H 164** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote.** **Rep. Bilbao** will sponsor the bill on the floor.

**H 165:**

**Kris Ellis**, Idaho Midwifery Council (IMC), presented **H 165**, a bill that allows the State of Idaho to offer a lower cost option for a federally mandated service, and Medicaid recipients the childbirth option of midwife services with out-of-hospital births. Ms. Ellis reviewed current Medicaid delivery costs, the result of a lower c-section rate, the General Fund savings, and the total funds savings of \$911,470. She detailed several national and international studies that show the benefits of lowering the c-section rate of delivery. Ms. Ellis discussed the cost savings to the Medicaid program with the lower c-section and out-of-hospital births. She reviewed the concerns about the 2009 legislation sunset, malpractice insurance, and commercial insurance coverage of midwifery care. She stated that the criteria for who would use a midwife is very clear, malpractice insurance is not available to midwives, federal and state laws do not mandate malpractice insurance, and she could find no liability lawsuits.

In response to committee questions, **Ms. Ellis** stated that the Idaho Hospital Association (IHA) indicated there had been no high-risk midwife deliveries since the law went into effect and she had no statistics. She agreed that identifying high- or low-risk pregnancies is important and it only takes one newborn Intensive Care Unit (ICU) admission to blow all the savings.

**Paul Leary**, Deputy Administrator, DHW, testified **in opposition to H 165**, stating that DHW has concerns about the unavailability of malpractice insurance. In two states midwives are approved for Medicaid, but have state-provided malpractice insurance. In checking with Blue Cross and Blue Shield, he was told they neither contract with nor consider midwives covered providers in networks and would not pay for services.

Responding to questions, **Mr. Leary** stated he had talked with the Attorney General about payment for services being viewed as an endorsement with possible adverse outcomes and lawsuits. Physicians practice in facilities that require coverage, although Medicaid does not. Part of the Attorney General's response was that they should have a separate agreement with midwife providers, although there is no requirement in the bill. Mr. Leary agreed that conjunctive services with a physician or nurse midwife would be good collaborative practice and the payor can make such requirements. He also agreed that a new provider coming into the system could decrease the cost of service, if more women went with this model, and the cost projections are correct.

**Michelle Bartlett**, Idaho Midwifery Council (IMC), testified **in support of H 165** and reported that there are 33 licensed midwives in the state of Idaho. She described the IMC as self-funded and working well.

She said that eleven states currently provide Medicaid midwifery reimbursement. Only Washington and Florida require insurance, and they provide a subsidy for their Medicaid program. She found no cases of lawsuits against any state through Medicaid.

She stated that this bill offers an option to women who have met the Medicaid eligibility requirements and would be already using those benefits for their deliveries. The certified professional midwives standard practice is to screen for appropriateness of care during their first meeting and refer hi-risk patients to physicians. She then said that some insurance companies do cover midwife services because they recognize the cost savings.

In response to a committee questions, **Ms. Bartlett** responded that in many parts of world the midwives are very integrated into the medical system where the physician only handles the in-hospital care and the midwife takes care of the rest of the patient's needs. The licensing law has opened the door for midwives and hospital staffs to work as a team for a smooth transfer of care. She stated that in the case of transfers, Medicaid pays for the actual delivery, so the state would not pay for both hospital and midwife services. She said they are also working on baby care as a future avenue. Ms. Bartlett said the vital statistics for 2009 indicate 563 attended births in Idaho. Of those, less than 4% were c-section. Her midwife practice has had less than a 2% c-section rate in the past two years. There is, however, no data yet for how many fell into the time frame after the rules and regulations were put into place, since they were finalized in 2010. The national c-section rate is 31.7%, which is considerably higher than the worldwide rate. She said that midwives are skilled enough to be autonomous, as was affirmed in the last legislative session.

**Kris Ellis** stated that the current Medicaid program rules do not allow for payment for midwife services. The rules would have to be developed for a payment rate. It and any other issues could be discussed during that process.

**Paul Leary** indicated in response to a committee member's question, that the rule changes would come back to the next Legislature as a temporary rule unless deemed a safety issue. They could be promulgated as temporary proposed rules and be put into effect based on legislative approval. They could be temporary proposed rules with an effective date of July 1st, but next year show as pending rules, even though they were first temporary. He then said if the rules could be promulgated to address DHW concerns, then he would be satisfied. He agreed that this is a good opportunity to provide better care and the rules need to reflect the integration of midwives with hospitals, the updated payment methodology, and, when situations warrant, pre- and post-natal services.

**MOTION:** **Rep Roberts** moved to send **H 165** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote.** **Chairman McGeachin** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:56 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

**AMENDED #2 AGENDA  
HOUSE HEALTH & WELFARE COMMITTEE  
1:30 P.M.  
Room EW42  
Thursday, February 24, 2011**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>H 5</u></a>	Pharmacists	Mark Johnston, R. Ph. Executive Director Board of Pharmacy
<a href="#"><u>H 2</u></a>	Uniformed Controlled Substance	Mark Johnston, R. Ph.
<a href="#"><u>H 3</u></a>	Pharmacy Board	Mark Johnston, R. Ph.
<a href="#"><u>H 4</u></a>	Pharmacists	Mark Johnston, R. Ph.
<a href="#"><u>H 182</u></a>	Pharmacy Board	Taylor Nielsen Director of Pharmacy West Valley Medical Center

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

Irene Moore  
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Phone: (208) 332-1138  
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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Thursday, February 24, 2011

**TIME:** 1:30 P.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** None

**GUESTS:** Taylor Nielson, Idaho Society of Health-System Pharmacists; Mark Johnston, Board of Pharmacy; JoAn Condie, Idaho State Pharmacy Association; Pam Eaton, Idaho Retailers Association; Brenda Meryo, Idaho Resident; Sam Hoaglund, Idaho Resident.

**Chairman McGeachin** called the meeting called to order at 1:31 p.m.

**H 5:** **Mark Johnston**, Executive Director, Idaho Board of Pharmacy (IBP), appeared before the committee and requested that **H 5** be held in committee so a trailer bill can be heard at the same time.

**MOTION:** **Rep. Thayn** moved to **hold H 5 until time certain. Motion carried on voice vote.**

**H 2:** **Mark Johnston**, Executive Director, Idaho Board of Pharmacy, presented **H 2**, legislation that allows full implementation of e-prescriptions, including controlled substances, to be in line with federal law. Stricken was a duplication of federal law verbiage which is replaced with a reference to that federal law. The word "paper" was added to identify form types to include e-prescriptions. Other language was stricken as a housekeeping measure.

**MOTION:** **Rep. Chew** moved to send **H 2** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote. Rep. Chew** will sponsor the bill on the floor.

**H 3:** **Mark Johnston**, Executive Director, Idaho Board of Pharmacy, presented **H 3**, legislation that annually updates the schedules of controlled substances and is in line with the U. S. Drug Enforcement Administration.

**MOTION:** **Rep. Thayn** moved to send **H 3** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote. Rep. Thayn** will sponsor the bill on the floor.

**H 4:** **Mark Johnston** presented **H 4**, which is legislation that fully implements the e-prescribing of controlled substances by modifying the definitions of "drug order", "drug outlet", "institutional facility," which replaces "health care facility," and "limited service outlet". Additional changes make the statute easier to read, understand and navigate.

**MOTION:** **Rep. Chew** moved to send **H 4** to the house floor with a **DO PASS** recommendation. **Motion carried on voice vote. Rep. Chew** will sponsor the bill on the floor.

**H 182:** **Taylor Nielsen**, Director of Pharmacy, West Valley Medical Center, and representing the Idaho Society of Health-Systems Pharmacists, presented **H 182**, which amends the Society's board membership to include at least one member with retail pharmacy experience and one member with hospital pharmacy experience. Mr. Nielsen explained that pharmacists now have a wide range or practice settings and educational experiences. This bill aligns with current practice requirements and Board diversity.

In response to questions from the committee, **Mr. Nielsen** stated that the previous statute has been in place for quite some time. He said that the current board is diverse in makeup and has a member with hospital practice experience, although not as a primary vocation. He said that this change is not aimed at current board makeup, but is a look to the future.

**Mark Johnston**, Executive Director, IBP, advised the committee that they are neutral on **H 182** based primarily on their concern that it could prevent the Governor's selection of the best candidate for appointment to the Board. He said the IBP had been shown an early draft of the bill, but had not been given the opportunity to review it further. He also stated that the board member mentioned by Mr. Nielsen to have hospital pharmacy experience is not working full time in that capacity.

Upon questioning by the committee, Mr. Johnston stated that the original draft used the term "Health Systems" instead of "hospital", although the indication was that the language was in flux and would potentially change. He then responded that the current board makeup is covered since there is a member with hospital pharmacy experience, a District Manager of a pharmacy chain, and an independent pharmacy owner. He said they are waiting for a new public member to be appointed. He detailed the previous and current membership of the board.

**MOTION:**

**Rep. Rusche** moved to send **H 183** to the floor with a **DO PASS** recommendation. Rep. Rusche stated that the statute probably had the original language that was drafted when pharmacies had a soda counter and the pharmacist did compounding in his shop at the back. Pharmacies have undergone a huge change from mail order pharmacies, to pharmacy teams that infuse highly toxic prescriptions in hospitals, to those who work for multi-national chains. As we look forward, the profession will expand further into other clinical services. This is a good step in trying to make sure the Board is acquainted at all times with the broad expanse of pharmacies in the modern world. **Motion carried on voice vote. Rep. Chew** will sponsor the bill on the floor.

**ADJOURN:**

There being no further business to come before the committee, the meeting was adjourned at 1:56 p.m..

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

AGENDA  
HOUSE HEALTH & WELFARE COMMITTEE  
1:30 P.M.  
Room EW42  
Monday, February 28, 2011

SUBJECT	DESCRIPTION	PRESENTER
<a href="#">H 162</a>	Hospital Licenses/Inspections	Steve Millard President Idaho Hospital Association
<a href="#">H 88</a>	Catastrophic Health Care Cost Program	Rep. Darrell Bolz
<b>Presentation</b>	Why Transform Long Term Care Supports and Services?	Kim Wherry Toryanski Administrator Idaho Commission on Aging

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Monday, February 28, 2011

**TIME:** 1:30 P.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** None

**GUESTS:** Dr. Paul J. Montalbano, Dr. Frank J. Clark, Neuroscience Associates; Julie Harrison, Ray Harrison; Corey Surber, Jeremy Pisca, Saint Alphonsus; Steve Millard, Toni Lawson, Idaho Hospital Association; Dr. Joe Williams, Dr. Julie Foote, Dr. Erich Garland, Idaho Medical Association; Dr. Angela Beauchainie, Dr. Alan Swajkowski, Christy Neuhoff, St. Luke's; Dr. Brian Hodges; Barbara Jorden, Idaho Trial Lawyers Association; Portia Rauer, Powers Tolman; Deana Gilchrist, Cyndi Eaton, Living Independence Network Corp.; Robbi Barrutia, State Independent Living Council; Christine Pisain, Disabilities Development Council; Danielle Bennion, Mountain View Hospital; Dr. Joseph M. Verska.

**Chairman McGeachin** called the meeting to order at 1:30 p.m.

**MOTION:** **Rep. Bilbao** moved to approve the minutes of February 18. **Motion carried on voice vote.**

**Rep. Bilbao** moved to approve the minutes of February 22. **Motion carried on voice vote.**

**H 162:** **Steve Millard**, President, Idaho Hospital Association (IHA), presented **H 162**, a bill that amends Idaho Code Section 39-1392c for the immunity for health care organizations or peer review groups. This change is in response to a 2009 Idaho Supreme Court ruling and clarifies the original intent of the code.

In response to committee questions, **Mr. Millard** stated that the peer review and credentialing processes would be protected. He clarified that the credentialing process gives the physician privileges to conduct their trade within the hospital and the actual credential indicates what the physician can perform. Both privileging and credentialing are a peer review process and can also involve the Board of the hospital.

He stated that the peer review committees work on behalf of the hospital governing board, which is charged with the safety and quality of the hospital. The appeals process, covered in the bylaws of each facility, is required to give attention and due process.

**Dr. Paul Joseph Montalbano**, Neurosurgeon, testified **in opposition to H 162**, detailing the peer review process at St. Luke's and how the it physicians while improving patient care. He expressed concern that future treatment for any high-risk cases would be done in other states if this bill is passed. He also expressed his opinion that hospitals find their own physicians and contracted physician groups more economically attractive than using independent physicians.

**Dr. Montalbano** stated that both physicians and hospitals need to be accountable and by limiting access to the information, the hospitals will be immune. He described how a peer review would affect his professional credibility and practice.

**Dr. Joe Williams**, Urologic surgeon, testified **in favor of H 162**, stating that the hospitals work with federal government sanctioned rules. The peer process requires any physician to provide quality medicine and behave well within the hospital environment. He detailed sanctioning, suspension, and the several levels of appeals,

**Julie Harrison**, an Idaho Resident, testified **in opposition to H 162**. She described her husband's experience and resulting disability, stating that the hospitals need to have accountability. She said that the immunity this bill provides would eliminate consequences for the hospital's or physician's actions.

**Dr. Angela Beauchainie**, Pediatrician, Primary Health Medical group, Medical Staff of St. Luke's, testified **in favor of H 162**. She stated that the peer review committee looks at improving the care of patients on a continual basis. She detailed how that care is reviewed from the nurse screeners to the peer review. She stated that **H 162** will maintain the openness of the providers and allow continued improvement of the care given to patients.

**Brian Hodges**, Obstetrician Gynecologist (OBGYN), testified **in opposition to H 162**, stating that the peer review is already protected under the federal immunity provided to hospitals and community members. He stated his concern that this bill would allow competitors to end careers and damage professional reputations using the peer review forum.

**Dr. Julie Foote**, representing the Idaho Medical Association (IMA), and an Endocrinologist Physician with privileges at St. Luke's and St. Alphonsus, testified **in favor of H 162**. She stated that the language changes are a collaborative effort between physicians and hospitals. Quality reviews might end up being done by non-physician parties if this is not safeguarded by this bill.

In response to questions from the committee, she stated that in small communities or cases where there might be a competition issue, the cases were referred to a larger peer review group that reported back to the hospital committee. She pointed out that other communities with closed medical staffs might be significantly different in handling the process.

**Barbara Jordan**, Attorney, Idaho Trial Lawyers Association (ITLA), testified **in opposition to H 162**, stating that this bill would stop the process of justice, the peer review both better health care and provides services beyond credentialing. She expressed concern that under this legislation any lawsuit would suffer without discovered information and be dismissed.

In response to questions from the committee, **Ms. Jordan** stated that it is the ITLA's opinion that this bill goes beyond immunizing the peer review process from discovery in any civil liability and gives the overseeing communities the ability to not be accountable. She said that the ITLA was unclear as to the reason why the existing language is not adequate since it hasn't been an issue for 35 years.

**Dr. Allen Swajkowski**, OBGYN, testified **in favor of H 162**, stating that the peer review process was not in existence twenty years ago. He detailed the credentialing peer review process at St. Luke's, the available appeals processes, and the use of outside reviewers.

In response to committee questions, **Dr. Swajkowski** stated that in two years there have only been two external review requests after sub-committee ruling that standard of care was not met at St. Luke's. The requests were made in an effort to be fair to the physicians involved and the external opinion was used to determine neutrality from the previous peer review decisions. He outlined the three determinations for any case under review, the consequences, and appeal availability.

**Portia Rauer**, Attorney, On behalf of a group of physicians, testified **in opposition to H 162**, stating that the Supreme Court ruling against St Alphonus involved a claim of negligence with a ruling that the statute didn't extend immunity to hospitals for credentialing decisions. She discussed concerns in the wording of the bill that removes any avenue for a doctor to state why a decision was wrong when the hospital decision does not follow the peer review recommendation. She said the physicians need a way to hold the hospitals accountable and demonstrate any bias.

In response to questions from the committee, **Ms. Rauer** stated that the statute already allows both a physician and the hospital to ask for substantiation of positions from the review group members without holding them liable, thus maintaining a level playing field.

The Board of Trustees or Directors are the ultimate body overseeing any hospital operation and can overturn any peer review decision, which, under this bill, would leave the physician with no recourse. **Ms. Rauer** described the economical advantages of a hospital-employed physician.

**Dr. Eric Garland**, Physician, President, Idaho Medical Association (IMA), testified **in favor of H 162**, and explained the recommendations that go into the credentialing process. He also noted that 100% of the IMA delegates, each representing 10 members, voted in favor of this bill.

**Frank Clark**, Administrator, Neuroscience Associates, testified **in opposition to H 162**, stating his concern that outside reviewers are given predetermined outcome instructions. In response to questions, he indicated that a law suit he cited involved a difference between the medical staff recommendation and the decision of the hospital board, with an outcome of privileges being reinstated.

**Christy Neuhof**, General Counsel, St. Luke's Health System, testified **in favor of H 162**, stating that peer review includes quality and performance, professional review, corrective action, and more, to improve patient care and safety in the hospitals. The hospital is concerned that if discussion in peer review meetings is widely known, then the medical staff will be hesitant to participate. Ms. Neuhof said that hospitals are accountable to the federal government and other groups, including Medicare and Medicaid, with regulations that, if not followed, can deny the hospital funding. She detailed the peer review committee selection process at St. Luke's.

In response to committee questions, **Ms. Neuhof** explained that each hospital has its own process of peer review committee selection, which is outlined in the hospital's bylaws. She also stated that the confidential process of the peer review is considered to be essential; and, Idaho statutes allow the hospital to share information with accrediting bodies without revealing privilege.

**Jeremy Pisca**, Risch Pisca, representing St. Alphonus Health Care System, testified **in favor of H 162**, stating that the issue revolves around the word "use." This bill was developed to clarify language so that actions taken also equal immunity. **Mr. Pisca** detailed how other states are dealing with the same issue.

In response to questions, he clarified that "use" refers to the decision ultimately made and assures the physician who has been wronged has the ability to challenge it in a court of law.

**Danielle Binnion**, representing Mountain View Hospital, testified **in favor of H 162**, stating it's imperative that physicians are protected so they feel free to participate in the peer review process. She said this bill tightens legislation written in 1973 that had inadvertent omissions.

**Dr. Joseph M. Verska**, Surgeon, IMA Member, testified in **opposition to H 162**, stating he will continue to do peer review whether or not this bill passes. He said that hospitals have hidden behind the peer review process in the past and need to be held accountable.

**Steve Mallard**, stated that it's important to protect the information from the peer review process and improve on the language so that it states what was intended in previous legislation.

Stating a possible conflict of interest, **Representatives Bilbao, Wood, and Guthrie** invoked House Rule 38 and would be voting on this legislation.

**MOTION:** **Rep. Loertscher** moved to send **H 162** to the floor with a **DO PASS** recommendation. **Rep. Thayn** urged the committee to vote against this bill, since the idea is to protect the peer process, but **H 162** actually gives immunity to the hospitals.

**ROLL CALL VOTE:** **Rep. Roberts** requested a **roll call vote. Motion carried, 8 aye and 2 nay. Voting in favor** of the motion: Reps. Bilbao, Loertscher, Wood, Guthrie, Roberts, Rusche, Chew, and McGeachin. **Voting in opposition** to the motion: Reps. Shepherd and Thayn.

Due to time constraints, **H 88** and the presentation by Kim Wherry Toryanski will be rescheduled.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 4:08 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

**AMENDED #2 AGENDA**  
**HOUSE HEALTH & WELFARE COMMITTEE**  
Upon Adjournment of the House  
Room EW42  
Wednesday, March 02, 2011

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>RS20520</u></a>	Medicaid Cost Containment & Health Care Improvement Act	Rep. Janice McGeachin
<a href="#"><u>RS20482C1</u></a>	Pharmacists	Mark Johnston Board of Pharmacy
<a href="#"><u>RS20500</u></a>	Pharmacists	Rep. Sue Chew
<a href="#"><u>RS20517C1</u></a>	Naturopathic Licensure Act	Kris Ellis American Association of Naturopathic Physicians
<a href="#"><u>H 88</u></a>	Catastrophic Health Care Cost Program	Rep. Darrell Bolz

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

Irene Moore  
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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

- DATE:** Wednesday, March 02, 2011
- TIME:** Upon Adjournment of the House
- PLACE:** Room EW42
- MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew
- ABSENT/  
EXCUSED:** None
- GUESTS:** Michael Skelton, Jared Nye, All Seasons Mental Health; Landis Rossi, Melanie Roper, Catholic Charities of Idaho; Alex Neiwirth, Daniel Wolf, Idaho Association of Government Employees; JoAn Condie, Idaho State Police Association; Mary C. Niland, Witco/Access Idaho; Kathie Garrett, Partners in Crisis; Roger Howard, Heidi Caldwell, Bill Knowhler, Amber Mausling, Christina Pettis, Deana Gilchrist, Cyndi Eaton, Living Independence Network Corporation; Mary Rumble; Christine Rsain, Developmental Disabilities Council; Dana Gover; Julie Taylor, Blue Cross; Sarah Fuhriman, Roden Law Office; Bob Uebelher, Connolly & Smyser; Woody Richards, Blue Cross of Idaho; Elizabeth Criner, Pfizer; Heidi Low, American Cancer Society Cancer Action Network.
- Chairman McGeachin** called the meeting to order at 3:35 p.m.
- MOTION:** **Vice Chairman Bilbao** moved to approve the minutes of the February 24. **Motion carried on voice vote.**
- H 88:** **Rep. Bolz** presented **H 88**, which is legislation amending the audit requirements for the Catastrophic Health Care Cost Program to require an annual audit by a certified public accountant designated by the governing board.
- MOTION:** **Vice Chairman Bilbao** moved to send **H 88** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote.** **Rep. Bolz** will sponsor the bill on the floor.
- RS 20517C1:** **Kris Ellis**, representing the Idaho Chapter - American Association of Naturopathic Physicians, presented **RS 20517C1**, which attempts to correct issues with the Naturopathic Licensure Act of 2005 and clarify definitions. Licenses were issued without legislative rule approval, and that applications that have never been reviewed prompted a lawsuit for non-issuance or fee refund. This legislation also creates a self-governing agency, the Board of Naturopathic Medical Examiners. She stated that the Governor will be allowed to appoint a board immediately, and then discussed it's powers, duties, and scope of oversight.
- In response to committee questions, **Ms. Ellis** stated that fee rules were presented to the Senate for three consecutive years beginning in 2006, but failed to get approval. This legislation sets a licensure fee and is supported by the Pharmacy Association. She summarized how the legislation will affect the currently-licensed practitioners. A formulary council will establish medication dispensing guidelines, which will be brought to the legislature for approval.
- MOTION:** **Rep. Roberts** moved to introduce **RS 20517C1**. **Motion carried on voice vote.** **Rep. Loertscher** requested that he be recorded as voting **NAY**.
- RS 20520:** **Chairman McGeachin** turned the meeting over to **Vice Chairman Bilbao**, who called on **Chairman McGeachin** to present **RS 20520**.

**Chairman McGeachin** then presented **RS 20520**, stating that this legislation reduces health care costs in the Medicaid budget and improves the health care delivery system in Medicaid. Existing health care programs need to be changed or deleted temporarily, because of current economic conditions. She then detailed the reductions and their individual estimated general fund savings, which totaled \$39M.

**MOTION:** **Rep. Roberts** moved to introduce **RS 20520**. **Motion carried on voice vote.**

**Vice Chairman Bilbao** turned the meeting back over to **Chairman McGeachin**.

**RS 20482C1:** **Mark Johnston**, Executive Director, Board of Pharmacy, presented **R 20482C1**, noting that this legislation is a result of informal rule making initiated in response to **H 001** and limits licensed pharmacists to the specific areas of prescribing for dietary fluoride supplements and agents for active immunization. He noted that no diagnostic skills are necessary for prescribing fluoride supplements. This proposal limits a pharmacist's authority to persons twelve years of age or older, and gives more options to increase the low Idaho immunization rates.

**MOTION:** **Rep. Shepherd** moved to introduce **RS 20482C1**. **Motion carried on voice vote.**

**RS 20500:** **Rep. Chew** presented **RS 20500**, a companion piece of legislation with **H 005**, which is currently in Committee. The Board of Pharmacy and regulated industry cooperated in drafting this legislation that includes language specific to mail order pharmacies.

In response to questions, **Rep. Chew** noted that this legislation is not in conflict with **H 005**.

**MOTION:** **Vice Chairman Bilbao** moved to introduce **RS 20500**. **Motion carried on voice vote.**

There being no further business to come before the committee, the meeting was adjourned at 4:16 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

AGENDA  
**HOUSE HEALTH & WELFARE COMMITTEE**  
Upon Adjournment of the House  
Room EW42  
Friday, March 04, 2011

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>S 1081</u></a>	Idaho State School and Hospital (ISSH)	Susan Broetje Administrator, ISSH Department of Health & Welfare
<a href="#"><u>S 1082</u></a>	Idaho State School/Hospital/Name Change	Susan Broetje
<a href="#"><u>S 1083</u></a>	Vital Statistics, Public Records	James Aydelotte Project Director Department of Health & Welfare
<b>Presentation</b>	Why Transform Long Term Care Supports and Services?	Kim Wherry Toryanski Administrator Idaho Commission on Aging

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Friday, March 04, 2011

**TIME:** Upon Adjournment of the House

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** Representative(s) Shepherd, Rusche

**GUESTS:** Matthew Malek, Risch Pisca, PLLC; Chad Cardwell, Department of Health and Welfare; Christine Pisani, Program Specialist, Idaho Council on Developmental Disabilities; James Aydelotte, Bureau Chief, Vital Statistics, Department of Health and Welfare; Susan Broetje, Administrator, Idaho State School and Hospital, Department of Health and Welfare; Kim Wherry Toryanski, Sharon Duncan, Idaho Commission on Aging

**Chairman McGeachin** called the meeting to order at 12:03 p.m.

**S 1081:** **Susan Broetje**, Administrator, Idaho State School and Hospital (ISSH), presented **S 1081**, stating that it is essential that ISSH focus on people in crisis who need stabilization prior to returning to their community. She discussed how the proposed legislation will clarify the purpose of ISSH as a transitory facility, rather than a long-term placement option. It will also align the department's duties and responsibilities more closely with other legislation and national best practices.

In response to questions, **Ms. Broetje** noted that the crisis prevention team is very active and willing to help people in the community if difficulties occur, with ISSH admission as an available option. The Committee discussed how **H 221** and **S 1081** would work together.

**Christine Pisani**, Program Specialist, Idaho Council on Developmental Disabilities (ICDD), spoke **in support of S 1081**. She agreed that the development of crisis capabilities statewide is still needed to fully implement this bill.

**MOTION:** **Rep. Thayn** moved to send **S 1081** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote. Rep. Chew** will sponsor the bill on the floor.

**S 1082:** **Susan Broetje** presented **S 1082**, stating that changing the name of ISSH to Southwest Idaho Treatment Center is appropriate because the facility has been neither a school nor a hospital for over twenty years. The current name provides a misleading perception to the public about the intent of the services provided. She then clarified that the proposed name does not limit future modifications to services provided.

**Christine Pisani**, (ICDD) testified **in support of S 1082**. She reiterated that ISSH's name is very misleading to the public.

**MOTION:** **Rep. Wood** moved to send **S 1082** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote. Rep. Wood** will sponsor the bill on the floor.

**S 1083:** **James Aydelotte**, Bureau Chief, Vital Statistics, Department of Health and Welfare, presented **S 1083**, which deals with the disclosure of information on certificates and records. He stated that an increase in identity theft crimes supports lengthening the time periods before records of births, stillbirths, and deaths become public. He clarified which persons or entities, otherwise entitled by law, would still have access.

**MOTION:** **Rep. Chew** moved to send **S 1083** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote. Rep. Chew** will sponsor the bill on the floor.

**Kim Toryanski**, Administrator, Idaho Commission on Aging, updated the committee on the Aging & Disability Resource Connections (ADRC) project. There were sustainability issues with the brick and mortar model, so they moved to a virtual center. ADRC is working on transforming long term care supports and services by integrating aging and disability service systems, working towards one comprehensive assessment and eligibility determination process, and making effective use of technology.

In response to questions, **Ms. Toryanski** reported that 60% of the Commission's budget comes from federal funds and the remaining 40% is from general funds.

There being no further business to come before the committee, the meeting was adjourned at 12:42 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

JOINT  
HOUSE HEALTH & WELFARE COMMITTEE  
AND  
SENATE HEALTH & WELFARE COMMITTEE  
1:30 P.M.  
WW02  
Tuesday, March 08, 2011

SUBJECT	DESCRIPTION	PRESENTER
<a href="#">H 221</a>	Medicaid Public Testimony	

***Sign In Begins at 12:30 p.m.  
If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

Irene Moore  
Room: EW14  
Phone: (208) 332-1138  
email: [imoore@house.idaho.gov](mailto:imoore@house.idaho.gov)

MINUTES  
JOINT MEETING  
**HOUSE HEALTH & WELFARE COMMITTEE**  
**SENATE HEALTH & WELFARE COMMITTEE**

**DATE:** Tuesday, March 08, 2011

**TIME:** 1:30 P.M.

**PLACE:** WW02

**HOUSE MEMBERS:** Chairman McGeachin, Representative(s) Bilbao, Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**SENATE MEMBERS:** Co-Chairman Lodge, Senators Broadsword, Darrington, Smyser, Heider, Vick, Nuxoll, Bock, Schmidt

**ABSENT/  
EXCUSED:** None

**GUESTS:** The sign-in sheets will be retained with the minutes in the committee's office until the end of the session. Following the end of the session, the sign-in sheets will be filed with the minutes in the Legislative Services Library.

**Chairman McGeachin** called the meeting to order at 1:32 p.m.

**H 221:** **Chairman McGeachin** turned the meeting over to **Vice Chairman Bilbao** who called on **Chairman McGeachin** to present **H 221**.

**Chairman McGeachin** reviewed each page of the legislation and the total estimated general fund savings of \$39,130,000. New implementations include: managed care, approval criteria process and license fee, "retirement" age for developmental therapy (DT), claims payment edits, and co-payments. Both managed care contracts for behavioral health services, and medical homes would be developed. Psychiatric approval of ordered psychosocial rehabilitation services (PSR) would be required. There would be no increased rates, increases mandated in statute would be removed, non-primary Medicaid rates would change to 90% of the most current Medicare rate, and a blended group and individual payment rate for DT would be created. Some individuals would be discharged from institutional settings. Medicaid coverage would be aligned with Medicare. Assessments would be added to hospitals, nursing homes, and Intermediate Care Facilities (ICF). Changes would be made to adult dental coverage, chiropractic coverage, and payments for outpatient hospital, physical therapy, speech therapy and occupational therapy. H 701 temporary rule reductions would become permanent. Audiology benefits for adults would be removed and podiatry and vision coverage would be limited. Pharmacy pricing would change to actual acquisition pricing. Reductions would be made in PSR coverage and fraudulent payments. The effective date of this legislation would be 7/01/2012.

In answer to questions from the committee, **Chairman McGeachin** stated that the changes represent an 8% reduction in the state Medicaid budget. There are federal laws that limit what can be done to children's programs, so changes were made to the adult Medicaid budget, without elimination of whole programs, to reach the balanced budget requested numbers. At the request of **Chairman McGeachin**, **Amy Johnson**, Legislative Services Office, responded to a question about the repeal of Section 24, stating that on the July 1, 2012, effective date the hospital and nursing care facilities would return to the way they currently stand for a period of one year.

**Vice Chairman Bilbao** turned the meeting back over to **Chairman McGeachin**.

**Chairman McGeachin** instructed the audience on giving public testimony, stating that it would be limited to three minutes and must pertain to **H 221**.

**Steve Millard**, Pres Idaho Hospital Association; **Rick Holloway**, President, Western Health Care; **Robert Vande Merwe**, Idaho Health Care Association, spoke in favor of **H 221**. Some points that were addressed with these testimonies were the language in the original hospital assessment act exempted specialty hospitals with no emergency room services; nursing facilities are currently receiving \$4 per day less than their costs; removal of 56-102 was requested; during the process of determination, they would rather have a rule with a reimbursement system instead of a statute; best practice is to keep the DD and elderly population separated; intermediate care facility program is optional and not available in every state.

**Vicki Garcia; Mark Reinhardt; Paula Marcotte, Nikki Tangen, Laura Scuri, Lee Barton, Amy Korb**, Mental Health Provider's Association of Idaho; **Gregory Dickerson**, Human Supports of Idaho; **Evangeline Beechler, M.C. Niland**, ACCSES-Idaho; **Kelly Keele**, Transitions Developmental Disabilities Agency (DDA); **Kevin Nye; Bob Brannon; Crystal Anderson; Taryn Ivie; Sue Gann; Angie Martinez; John Chambers; Connie Bunch; Nicole Sherwood**, Developmental Concepts, Inc.; **Gretchen Kruger, James Piotrowski**, Idaho Residential Supported Living Association (IRSLA); **William Fowkes; Jean Newman, Karen Russell, Louise Larsen**, Certified Family Homes (CFH); **Celina Collier; Jennifer Roberts; Heather Sue Rager; Frank Roundy; Louise Pryor**, Advanced Services Company; **Tom Kofoed; Carrie Bennett; Sara Baugh; Michael Wilson**, Inclusion Inc.; **Devere Hunt**, RHS Mental Health Solutions; **Michael O'Bleness**, Development Workshop Inc.; **Roger Howard**, Living Independence Network Corporation (LINC); **Jim Baugh**, Disability Rights Idaho; **Joe Raiden; James Steed, Marilyn Sword**, Idaho Council on Developmental Disabilities; **Robbie Barrutia**, State Independent Living Council (SILC); **Paul Tierney; Rosemary Smith; Bill Benkula; Debbie Ferebauer; Bob Blazor; Tonia Stephens; Katherine Hansen**, Idaho Association of Developmental Disabilities Agencies (IADDA); **Teronda Robinson, Kevin Thompson, Becky Woodhead**, Community Partnerships; **Wendy Kotts**, Unity Service Coordination; **Jack Hall; Brian Procynchak; Ken McClure**, Idaho Medical Association; **Carl Smith**, Community Connections; **Kimi Maas; Dwaine Sheets; Shawna Springer; Deborah Cunningham; Dennis Smith**, Joshua B. Smith Foundation; **Heather Bennett**, Excellence in Everyone LLC; **Darlene Greenhoushe**, JFPTO; **Deborah O'Hara; Jennifer Varner**, Rocky Mountain Behavioral Health; **Terry Waltman; Kendra Hullan** spoke in opposition to **H 221**.

Some points that were addressed with these testimonies were concerns that the DD Waiver retirement age of 45 would cause participants not qualifying for A&D benefits to regress and become a burden on the community in a variety of ways; loss of critical skill building services would lead to erosion of self-worth, independence, and socialization; CFHs and other support businesses would be adversely affected and close, increasing unemployment levels and food stamp usage; transportation to services in rural areas would become impossible; nursing facility or institution costs would be higher than current living situations; DD discrimination might cause lawsuits to the state; DD Waiver psychiatric testing is a duplication and doctors may not participate; the judicial system is not geared for the mentally ill and would be unable to handle any who would re-enter it as a result; this bill breeches the waiver approval for the state, which guaranteed the level of care; Those previously transitioned from Idaho State School & Hospital (ISSH) would have to return; participants accessing minimal services would not qualify for the Aged and Disabled (A&D) Waiver; the annualized approach cannot be applied to a

waiver with an array of complex services; the A&D Waiver never approved adult daycare in Eastern Idaho; loss of active treatment in a community setting would occur; increases in emergency room (ER) visits for non-emergency issues would occur; could result in shifting of costs to another budget without the Medicaid match; the impacted population doesn't understand what's happening to them; may place persons with behavioral issues in with a population they could hurt; clients are on limited budgets, with few dollars to pay for any additional costs of services; depression and isolation can be serious side effects of changes in services; any future turn around would involve hiring new employees, subsequent training, and rebuilding client trust; volunteers may not have the background checks and appropriate testing; assessment hours reduction too low for a direct and correct diagnosis; healthy connection system is sound and working well so there's no need to develop a new plan.

**Senator Darrington** spoke to the audience, stating that everyone, including committee members, have connections with family members or acquaintances who need Medicaid services.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 6:13 p.m.

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Representative McGeachin  
Chairman  
Chairman House Health & Welfare

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Irene Moore  
Secretary, House Health & Welfare

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Senator Lodge  
Co-Chair  
Chairman Senate Health & Welfare

**AMENDED #2 AGENDA**  
**HOUSE HEALTH & WELFARE COMMITTEE**  
**1:30 P.M.**  
**Room EW42**  
**Thursday, March 10, 2011**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>H 221</u></a>	Medicaid Committee Discussion Only No Public Testimony	Representative McGeachin

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

Irene Moore  
Room: EW14  
Phone: (208) 332-1138  
email: imoore@house.idaho.gov

MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Thursday, March 10, 2011

**TIME:** 1:30 P.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** None

**GUESTS:** The sign-in sheet will be retained with the minutes in the committee's office until the end of the session. Following the end of the session, the sign-in sheet will be filed with the minutes in the Legislative Services Library.

**Chairman McGeachin** called the meeting to order at 1:35 p.m.

**H 221:** **Leslie Clement**, Medical Administrator, Division of Medicaid, presented an in-depth, page-by-page detail of **H 221**, indicating areas that could be removed or changed and the intent of several sections. She noted that the developmental disability (DD) Waiver requirement of active treatment is not a federal requirement and the waiver could be amended; however, then it becomes very similar to the Aged & Disability (A&D) Waiver, which emphasizes support. The A&D Waiver offers a range of services for many needs, including traumatic and brain injured. It also provides Certified Family Home (CFH) housing placements and in-home services.

In detailing co-pays, **Ms. Clement** said that Medicaid has a lot of restrictions, will align with federal law, and does not affect prescriptions, since most are mental health drugs.

In response to questions from the committee, she described some of the process and planning that will take place as they put together the managed care program. She also stated that a 90-day prescription refill review indicated a problem with money and drug waste.

**UNANIMOUS  
CONSENT  
REQUEST:** **Chairman McGeachin** made a unanimous consent to remove Section 1, Chapter 31-873 from **H 221**. There being no objection, so ordered.

Upon questions from the committee, **Leslie Clement** made the assurance that the Department has no interest or intent to change any methodologies being repealed in Section 2.

**UNANIMOUS  
CONSENT  
REQUEST:** **Chairman McGeachin** requested unanimous consent to keep Sections 2, 3, 4, and 5, as presented in **H 221**. There being no objection, so ordered.

**UNANIMOUS  
CONSENT  
REQUEST:** **Chairman McGeachin** requested unanimous consent to keep Section 6, as presented, in **H 221**. There being no objection, so ordered.

**UNANIMOUS  
CONSENT  
REQUEST:** **Chairman McGeachin** requested unanimous consent to keep Section 7, as presented, in **H 221**. There being no objection, so ordered.

**UNANIMOUS  
CONSENT  
REQUEST:** **Chairman McGeachin** requested unanimous consent to keep Section 8, as presented, in **H 221**. There being no objection, so ordered.

**UNANIMOUS CONSENT REQUEST:** **Chairman McGeachin** requested unanimous consent to remove Section 9 from **H 221**. There being no objection, so ordered.

**UNANIMOUS CONSENT REQUEST:** **Chairman McGeachin** requested unanimous consent that Section 10, 56-209g, line 12 of **H 221** have the word "usual" removed with the word "lowest" inserted in its place and delete lines 28-30. There being no objection, so ordered.

**MOTION:** **Rep. Rusche** moved to change Section 11, 56-255(3)(d)(iii) line 47 in **H 221** from the 4 hour to a 5 hour weekly cap.

**SUBSTITUTE MOTION:** **Rep. Wood** offered a substitute motion to keep Section 11, 56-255(3)(d)(iii) line 47 in **H 221** the weekly cap at 4 hours.

Speaking to the motion, **Rep. Wood** stated that there have been several changes in response to the public testimony with subsequent reductions of approximately \$5M and everyone has been impacted significantly with the Medicaid reductions.

**Rep. Rusche** stated that the change to 4 hours saves providers a small amount, but doesn't recognize clinical appropriateness, so he is against the motion.

**VOTE ON SUBSTITUTE MOTION:** **Chairman McGeachin** called for a vote on the substitute motion to keep Section 11, 56-255(3)(d)(iii) line 47 of **H 221** as it is, with a weekly cap of 4 hours. **Motion carried on voice vote.** **Reps. Rusche** and **Chew** requested that they be recorded as voting **NAY**.

**UNANIMOUS CONSENT REQUEST:** **Chairman McGeachin** requested unanimous consent to modify **H 221**, Section 11, 56-255(3)(f)(iii), line 31 to add after "children" the words "and adults" and strike lines 36 through 41, beginning with the words "Developmental disability services" and ending with "care facility." There being no objection, so ordered.

**UNANIMOUS CONSENT REQUEST:** **Chairman McGeachin** requested unanimous consent to remove **H 221**, Section 11, 56-255(3)(f)(iv) lines 42 through 46, beginning with the word "and" and ending with the word "treatment". There being no objection, so ordered.

**UNANIMOUS CONSENT REQUEST:** **Chairman McGeachin** requested unanimous consent to retain Section 12 in **H 221**. There being no objection, so ordered.

**UNANIMOUS CONSENT REQUEST:** **Chairman McGeachin** requested unanimous consent to retain Section 13 in **H 221**. There being no objection, so ordered.

**UNANIMOUS CONSENT REQUEST:** **Chairman McGeachin** requested unanimous consent to retain Section 14 in **H 221**. **Rep. Rusche** objected.

**Rep. Rusche** said that the he objected to the legislative intent of 56-261, stating that it will not result in improved health because the elimination of the service coordination in Section 17 does not result in improved care of Idaho citizens.

**MOTION:** **Rep. Roberts** moved to retain Section 14 in **H 221**. **Motion carried on voice vote.** **Reps. Rusche** and **Chew** requested that they be recorded as voting **NAY**.

**UNANIMOUS CONSENT REQUEST:** **Chairman McGeachin** requested unanimous consent to change **H 221**, Section 16 56-263(2) to include "but not limited to" after the word "include" . There being no objection, so ordered.

**UNANIMOUS CONSENT REQUEST:** **Chairman McGeachin** requested unanimous consent to remove subsection (a) of **H 221**, Section 17, 26-264(3) and subsections (a) and (b) of Section 17, 26-264(6).

**Rep. Rusche** stated that the services are well worth paying for so disabled individuals have viable contacts in any setting. The committee further discussed collateral contact.

**MOTION:** **Rep. Wood** moved to retain **H 221**, Section 17, 26-264(3) and (6) intact.

**Rep. Rusche** stated that this portion of the bill wants providers to develop ways to manage expensive chronic diseases without reimbursement and will be detrimental to patients.

In response to committee questions, **Leslie Clement** stated that service providers are required to coordinate care. They don't get paid for that contact. It isn't an issue that they don't do the work, it's about them getting paid for that time.

**Chairman McGeachin** called for a vote on the motion to retain **H 221** Section 17, 26-264(3) and (6) as is. **Motion carried on voice vote. Reps. Rusche and Chew** requested they be recorded as voting **NAY**.

**UNANIMOUS CONSENT REQUEST:** **Chairman McGeachin** requested unanimous consent to delete subsection (e) of **H 221**, Section 17, 56-264(2) and substitute "Direct the Department of Health and Welfare to develop an effective utilization management tool for PSR services." There being no objection, so ordered.

**UNANIMOUS CONSENT REQUEST:** **Chairman McGeachin** requested unanimous consent to retain **H 221** Section 18. **Rep. Rusche** objected.

**MOTION:** **Rep. Roberts** moved to retain all of the language in **H 221** Section 18. **Motion carried on voice vote. Reps. Rusche and Chew** requested they be recorded as voting **NAY**.

**UNANIMOUS CONSENT REQUEST:** **Chairman McGeachin** requested unanimous consent to retain **H 221** Sections 19 through 26. There being no objection, so ordered.

**UNANIMOUS CONSENT REQUEST:** **Chairman McGeachin** requested unanimous consent to remove Section 27 from **H 221**. There being no objection, so ordered.

**UNANIMOUS CONSENT REQUEST:** **Rep. Roberts** requested unanimous consent to adjust the implementation dates of **H 221**, Section 38 to reflect the sections accordingly. There being no objection, **Chairman McGeachin** so ordered.

**UNANIMOUS CONSENT REQUEST:** **Rep. Roberts** requested unanimous consent to add a severability clause to **H 221**. There being no objection, **Chairman McGeachin** so ordered.

**Chairman McGeachin** stated that the position of the committee is to draft a new RS with the changes noted and move it through the system as leadership sees fit.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 4:17 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

AGENDA  
HOUSE HEALTH & WELFARE COMMITTEE  
1:30 P.M.  
Room EW42  
Monday, March 14, 2011

<u>SUBJECT</u>	<u>DESCRIPTION</u>	<u>PRESENTER</u>
<a href="#"><u>H 221</u></a>	Medicaid	Rep. McGeachin
<a href="#"><u>H 260</u></a>	Medicaid	Rep. McGeachin
<a href="#"><u>H 1</u></a>	Pharmacists	Mark Johnston, R. Ph. Executive Director Board of Pharmacy
<a href="#"><u>H 5</u></a>	Pharmacists	Mark Johnston
<a href="#"><u>H 219</u></a>	Pharmacists	Rep. Chew
<a href="#"><u>H 218</u></a>	Pharmacists	Mark Johnston
<a href="#"><u>HCR 22</u></a>	H&W, Rule Rejected	Rep. Hartgen
<a href="#"><u>S 1102</u></a>	Wholesale Drug Distribution Act	Elizabeth Criner Veritas Advisors

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin

Vice Chair Bilbao

Rep Loertscher

Rep Shepherd

Rep Thayn

Rep Wood(27)

Rep Guthrie

Rep Roberts

Rep Rusche

Rep Chew

COMMITTEE SECRETARY

Irene Moore

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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Monday, March 14, 2011

**TIME:** 1:30 P.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** None

**GUESTS:** JoAn Condie, Donald Smith, Taylor Nielson, Idaho State Pharmacy Association; Roger Howard, Living Independent Network Corp.; Nicole Sherwood, Developmental Concepts; Lee Barton, Riverside Rehab; Julie Taylor, Blue Cross of Idaho; Susie Pouliot, Idaho Medical Association; Heidi Low, American Cancer Society; Lyn Darrington, Regence Blue Shield of Idaho; Steve Millard, Idaho Hospital Association; Marilyn Sword, Developmental Disabilities Council; Kathie Garrett, National Alliance on Mental Illness; Jim Baugh, Disability Rights, Idaho; Kerry Ellen Elliott, Public Health District; Kimi Maas; Kimberly Culver, Community Partnerships of Idaho; Katherine Hansen, Idaho Association of Developmental Disabilities Agencies; Elizabeth Criner, MWI Vet Supply; Sam Hoagland; Kate Haas, Medco.

**Chairman McGeachin** called the meeting to order at 1:30 p.m.

**H 221:** **Chairman McGeachin** called for a motion to **HOLD H 221** in committee.

**MOTION:** **Rep. Bilbao** moved to **HOLD H 221** in committee. **Motion carried on voice vote.**

**H 260:** **Leslie Clement**, Director, Division of Medicaid, summarized **H 260**, indicating the impacted services, which include the provision that removed non-waiver adults from developmental therapy, mandatory retirement from active treatment at 45 years of age, sign off of a board-approved psychiatrist for psychosocial rehabilitation services (PSR), and pharmacy methodology.

**Kimi Maas** thanked the committee.

**Katherine Hansen**, Idaho Association of Developmental Disabilities Agencies, thanked the committee for listening.

**Rep. Rusche** spoke in opposition to **H 260**, stating that this legislation is a bad financial decision because it makes permanent in statute the temporary changes that were requested to get through an economic dark time. It puts incredible pressure on Medicaid providers who will close shop, resulting in approximately 1,000 lost jobs. The State mental health services decrease will result in increased use in county, state, and private hospital services at a higher cost.

**Rep. Guthrie** spoke in favor of **H 260**, stating that during last Tuesday's public hearing the committee heard sincere comments and responded to them. The changes make the best of a bad situation.

**Rep. Chew** spoke in opposition to **H 260**, stating that she would have liked to have had more options.

**Rep. Roberts** spoke in favor of **H 260**, stating that it has been a challenge to learn the dynamics of the Medicaid program. The necessary decisions have not been easy to make and this legislation protects the most important services. The committee has tried to minimize the affects to tax payers and patients in need of services. This legislation will not only provide us a way forward, with provisions addressing the fiscal year 2012 budget, but it also sets us on a course that will improve the costs and standard of care for individuals in this state in both the public and private sectors of health care. We have to be diligent about what type of policy we affect in the next several years so we can afford to continue this process.

**Rep. Wood** stated that he didn't remember a single bill that had the unique process that was used for **H 221**. He then elaborated that it was printed, a public hearing was held, two days later the committee went through each section of the bill in a public meeting, and actually made all of the changes that became **H 260** in that meeting. There has been much discussion on the changes, but it has all been done in a completely public process and is worth remembering for future bills that affect a lot of people. The committee didn't make changes as extreme as may have been desired by some members of the public and committee, but we do have constraints.

**MOTION:** **Rep. Thayn** moved to send **H 260** to the floor with a **DO PASS** recommendation.

**ROLL CALL VOTE:** **Rep. Rusche** requested a roll call vote. **Motion passed, 8 aye and 2 nay. Voting in favor** of the motion: Reps. Bilbao, Loertscher, Shepherd, Thayn, Wood, Guthrie, Roberts, McGeachin. **Voting in opposition** to the motion: Reps. Rusche, Chew. **Rep McGeachin** will sponsor the bill on the floor.

**H 1:** **Mark Johnston**, Executive Director, Board of Pharmacy, requested **H 1** be held in committee.

**MOTION:** **Rep. Wood** moved to **HOLD H 1** in committee. **Motion passed on voice vote.**

**H 5:** **Mark Johnston**, Executive Director, Board of Pharmacy, presented **H 5**, which repeals Section 54-1749, Idaho Code. He stated that along with other language problems, the code is incorrectly placed in the Out-of-State Mail Service Pharmacy Licensing Act, and enforcement is a problem since this Act does not regulate retail pharmacies. **H 5** mandates a prospective drug review for every prescription, requires counseling on all new medications, requires an offer to counsel on all refilled or renewed prescriptions, requires written materials when required by Federal law, allows a patient or care giver to refuse counseling, and exempts inpatients of hospitals or institutional facilities.

Responding to questions from the committee, **Mr. Johnston** said that mail order pharmacies would still be required to make a reasonable effort to contact patients and care givers for counseling on initial prescriptions. He stated that most mail order pharmacy prescriptions are new prescriptions, not new medications.

**Sam Hoagland**, Attorney, Pharmacist, Consultant to the Board of Pharmacy, testified in favor of **H 5**, stating that verbal counseling can uncover a variety of problems with the prescription that might otherwise go unnoticed and have adverse outcomes.

**Taylor Nielson**, Idaho Society of Health System Pharmacists, testified in favor of **H 5**, stating that it improves patient safety and the recognition of adverse effects.

**MOTION:** **Rep. Chew** moved to send **H 5** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote. Rep. Chew** will sponsor the bill on the floor.

**H 219** **Rep. Chew** presented **H 219**, which is a companion bill to **H 5** that addresses the mail order pharmacy patient education delivery method. She indicated that a replacement bill is forthcoming and requested that **H 219** be held in committee.

**Donald Smith**, Store Owner, Co-President, Idaho State Pharmacy Association, testified in support of **H 219**, stating that it makes sure patient safety is a priority in local and mail order pharmacies. He discussed his experiences and how the counseling practice can help a patient both health wise and monetarily.

**MOTION:** **Rep. Roberts** moved to **Hold H 219** subject to the call of the chair. **Motion carried on voice vote.**

**H 218** **Mark Johnston**, Executive Director, Board of Pharmacy, presented **H 218**, which replaces **H 1**. He stated that this legislation simplifies getting dietary fluoride supplements to children by giving pharmacists the prescriptive authority within specified parameters. Among those parameters is the stipulation that the children must be 12 years of age or older.

In response to questions from the committee, **Mr. Johnston** stated that the wording in **H 1** required an administrative process for regulating the immunizations and included controlled substances, neither of which needed to be a part of this legislation.

**MOTION** **Rep. Rusche** moved to send **H 218** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote.** **Rep. Rusche** will sponsor the bill on the floor.

**HCR 22** **Rep. Hartgen** presented **HCR 22**, which is a rejection of a proposed Department of Health and Welfare rule that included reference to a manual on domestic violence with language that required the parties attend counseling together. After hearing testimony that this was not always an appropriate action, it was decided to strike the rule requirement.

In response to questions from the committee, **Rep. Hartgen** stated that the reference to the manual would still be included, only the language pertaining to the counseling requirement would be removed. Original testimony from professionals said that such a requirement would put additional conflict into an already contentious counseling situation and accomplish very little.

**MOTION:** **Rep. Roberts** moved that **HCR 22** be referred out of the committee with a recommendation that it be sent to the Commerce and Human Resources Committee. **Motion carried on voice vote.**

**S 1102** **Elizabeth Criner**, MWI Veterinary Supply, presented **S 1102**, which corrects unintended consequences from the 2007 Wholesale Drug Act by defining a veterinary pharmacy as a fulfillment process. She described the difference between a veterinary and retail pharmacy. She noted that this does not affect small animal veterinary office dispensing.

**MOTION:** **Rep. Thayn** moved to send **S 1102** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote.** **Rep. Guthrie** will sponsor the bill on the floor.

**ADJOURN :** There being no further business to come before the committee, the meeting was adjourned at 3:02 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

**AMENDED #1 AGENDA  
HOUSE HEALTH & WELFARE COMMITTEE  
1:30 P.M.  
Room EW42  
Wednesday, March 16, 2011**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>H 219</u></a>	Pharmacists	Rep. Chew
<a href="#"><u>H 271</u></a>	Pharmacists	Rep. Chew
<a href="#"><u>S 1076</u></a>	Aging Commission	Sharon Duncan Idaho Commission on Aging
<a href="#"><u>S 1022</u></a>	Persons with Intellectual Disabilities	Marilyn Sword Idaho Council on Developmental Disabilities

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

Irene Moore  
Room: EW14  
Phone: (208) 332-1138  
email: imoore@house.idaho.gov

MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Wednesday, March 16, 2011

**TIME:** 1:30 P.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** Representative(s) Loertscher

**GUESTS:** Marilyn Sword, Developmental Disabilities (DD) Council; Richard Madry, Rick Groff, Ann Kirkpatrick, Vivian Parrish, Dick Stellway, Idaho Interfaith Roundtable Against Hunger; Kelly Anderson, Mary Cram, Jack Cram, Idaho Interfaith Roundtable Against Hunger / Strategic Urban Development Plan; Breland Draper, Idaho Hunger Relief Task Force; Jim Baugh, Disability Rights, Idaho; Bryon Welch, Office of Performance Evaluations; Paul Allen Frisk, Capitol Pharmacy Association; Jim Alexander, JoAn Condie, Idaho State Pharmacy Association; Sam Hoagland, Idaho Pharmacy Legal Council; Woody Richards, Julie Taylor, Blue Cross; Kate Haas, Medco Health Solutions; Davig Irwin, AARP; Steve Thomas, International Association of Healthcare Practitioners; Joic McGarvin, America's Health Insurance Plans; Raulo Freer, Regence; Grant Ipsco; Margaret Feubest, Nurse Leaders of Idaho; Mark Johnston, Idaho Board of Pharmacy.

**Chairman McGeachin** called the meeting to order at 1:33 p.m.

**MOTION:** **Rep. Bilbao** moved to approve the minutes of February 28, March 02, and March 04. **Motion carried on voice vote.**

**H 219:** **Rep. Chew** requested that **H 219** be held in committee.

**MOTION:** **Rep. Rusche** moved to **HOLD H 219** in committee. **Motion carried on voice vote.**

**H 271:** **Rep. Chew** presented **H 271**, stating that it is in conjunction with **H 5** by requiring face-to-face consultation for retail pharmacists and person-to-person for mail order pharmacies on first time medications for a patient.

**Mark Johnston**, Executive Director, Idaho Board of Pharmacy, described the reasoning behind **H 271**. He stated that **H 5** requires the out-of-state pharmacies to have a drug review and, along with retail pharmacies, include written documents with every prescription dispensed. He stated that this legislation goes beyond the reasonable effort by requiring counseling under a variety of circumstances, like the patient not owning a telephone.

The committee questioned him about the differences between the two pieces of legislations and how the pharmacies would know which one to follow. He responded that new medication counseling is required in both bills. **H 271** would be in the Mail Service Pharmacy Act and **H 5** would be in the Idaho Pharmacy Act. Out-of-state pharmacies are licensed in Idaho; however, their individual pharmacists are licensed in the state where they practice. The counseling process is a dialogue to solicit previously undisclosed information from the patient.

**Sam Hoagland**, Attorney, Pharmacist, Consultant to The Board of Pharmacy, detailed the historical context of both bills and Idaho Code. He reiterated that licenses are issued to mail order outlets, but not to individual pharmacists within the outlet, so the Board has no disciplinary power over the pharmacists. He stated that evidence indicates that pharmacist counseling improves the patient's use of any prescribed drugs. He said that with the mail order lack of counseling, local pharmacists often receive questions from customers about prescriptions they have received through the mail, which puts the pharmacists in the difficult situation of wanting to respond to the question and facing subsequent legal issues.

In response to committee questions, he agreed that this issue could be handled through rule making if there were no objections by the affected parties. The Board of Pharmacy requires that any out-of-state pharmacy have pharmacists who are licensed in good standing in the state where they practice before any pharmacy license will be issued. If **H 271** doesn't pass, then **H 5** will not cover this issue since it speaks to what pharmacists shall do and **H 271** says that mail service shall require certain things of a mail pharmacist, with disciplinary problems.

**Kate Haas**, Strategies 360, Medco Health Solutions, testified **in opposition to H 271**, describing a hypothetical situation to demonstrate the use of a mail order service, the information enclosed with the prescription, and the types of customer or counseling services available. She stated agreement with **H 5** and that **H 271** is an issue of competition and choice in how prescription drugs are received. Mail order pharmacies are able to offer lower costs, fewer co-pays, and convenience. With mandated voice-to-voice contact, delays in receipt of medications could occur.

In response to committee questions, **Ms. Haas** stated there is a three or four person drug review process with prescriptions and they are always working with the Pharmacy Board to provide the best care for patients.

**Paul Allen Frisk**, Capital Pharmacy Association, testified **in support of H 271**, stating that face-to-face consultation serves additional functions and explaining them in detail. Mail order service may be difficult for a patient due to its unfamiliar method of contact or the loss of the phone number, so the local pharmacist may be called instead. He suggested mail order services consider a phone message to the patient similar to those sent by large pharmacy chains.

**Steve Thomas**, Idaho Association of Health Plans, testified **in opposition to H 271**, stating that he has seen no evidence of adverse drug reactions caused by mail order pharmacies, and that no hard data appears to be available.

**Jim Alexander**, Pharmacist, testified **in favor of H 271**, stating that counseling is a matter of safety and the duty of every pharmacy and pharmacist dispensing prescriptions. He said it makes sense that mail order pharmacies have the same counseling requirements so the patients get the same counseling and are safe.

**Joie McGarvin**, American Health Insurance Plans, testified **in opposition to H 271** because there is no real policy reason for requiring voice-to-voice counseling since the patients have the option at their own discretion to call the 800 phone number. Any such requirement prior to filling the prescription only delays getting it to the patient. She discussed pharmacy price increases and how mail order keeps the costs down.

**David Irwin**, Director, Government Affairs for AARP, Idaho, testified **in favor of H 271**, describing how lack of counseling impacts Medicare enrollees, the high costs of subsequent treatment, and accidental deaths. He stated that **H 271** helps insure that this population gets a knowledgeable pharmacist for review of their needs, medication, and picks up on any possible issues.

**Raulo Freer**, Pharmacist, Director of Pharmacy, Regency Blue Shield, testified in **opposition to H 271**, stating that patients do misuse medications and this will not change. He said his opposition is not to the counseling, just the how and when. Electronic information is used for the drug review prior to dispensing any mail order prescription and their current method of counseling allows convenience and privacy for the patient. He said **H 271** does not add quality, it decreases choice and potentially adds costs.

In response to questions from the committee, **Mr. Freer** said that a questionnaire is offered to the mail order patient that covers medications, diagnoses, allergies, and history prior to any prescription being filled. Upon receipt the information is entered into the electronic system and recalled with each subsequent prescription.

**JoAn Condie**, Idaho State Pharmacy Association, testified in **favor of H 271**, stating that patients deserve the same treatment, whether a local or mail order pharmacy fills their prescription. Mail order prescriptions may be a 90-day supply, and any errors can go on for some time.

**Kelly Anderson**, St. Vincent De Paul, Idaho Roundtable Against Hunger, testified in **favor of H 271**, stating that this legislation benefits the already convenient mail order pharmacy.

**Rep. Chew** said they were not able to put this into a rule since the out-of-state pharmacists are not licensed in Idaho and there is no jurisdiction.

**ORIGINAL  
MOTION:**

**Rep. Rusche** moved to send **H 271** to General Orders with Line 24 stricken and replaced with "as determined by rule of the Board of Pharmacy."

**SUBSTITUTE  
MOTION:**

**Rep. Roberts** offered a substitute motion to **HOLD H 271** in committee. He agreed that Lines 24-25 need work and suggested that the parties involved sit down to work through a resolution.

**ROLL CALL  
VOTE ON  
SUBSTITUTE  
MOTION:**

**Rep. Roberts** requested a **roll call vote** on the substitute motion to **HOLD H 271** in committee. **Motion carried, 7 aye, 2 nay, and 1 absent/excused. Voting in favor** of the substitute motion: Reps. Bilbao, Shepherd, Thayn, Wood, Guthrie, Roberts, McGeachin. **Voting in opposition** to the substitute motion: Reps. Rusche, Chew. **Absent or excused** and not voting to the substitute motion: Rep. Loertscher.

**S 1076:**

**Sharon Duncan**, Department Administrator, Idaho Commission on Aging, presented **S 1076**, which adds definitions to align the statute with the Older Americans Act.

**MOTION:**

**Rep. Bilbao** moved to send **S 1076** to the floor with a **DO PASS** recommendation. **Motioned carried on voice vote. Rep. Shepherd** will sponsor the bill on the floor.

**S 1022:**

**Marilyn Sword**, Executive Director, Council on Developmental Disabilities (DD), presented **S 1022**, stating that the 2009 Legislative Session, passed legislation that dealt with this archaic language; however, **S 1330** was also passed and it still contains that language. **S 1022** is a correcting piece of legislation.

**MOTION:**

**Rep. Rusche** moved to send **S 1022** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote. Rep. Rusche** will sponsor the bill on the floor.

**ADJOURN:**

There being no further business to come before the committee, the meeting was adjourned at 3:22 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

AGENDA  
HOUSE HEALTH & WELFARE COMMITTEE  
1:30 P.M.  
Room EW42  
Tuesday, March 22, 2011

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>S 1021a</u></a>	Ski Patrol	Skip Smyser Idaho Ski Areas Association
<a href="#"><u>H 216</u></a>	Indigent Sick	Tony Poinelli Association of Counties
<b>Presentation</b>	Department of Corrections - Gang Legislation	Jim Tibbs, Chair Idaho Criminal Justice Committee Gang Strategies Subcommittee
		Ellie Somoza Canyon Country Deputy Prosecutor
<b>Presentation</b>	Department of Corrections - Sex Offenders	Steve Bywater Deputy Attorney General

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Tuesday, March 22, 2011

**TIME:** 1:30 P.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** None

**GUESTS:** The sign-in sheet will be retained with the minutes in the committee's office until the end of the session. Following the end of the session, the sign-in sheet will be filed with the minutes in the Legislative Services Library.

**Chairman McGeachin** called the meeting to order at 2:06 p.m.

**MOTION:** **Rep. Bilbao** moved to approve the minutes of January 17, 19, 20, 24 and March 8. **Motion carried on voice vote.**

**S 1021aas:** **Skip Smyser**, Idaho Ski Areas Association, presented **S 1021aas**, which clarifies the exception of the National Ski Patrol (NSP) members from the unlawful practice of medicine and the Emergency Medical Services (EMS) system.

**Scott Eskelsen**, NSP Member, NSP Intermountain Division Volunteer Legal Advisor, detailed the NSP history, the current membership, training, international ski patrol services, and the objective to get the injured person stabilized and to the EMS team. Contention includes the definition of "prepared", quality control, and medical oversight. Current training uses the Outdoor Emergency Care (OEC) book with annual refresher courses.

**Bill Arsenault**, Wildland Fire Rescue Paramedic, spoke **in opposition to S 1021aas**, stating that most of the young ski patrollers are already Emergency Medical Team (EMT) members, some non-practicing ex-physician ski patrollers still perform medical care, and licensure would assure advanced care on the slopes.

**Tim White**, Executive Director, NSP, spoke **in favor of S 1021aas**, detailing the membership, the training course, and the types of injuries they treat. In response to questions, he said ski patrol members are rarely sued, and are covered under the ski area's insurance while working. Incident reports are reviewed by both patrol management and insurance companies with follow-up calls to hospitals.

**Josh Weishaup**, Idaho State EMT, spoke **in opposition to S 1021aas**, stating that a more standardized system is required for a higher level of medical care.

**Joe LaGue**, Patrol Leader, Bogus Basin Ski Patrol, spoke **in favor of S 1021aas**, detailing the ski patrol's handling of patients and how it dovetails with the EMS procedures, so they don't need ski patrollers to practice beyond the OEC protocol. He described the applicant process, stating that oversight regulations would hinder the number of volunteers.

**Joan Weddington**, Idaho State Board of Medicine, spoke **in opposition to S 1021aas**, stating that this legislation is misplaced in the Medical Practice Act, which assures the public health and welfare by licensure and regulation of physicians. She said the Board considers this legislation to apply to Idaho Code (IC) 56-1011 for emergency medical services.

In response to questions from the committee, **Ms. Weddington** stated that although it's the Board's role to define the practice of medicine, they are taking a neutral position on whether or not the ski patrol assistance is a practice of medicine, leaving it a matter between the NSP and the EMS. She said that IC 54-1804(f) and (g) apply to religious ceremonies of non-physicians, out-of-state physicians rendering care, and could apply to services rendered on a ski hill.

**Rick Certano**, Brundage Mountain Resort, Idaho Ski Area Association President, spoke **in favor of S 1021aas**, discussing the potential costs to the ski patrol members, the ski areas, skiers and problems with non-licensed interstate patrollers. NSP is accepted by the National Forest Service.

**Chairman McGeachin** turned the meeting over to **Vice Chairman Bilbao**.

**Dia Gainor**, EMS Bureau Chief, Department of Health and Welfare (DHW), spoke **in opposition to S 1021aas**, stating that licensure rule making last year did not propose expansion of the EMS authority to include the ski patrol. She said two ski hills in Idaho already have licensed EMS ski patrols and a third uses EMS personnel. She asked that the bill be amended to limit the scope of practice of ski patrollers to first aid.

In response to questions, **Ms. Gainor** said that the ski patrol's clinical scope of practice has been first aid; however, the OEC training manual is more of an EMS training program. She said promulgation of the rule was not targeted at the ski patrol members and the DHW would not pursue any policy to bring them into DHW purview as long as their practice is limited to first aid.

**MOTION:**

**Rep. Roberts** moved to send **S 1021aas** to the floor with a **DO PASS** recommendation.

**Rep. Rusche** stated that he was unable to support the motion because the real issue was that the Medical Practice Act was being interpreted incorrectly. The word "person" is meant to be just "person". In reference to a person engaged in providing religious or diagnostic services, the Act means what it says, so "emergency" means first aid is being given. The way this legislation is stated is an exemption to the Medical Practice Act or the way to accomplish it, although the pressure that the EMS Bureau is putting on ski hills is incorrect. He would be more than happy to work with all parties to reach an agreement and encouraged the Board of Medicine to propose an amendment to clarify the definition of "person".

**Rep. Guthrie** said he was in favor of the motion. Increasing the level of care and setting up boundaries would, by default, mean that everyone on the ski patrol would have to be certified, which would also force the ski areas to incur additional costs and could lead to fewer people on the mountain. A key preventative duty of the ski patrol is to control safety by their presence, so less of a presence could lead to more injuries.

**Rep. Roberts** stated he was in favor of the motion and questioned amending the code. This is clearly a case of concern over the possibility of criminal practice without a medical licence, and this is the statute where it belongs to clarify that they are exempt from prosecution.

**VOTE ON MOTION:**

**Vice Chairman Bilbao** called for a vote on the motion to send **S 1021aas** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote.** **Reps. Rusche** and **Chew** requested that they be recorded as voting **NAY**. **Rep. Roberts** will sponsor the bill on the floor.

**H 216:**

**Tony Poinelli**, Deputy Director, Idaho Association of Counties, Catastrophic (CAT) Health Care Cost Program Board, presented **H 216**, which provides a cost savings of \$4 to \$5M to the State General Fund and \$1M to the counties, for those costs under \$11,000. He then detailed the changes, additions, clarifications, and updates.

In response to committee questions, **Mr. Poinelli** stated that if a person is deemed medically indigent, the Board can contract to provide transfer to another facility. Section 26, 31-3558, "Nondisclosure of personal identifying information," pertains to the utilization management reviewer. The patient is informed on the application of their rights and responsibilities for both Medicaid and county assistance. The counties and hospitals pursue reimbursement in a variety of ways and the CAT Board's intent is to reach a contracted rate, if possible. At the two-year sunset, the reimbursement rate would return to the regular Medicaid rate.

The utilization management program recommendation is to consider a retrospective review on cases over \$75K instead of on specific types of treatment. Some counties are already reviewing non-emergent applications and mental health cases.

**Steve Mallard**, Idaho Hospital Association, testified **in opposition to H 216**, stating that the cost to hospitals is unnecessary and the 85% reimbursement rate definition is a problem. Additional objections include nondisclosure of reviewer, utilization management language, inclusion of cesarean sections, reference to the Section 1011 Program, and third-party insurance.

In response to questions, **Mr. Mallard** stated that reimbursement rates vary by hospital and Medicaid pays less than Medicare on any Diagnosis Related Group (DRG), making comparison difficult.

**Dr. Russ Newcomb**, Idaho Medical Association, testified **in opposition to H 216**, stating that the 85% reimbursement rate is an additional 15% cut that will curtail access to patients and transfer them from offices to emergency rooms. In response to questions from the committee, Dr. Newcomb said he was unable to obtain information on the number of physicians who apply for reimbursements from the CAT fund.

**David Lehman**, Kootenai Medical Center, testified **in opposition to H 216**, stating that the \$5 to \$6M projected CAT fiscal impact will be a shift of dollars and ultimately impact the taxpayers through increased service and insurance costs.

**Mike Frith**, Regional Manager, Patient Accounts, St. Alphonsus Hospital, testified **in opposition to H 216**, stating that there are inconsistencies and unclear language on every page, which he then detailed, adding that they have 40% in contractual write offs.

In response to a question about delayed CAT Board payments, **Mr. Frith** said he was aware of process and staff changes that might be causing the delay. He stated that there are significant penalties for the provider delaying submission requests, but none for the CAT fund making the payments.

**Roger Christensen**, Chairman, CAT Health Care Fund, Bonneville County Commissioner, testified **in favor of H 216**, stating that **S 1158** set up the utilization management process. Areas of concern are non-implementation of the full process through the DHW due to funding constraints, and the CAT Fund's ability to participate in any second opinion or audit medical reviews. He explained how the CAT Board came up with the 85% rate. In response to questions, Mr. Christensen said that the unadjusted interim rate is the percent of the bill charged and is a very complicated process since it is pre-audit.

**Vice Chairman Bilbao** turned the meeting back over to **Chairman McGeachin**.

**Tony Pionelli** stated that there is a county penalty for unpaid approved bills within a specified time frame and detailed issues that caused initial payment delays.

**Rep. Bilbao** advised the committee that he was invoking House Rule 38 and would be voting on this legislation.

**MOTION:** **Rep. Loertscher** moved to send **H 216** to the floor with a **DO PASS** recommendation.

**Rep. Rusche** advised the committee that he is a CAT Board member and stated that there are some things in this legislation that could be corrected. The Board recognized that the current DRG payment methodology gives incentives to the hospitals to find other places for patients, and a percentage charge, although best for utilizations, does not. Hospitals deal with the burden of patients who have neither financing nor payment method and are not immediately eligible for the indigent fund. This is not a health plan, it's a reimbursement program for people who meet the criteria due to health care expenses. He stated his support for the motion.

**Rep. Loertscher** advised the committee that he is a CAT Board member. The limited availability of Medicaid funds and services is a source of frustration and this legislation is an effort to get around that issue. If we don't take corrective action now, when?

**Rep. Bilbao** stated that he can't let the small rural hospitals take another hit, one of many in the past two years, to keep the Medicaid program going and doing charity care, which has grown at least 40% due in part to job losses and lack of insurance. He said he will be voting against this motion.

**Rep. Wood** advised the committee that he was invoking House Rule 38 and would be voting on this legislation.

**VOTE ON MOTION:** **Chairman McGeachin** called for a vote on the motion to send **H 216** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote.** **Rep. Loertscher** will sponsor the bill on the floor.

**Jim Tibbs**, Idaho Criminal Justice Commission (ICJC) Member, Chairman, Gang Subcommittee, presented a brief update on Idaho gangs, **H 235**, and outlined the 2011 strategies.

**Steve Bywater**, Deputy Attorney General, made a presentation to the committee on Idaho sex offender management, and how **S 1154** provides improved registration, establishes the Sex Offender Management Board to develop the best-evidence policy and management procedures, and heightens reporting to national standards to identify and track sex offenders in our communities.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 5:01 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

AGENDA  
HOUSE HEALTH & WELFARE COMMITTEE  
1:30 P.M.  
Room EW42  
Thursday, March 24, 2011

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>S1100</u></a>	Immunizations	Dr. Christine Hahn Department of Health & Welfare
<a href="#"><u>S1080</u></a>	Early Childhood Intervention Services	Rep. Phylis King
<b>Presentation</b>	Managed Care	Dave Self Pacific Source Health Plans
<b>Presentation</b>	Managed Care - Diabetes Program	Julie Taylor Blue Cross of Idaho

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

Irene Moore  
Room: EW14  
Phone: (208) 332-1138  
email: imoore@house.idaho.gov

MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Thursday, March 24, 2011

**TIME:** 1:30 P.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** Representative(s) Loertscher

**GUESTS:** Dr. Christine Hahn, Mitch Scoggins, Lorraine Clayton, Idaho Department of Health and Welfare (DHW); Max Pond, Risch Pisca; Julie Taylor, Cathy Dunsing, Blue Cross; Marnie Packard, David Self, Pacific Source.

**Chairman McGeachin** called the meeting to order at 1:32 p.m.

**MOTION:** **Rep. Bilbao** moved to approve the minutes of March 10 and 14, 2011. **Motion carried on voice vote.**

**S 1100:** **Dr. Christine Hahn**, presented **S 1100**, which modernizes immunization language to conform to current medical practices. Changes allow for electronic health records, licensed health care professional signatures, and verification of immunizations.

**Chairman McGeachin** turned the meeting over to **Vice Chairman Bilbao**.

In response to questions, **Dr. Hahn** stated that immunization rates have improved and the provision for immunization records includes documentation of illnesses that do not require immunization.

**MOTION:** **Rep. Rusche** moved to send **S 1100** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote.** **Rep. Rusche** will sponsor the bill on the floor.

**S 1080aas:** **Rep. Phylis King** presented **S 1080aas**, which updates the existing code for the Early Childhood Coordinating Council, making it current with terminology, federal requirements and the Executive Order signed by Governor Otter. After describing the Council's mission and history, she detailed the changes in the legislation, which includes the establishment of the Early Intervention Services Fund for state and individual contributions.

In response to questions, **Rep. King** stated that the age change to "birth to eight years" was a discrepancy that occurred when the councils with different age groups were combined and assured the committee that the infant and toddler programs are still in place. She also clarified that there is no state funding in this program.

**Rep. King** then introduced **Lorraine Clayton**, Idaho DHW, who said that the changes give a wider scope to Council discussion areas, including across ages, and do not impact eligibility or services. She described the strategic plan, how it was developed, and its requirement for the federal grant. The Early Intervention Services Fund is a way to accept donations or other monies. There is no state match requirement for the federal funds they receive.

The Council has relied on Executive Orders for updates in the past. This year Governor Otter's office suggested the use of legislation to enhance the code written in 1991 and eliminate the future need for Executive Orders. They have the current Executive Order, although unsigned, in the event this bill doesn't pass so they can access federal funds. **Ms. Clayton** agreed with **Rep. Rusche** that the reference to "poverty" is that of a compounding risk factor for education and developmental problems, not as a population description.

**MOTION:** **Rep. Rusche** moved to send **S 1080** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote.** **Rep. King** will sponsor the bill on the floor.

**PRESENTATION:** **Dave Self**, Senior Vice President, Idaho Regional Director, PacificSource Health Plans, gave a presentation on **Managed Care: Lessons from the Oregon Health Plan Experience**. He detailed the history of the program, its expansion to new Medicaid populations, the types of contractors used, PacificSource's role, the program's diversified approach, its results, and what Idaho can learn from the Oregon plan. He stressed that by reviewing other managed Medicaid programs a plan that is right for Idaho's unique needs can be developed.

In response to questions, **Mr. Self** explained that "capitation" means the state pays a specific annual amount for each enrollee. Oregon's Medicaid population can opt in or opt out, with lesser benefits, of the program.

**PRESENTATION:** **Julie Taylor**, Director, Governmental Affairs, Blue Cross of Idaho, and **Cathy Dunsing**, Medical Quality Control Programs Coordinator, presented **Blue Cross of Idaho - Diabetes Management Program**, describing the history of the program, its enrollment since 2007, and its highlights. Ms. Dunsing detailed the interventions for high and low risk enrollees, implementation and the program's outcomes.

In response to questions, **Ms. Dunsing** stated that online enrollees only have to report one of many types of measures that they conduct daily, monthly, or annually. **Ms. Taylor** agreed that obesity is a factor in diabetes and described how their program can reduce weight and lead to reductions in medications. Ms. Dunsing emphasized that this program is not weight control, but diabetes control with A1C and blood pressure measurements the biggest issues. She said the program's success measurement is the medical adherence plus the effectiveness of the information system process plus the utilization of emergency room and inpatient services.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 3:06 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

AGENDA  
**HOUSE HEALTH & WELFARE COMMITTEE**  
1:30 PM or Upon Adjournment of the House  
Room EW42  
Monday, March 28, 2011

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>S 1137</u></a>	Optometrists	Tana Cory Bureau Chief Department of Occupational Licenses
<a href="#"><u>S 1138</u></a>	Chiropractic Practice Act	Tana Cory

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

Irene Moore  
Room: EW14  
Phone: (208) 332-1138  
email: imoore@house.idaho.gov

MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Monday, March 28, 2011

**TIME:** 1:30 PM or Upon Adjournment of the House

**PLACE:** Room EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** Representative(s) Roberts, Rusche

**GUESTS:** Tana Cory, Maria Brown, Bureau of Occupational Licenses; Larry Benton, Idaho Optometric Association; Ryan Fitzgerald, Idaho Association of Chiropractic Physicians

**Chairman McGeachin** called the meeting to order at 1:29 p.m.

**MOTION:** **Rep. Bilbao** moved to approve the minutes for March 16th, 2011. **Motion carried on voice vote.**

**S 1137:** **Tana Cory**, Bureau Chief, Bureau of Occupational Licenses, presented **S 1137**, which updates the State Board of Optometry appointment process to the standard practice to serve at the pleasure of the Governor. Also added is an emergency clause and elimination of nominating ballots.

**MOTION:** **Rep. Wood** moved to send **S 1137** to the floor with a **DO PASS** recommendation.

In response to questions from the committee, **Ms. Cory** detailed how a vacancy can occur, the elimination of delays in filling an opening, and how a gubernatorial change would not necessarily affect the whole board, just the vacancies.

**VOTE ON MOTION:** **Chairman McGeachin** called for a vote on the motion to send **S 1137** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote.** **Rep. Wood** will sponsor the bill on the floor.

**S 1138** **Tana Cory**, Bureau Chief, Bureau of Occupational Licenses, presented **S 1138**, which updates and standardizes the State Board of Chiropractic Physicians appointment process to serve at the pleasure of the Governor. This legislation also provides for the elimination of nominating ballots.

**MOTION:** **Rep. Thayn** moved to send **S 1138** to the floor with a **DO PASS** recommendation. **Motion carried on voice vote.** **Rep. Thayn** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 1:38 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

**AMENDED #2 AGENDA  
HOUSE HEALTH & WELFARE COMMITTEE  
1:30 PM or Upon Adjournment of the House  
Room EW42  
Wednesday, March 30, 2011**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>H 216</u></a>	Indigent Sick	Rep. McGeachin
<b>Presentation</b>	Delays in Medicaid Claims Processing	Rakesh Mohan Office of Performance Evaluation
<b>Presentations</b>	A Looming Epidemic - The Case for making Alzheimer's Disease and Other Dementias a Public Policy Priority for Idaho	Idaho Alzheimer's Planning Group
	Why Alzheimer's and Other Dementias?	Mike Berlin, MS Gerontology, LCSW Clinical Gerontologist
	What is Alzheimer's?	Troy Rohn, PhD Professor, Boise State Department of Biological Sciences
	A Caregiver's Story	Louise Berlin, M.A.
	Impaction and Options for Idaho	Sara Toevs, PhD Director, Boise State Center for the Study of Aging
<a href="#"><u>H 19</u></a>	Medical Marijuana - Informational Only No Public Testimony	Rep. Tom Trail

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

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Vice Chair Bilbao

Rep Loertscher

Rep Shepherd

Rep Thayn

Rep Wood(27)

Rep Guthrie

Rep Roberts

Rep Rusche

Rep Chew

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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

- DATE:** Wednesday, March 30, 2011
- TIME:** 1:30 PM or Upon Adjournment of the House
- PLACE:** Room EW42
- MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew
- ABSENT/  
EXCUSED:** Representative(s) Roberts
- GUESTS:** The sign-in sheet will be retained with the minutes in the committee's office until the end of the session. Following the end of the session, the sign-in sheet will be filed with the minutes in the Legislative Services Library.
- Chairman McGeachin** called the meeting to order at 1:36 p.m.
- MOTION:** **Rep. Bilbao** moved to approve the minutes of March 22 and 24. **Motion carried on voice vote.**
- H 216:** **Chairman McGeachin** requested that **H 216** be held in committee.
- MOTION:** **Rep. Loertscher** moved to **HOLD H 216** in committee. **Motion carried on voice vote.**
- PRESENTATION:** **Rakesh Mohan**, Director, Office of Performance Evaluation (OPE), presented the OPE report **Delays in Medicaid Claims Processing**, *a limited scope evaluation of the Medicaid payment processing system operated by Molina Healthcare, Inc.*, describing the report's history.
- Amy Lorenzo**, Principal Performance Evaluator, OPE, described the major findings in the Molina system development and the Medicaid claims processing system. She detailed findings for the Molina contract deliverables, contract deficiencies, customer service, claims processing and the Department of Health and Welfare (DHW) interim payments. Ms. Lorenzo indicated that several areas have begun to show improvement.
- Maureen Brewer**, Senior Performance Evaluator, OPE, discussed the improvements in pending claims, 2011 Federal match reduction, and the importance of finalizing pending claims to maximize the match rate. She specified the recommendations that Molina increase the communication with providers, assign customer service provider portfolios, strengthen their system performance measurement, and monitor system fixes. Recommendations for the DHW are to delay the Molina operations payment, require additional quality assurance measures, formalize terms of interim payments, include more specific requirements for future contracts, and monitor Molina's implementation efforts.
- In response to committee questions, **Ms. Lorenzo** said they have had discussions with the DHW about the impact of legislation on system functionality. **Ms. Brewer** stated that legislative changes that occurred during implementation had a major impact on processing. **Ms. Lorenzo** described how Molina acquired their contract and the Federal Medical Assistance Percentage (FMAP) rates, which apply only to paid claims, with no impact on the interim payments.

**Dick Schultz**, Deputy Director, DHW, stated that they agree with the recommendations and are working toward their implementation. In response to questions, Mr. Schultz indicated that the certification process is almost complete, with report submission as the final step. He described the development of the contract, stating that the Request for Proposal (RFP) was more operational in nature and some of the developmental knowledge was lost with staff reductions. Claims accuracy for the managed care development is important and claim payments are presumed accurate, although no supporting data exists. He anticipates the DHW and Molina will develop an accuracy and claims measurement system with an effective data base. The actuarial studies in the upcoming the DHW budget are for Medicaid Managed Care and it is unclear how much existing data would be useful for the evaluation. He agreed that they need to review the issues and problems of the Medicaid Management Information System (MMIS) as they set up the Managed Care System.

**Del Bell**, Account Manager, Molina of Idaho, expressed his company's support of the report, the challenging recommendations, and their intention to work with the DHW to put the recommendations in place. He said that the go-live Customer Service staff number was based on previous incoming call data, which proved inadequate, and has been increased. Providers were confused about the enrollment process, and the new billing submission requirements. Molina now offers monthly regional training seminars, outreach training, information that associations can provide their members, and more customer service personnel to answer questions.

**PRESENTATION:** **Mike Berlin**, Idaho Alzheimer's Planning Group, Boise State College (BSU) Center for the Study of Aging, began the presentation **A Looming Epidemic - The Case for making Alzheimer's Disease and Other Dementias a Public Policy Priority for Idaho**, stating that their group's focus is education and public awareness of the growing challenges of taking care of people with Alzheimer's disease. He described the increasing Alzheimer population and related costs.

**Dr. Tony Rohn**, Professor of Biology, BSU, discussed the brain abnormalities, loss of neurons, cell death, signs of Alzheimer's Disease, and the current research goals. In talking to family members and caregivers, he has learned that they are usually told little about the cause of the disease.

**Dr. Sarah Toevs**, Director, Center for the Study of Aging, BSU, talked about the disease's impact, care options, costs and the need for a public priority policy in Idaho.

In response to questions from the committee, **Dr. Toevs** said Idaho has many innovative adult programs to extend healthy living, which plays a part in the delay of the disease's onset. **Dr. Rohn** stated that the Federal Drug Administration (FDA) is close to approving a technique that images the pathology in Alzheimers at an early age for high-at-risk patient monitoring.

**H 19:** **Rep. Trail** presented **H 19**, which is designed to help patients with chronic illnesses through the legal use of marijuana that is distributed through state monitored dispensaries and tracked under the same conditions as those currently used for prescribed opiates. Under this legislation, doctors would be permitted to prescribe medical marijuana for a limited list of chronic illnesses. Limitations would include a two ounce limit every twenty-eight days, no use in public, and patients could not grow the marijuana themselves. States with the most successful programs have had all stakeholders involved and gone through the legislative process. He described current options for patients using marijuana, comparisons to other pain medications and their side affects. The current legislation proposes that the DHW would be in charge of the program and small dispensaries that would be established. All operators, workers, patients, and care givers would have criminal background checks. His discussions with the DHW Director affirmed their ability

to carry out the mandate upon passage and indicated the possible cost savings with the medication change from higher priced opiates.

**Jim Klahr**, Chief Executive Officer (CEO), Oregon Green Free, described how his organization was formed and educates people to follow the Oregon regulations. He said that replacing opiates with cannabis allows patients to become healthier and more productive.

**William J. Esbensen, III**, CEO, 45th Parallel Compassion Group, LLC, discussed his involvement in the Oregon program, the flow of Idaho patients moving to Oregon, and aspects of marijuana usage. He encouraged the committee to look at the available information from other states, especially detailing the additional revenue possible, which could pay for the program and educational costs.

In response to committee questions, **Mr. Esbensen** said that since Oregon allowed patients to grow their own plants and did not have a distribution process, co-operatives emerged that distribute the extra marijuana to patients not growing it. He said they are still trying to get a dispensary law on the Oregon ballot.

**Shelly Vogelman**, Twin Falls Resident, described how she became severely injured, her chronic life-threatening medical condition, and how the use of medical marijuana helps her daily functions. Other than smoking it, there are a variety of ways to ingest marijuana. She said that purchasing from a drug dealer is degrading and needs to be treated with more respect.

**Rep. Trail** stated that the advantage of having a physician recommendation and access of the marijuana through a legitimized dispensary is that the appropriate quality for a given condition is delivered. Dealers on the street are not concerned with such quality issues.

Due to time constraints, the balance of the **H 19** presentation will be rescheduled.

**Chairman McGeachin** thanked the page, Elizabeth Harris, for her help to the committee.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 3:21 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

**AMENDED #2 AGENDA**  
**HOUSE HEALTH & WELFARE COMMITTEE**  
**1:30 pm or Upon Adjournment**  
**EW42**  
**Monday, April 04, 2011**

<b>SUBJECT</b>	<b>DESCRIPTION</b>	<b>PRESENTER</b>
<a href="#"><u>H 19</u></a>	Medical Marijuana - Informational Only - No Public Testimony	Rep. Tom Trail Rep. Roy Lacey

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin  
Vice Chair Bilbao  
Rep Loertscher  
Rep Shepherd  
Rep Thayn  
Rep Wood(27)  
Rep Guthrie  
Rep Roberts  
Rep Rusche  
Rep Chew

COMMITTEE SECRETARY

Irene Moore  
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email: imoore@house.idaho.gov

MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Monday, April 04, 2011

**TIME:** 1:30 p.m. or Upon Adjournment

**PLACE:** EW42

**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew

**ABSENT/  
EXCUSED:** Representative(s) Roberts

**GUESTS:** Rep. Roy Lacey; Sam Hoagland; Brian Davesley; Dr. Christian Shull; Sandra Spreadbury; Michael Spreadbury; Lindsey Rinehart; Tray Sherman; K. Michael Hoiland; Rachael Raue; Ryan Davidson, Liberty Lobby of Idaho; Holly Koole, Idaho Prosecuting Attorneys Association (IPAA); Mark Gelhe, Intern; Caitlin Zak, Gayle Tines, Debbie Field, Office of Drug Policy (ODP); Rachael Raue; Tim Teater; Lindsey Robinson, Boise State Nursing Student; Jaret Tate; Brian Dohesley.

**Chairman McGeachin** called the meeting to order at 1:32 p.m.

**MOTION:** **Rep. Bilbao** moved to approve the minutes of March 28. **Motion carried on voice vote.**

**H 19:** **Rep. Lacey** described how the use of Medical Marijuana would have eased the suffering of someone he knew. He indicated that **H 19** is a very "tight" bill with restrictions to prevent possible abuse. He is concerned about the quality of life for those who must take pain pills, with side effects that can add to their illnesses, and those who have moved to other states in which marijuana is legal.

**Debbie Field**, Administrator, ODP, acknowledged the compassion of **H 19** and relayed her own chronic illness struggle. She stated that Montana has approved a repeal of their medical marijuana statute, pending their Governor's signature. Mike Milburn, the Montana Speaker of the House, told her that they didn't realize that there would be twenty-eight thousand Medical Marijuana Cards issued and that the youngest person would be two years old. Ms. Field said she would welcome an opportunity to provide more information to the committee.

**Rep. Trail** stated that **Ms. Field** made an excellent point in that the states who have legalized marijuana through an initiative instead of the bill process, with no hearings for involved stakeholders, have ended up with problems.

**Sam Hoagland**, Attorney, Pharmacist, ISU Pharmacy Law Professor, detailed the legalization history of marijuana, including the controversy over its Class I category in the Controlled Substances Act. In response to questions from the committee, Mr. Hoagland, indicated that Marinol is Tetrahydrocannabinol (THC) and some botanical cannabinoids with medical properties have been approved for use in Canada and Europe. He also said that marijuana can be consumed in food or used in vaporizers.

**Dr. Christian Shull**, Oncologist, Idaho Falls, stated that medical marijuana can help in three distinct ways: relieve the nausea side effects from chemotherapy; stimulate an appetite; and, provide a sense of well-being. He said that currently prescribed drugs for these issues are not as effective, especially in the case of appetite stimulation, and the costs are very high.

**Sandra Spreadbury**, Caregiver, described her husband's military injury and how medical marijuana works for him. She stated that he currently takes Marinol at a cost of \$505 for thirty pills, which is being paid through veteran benefits. Ms. Spreadbury pointed out that marijuana can be taken in pill form or as a tincture, instead of smoking.

**Lindsey Rinehart**, Multiple Sclerosis (MS) patient, detailed her life with MS, indicating that European trials show that medical marijuana can slow down the illness' decline. She stated that medical marijuana could reduce the large quantity of pills she takes daily, take her off the narcotics, and change her life for the better.

**Fred Sherrill**, HIV patient, said that his use of medical marijuana has helped him gain weight and shared his concern that a natural product is unavailable when chemicals are easy to get.

**Michael Hoiland**, HIV patient, talked briefly about his health decline since moving from California, where he was able to get medical marijuana.

**Rachel Raue** Chronic Pain Sufferer, described her engineering career and it's loss due to her debilitating illness. Her current medication is over fifty pills a day with serious side effects that medical marijuana would not cause. She briefly talked about her cousin's condition and how, with the use of marijuana, she can now do housecleaning and daily chores.

**Michael Spreadbury**, Medical Marijuana user, said he has fewer side effects than when he was on standard medications.

**Ryan Davidson**, Liberty Lobby of Idaho, detailed the history of his grant for medical marijuana legalization, the Liberty Lobby of Idaho, and the initiatives approved by Hailey, Idaho.

**Holly Koole**, IPAA, said that there are concerns about law enforcement and prosecution issues that have arisen in the states where medical marijuana has been allowed.

**Rep. Trail** thanked the committee for this informational session that begins the dialogue and discussion on this controversial issue. He reiterated that major problems occurred in states where the initiative process was used. A recent poll indicated that voters would approve a medical marijuana bill with tight restrictions and no patient growing provision.

In response to questions from the committee, **Rep. Trail** stated that the language for the bill came from the New Jersey legislation of 2009, which has been cited as the most restrictive in the United States. He then had a law enforcement review, resulting in the removal of any patient growing marijuana, making it even more restrictive. The Director of the Department of Health and Welfare (DHW) also reviewed the legislation and said they would be able to administer the program as indicated in the bill. Early discussions with the DHW Director pointed to a cost savings from patients switching to medical marijuana from more expensive medications; however, it is more likely a cost-neutral fiscal impact with money from licensing fees used to administer the program.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:38 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary

AGENDA  
**HOUSE HEALTH & WELFARE COMMITTEE**  
At the Call of the Chair  
Wednesday, April 06, 2011

SUBJECT	DESCRIPTION	PRESENTER
	At the Call of the Chair	

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman McGeachin

Vice Chair Bilbao

Rep Loertscher

Rep Shepherd

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Rep Chew

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MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Wednesday, April 06, 2011  
**TIME:** At the Call of the Chair  
**PLACE:** Room EW42  
**MEMBERS:** Chairman McGeachin, Vice Chairman Bilbao, Representative(s) Loertscher, Shepherd, Thayn, Wood(27), Guthrie, Roberts, Rusche, Chew  
**ABSENT/  
EXCUSED:** Representative(s) Thayn, Wood (27)  
**GUESTS:** None.  
**Chairman McGeachin** called the meeting to order at 12:00 p.m.  
**MOTION:** **Rep. Bilbao** moved to approve the minutes of March 30 and April 4, 2011. **Motion carried on voice vote.**  
**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 12:05 p.m.

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Representative McGeachin  
Chair

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Irene Moore  
Secretary