

MINUTES
HOUSE BUSINESS COMMITTEE
THOMPSON SUBCOMMITTEE
Rules Review

DATE: Thursday, January 19, 2012
TIME: 3:00 P.M.
PLACE: Room EW41
MEMBERS: Chairman Thompson, Representatives Chadderdon, Barbieri, Smith(30)

**ABSENT/
EXCUSED:** None.

GUESTS: Dave Curtis, Professional Engineers; Max Greenlee, Risch Pisca; Tom Donovan, Georgia Diehl, Eileen Mundorff, and Mark Larson, Department of Insurance; Dennis Stevenson and Brad Hunt, Department of Administration, Office of the Administrative Rules Coordinator

Chairman Thompson called the meeting to order at 3:08 p.m.

DOCKET NO. 10-0101-1101: **Dave Curtis**, Executive Director of the Board of Professional Engineers and Professional Land Surveyors, presented **Docket No. 10-0101-1101**, explaining the numerous objectives of the rule changes. First, the new rule will allow individuals to select retired status at any time upon request. Second, it amends the examination application submittal deadlines to accommodate the conversion of some examinations to computer-based format. Third, it will eliminate the need for engineer intern and land surveyor intern applicants to provide references on their examination applications. This requirement was eliminated by the Legislature last year, so this rule needs to be brought into alignment with the statute. Finally, the docket will adopt national standards for evaluating non-accredited engineering programs. Mr. Curtis said these pending rules are supported by the Idaho Society of Professional Engineers, the American Council of Engineering Companies-Idaho, and the Idaho Society of Professional Land Surveyors.

MOTION: **Rep. Barbieri** made a motion to recommend approval of **Docket No. 10-0101-1101** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 10-0102-1101: **Mr. Curtis**, Executive Director of the Board of Professional Engineers & Professional Land Surveyors, presented **Docket No. 10-0102-1101**. This docket also has numerous purposes. First, it provides an exception to the rule requiring license holders to notify other license holders of the discovery of material discrepancy if the licensee is working in the employ of an attorney as an expert witness. Second, it provides for a two-stage process of notification of discovery of material discrepancy, first informally and then in writing, and makes notification to the Board optional rather than mandatory if the response given does not answer the concerns of the discoverer. Third, it reduces from 60 to 20 the number of days which a license holder has to respond to notification of discovery of a material discrepancy by another license holder.

Responding to a question about the two-year limitation on discovery, **Mr. Curtis** said this two-year time period is following discovery. He said the Board had been advised by legal counsel that they needed to establish a reasonable statute of limitations following discovery.

MOTION: **Rep. Smith** made a motion to recommend approval of **Docket No. 10-0102-1101** to the full committee. **Motion carried by voice vote.**

**DOCKET NO.
10-0104-1101:**

Mr. Curtis, Executive Director of the Board of Professional Engineers and Professional Land Surveyors, presented **Docket No. 10-0104-1101**, again explaining the numerous purposes of this docket. First, the new rule will clarify that routine job assignments are not considered qualified activities for continuing professional development purposes. Second, it will allow newly-licensed persons to carry forward professional development hours earned during the two years prior to the first renewal following the issuance of the license. Third, it will allow continuing professional development credit for authoring each chapter of a book. Fourth, it allows professional development hours for peer review of published technical or professional papers, articles or book chapters. Fifth, it extends the same exemption from compliance to civilians deployed with the military as is extended to military personnel. Finally, it allows license holders who are residing outside the United States to earn the required professional development hours upon return to the U.S.

Responding to questions from the committee, **Mr. Curtis** said the determination of what constitutes a "routine job assignment" may vary. The purpose of the rule change is to provide a clarification for licensees who are licensed in other jurisdictions, some of whom allow up to a third or a half of continuing education to be satisfied simply by being employed. This rule will clarify that "continuing education" needs to be something beyond what one does in the regular course of employment, such as a workshop or seminar. With regard to the exemption for civilians deployed with the military, **Mr. Curtis** said this problem was brought to the Board by a civilian who was deployed in Afghanistan and who could not access continuing ed classes.

MOTION:

Rep. Chadderdon made a motion to recommend approval of **Docket No. 10-0104-1101** to the full committee. **Motion carried by voice vote.**

**DOCKET NO.
12-0110-1101:**

Michael Larsen, Consumer Finance Bureau Chief at the Department of Finance, presented **Docket No. 12-0110-1101**, changes to the Idaho Residential Mortgage Practices Act. **Mr. Larsen** said the rules incorporate current federal statutes regarding truth in lending, updating Idaho's rules to January 1, 2011. Another change deals with a 2006 rule from the Department stating that mortgage licensees could use a nationwide mortgage licensing system to get a license. Formerly, they could obtain a license through an alternate method if they didn't have access to the internet. Since then, however, Congress has required all states to license mortgage loan originators through the nationwide system. This amendment removes the language about an optional process, since that method is no longer allowed.

MOTION:

Rep. Barbieri made a motion to recommend approval of **Docket No. 12-0110-1101** to the full committee. **Motion carried by voice vote.**

**DOCKET NO.
18-0105-1101:**

Tom Donovan, Deputy Director of the Department of Insurance, presented **Docket No. 18-0105-1101** dealing with the external review process. **Mr. Donovan** explained that a person covered by a major medical policy, who has a medical claim denied, may seek a second review through his or her insurance carrier. If that is not allowed, he or she can ask for review by an independent review organization. This pending rule implements 2011 legislation dealing with external review. The docket includes sample forms, although companies can also use forms that are substantially identical to the samples.

Mr. Donovan pointed out the slight changes dealing with notification requirements and with the qualifying reasons to request an external review. He said a person can also make an urgent appeal for review at the same time as the request for external review. **Mr. Donovan** testified that in 2010 the Department received 13 requests for external review, and in 2011 the number increased to 30. Of those 30, there were about six that were ineligible; approximately 10 of the 30 denied claim decisions were overturned after review.

Mr. Donovan also testified that the annual reporting requirement for independent review organizations is being removed, since the Department realized this is not information that they need to track.

In answer to questions from the committee, **Mr. Donovan** said independent review organizations must be nationally accredited by a recognized accrediting body, and must have medical staff competent to review cases. He also said the fees associated with an external review are not borne by the customer, but rather by the health carrier. He suggested that the increase in independent review requests could be due to a greater awareness of their availability. The law requiring independent review was effective in January 2010.

MOTION: **Rep. Smith** made a motion to recommend approval of **Docket No. 18-0105-1101** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 18-0146-1101: **Mr. Donovan**, Deputy Director of the Department of Insurance, then presented **Docket No. 18-0146-1101**, stating that this will update Idaho's rules by incorporating 1996 mortality tables. Idaho has been one of seven states using old tables; Idaho was previously using 1984 tables from the National Association of Insurance Commissioners. **Mr. Donovan** said the rule was published after consultation with Idaho's only domestic life insurer, United Heritage Insurance, who supports the change. He said this change is generally more favorable to consumers and noted there have been no objections to this rule.

Responding to a question about how current the 1996 mortality tables are, **Mr. Donovan** stated this is the most current available table. He said the 1996 mortality tables are used nationwide for purposes of minimum valuation.

MOTION: **Rep. Chadderdon** made a motion to recommend approval of **Docket No. 18-0146-1101** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 18-0150-1101: **Mark Larson**, State Fire Marshal, presented **Docket No. 18-0150-1101**, adoption of the International Fire Code. **Mr. Larson** said there are only minor changes to the 2009 version of the Code. He said some of the language dealing with appointment of fire code officials is deleted, and an exemption dealing with portable fire extinguishers in schools, previously deleted, is reinstated. There are also changes in the section of the fire code dealing with fire sprinklers required for businesses selling upholstered furniture. **Mr. Larson** explained that in the 2012 edition of the International Fire Code, sprinklers will now be required only in buildings larger than 5,000 square feet.

MOTION: **Rep. Chadderdon** made a motion to recommend approval of **Docket No. 18-0150-1101** to the full committee. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 4:05 p.m.

Representative Jeff Thompson
Chairman

MaryLou Molitor
Secretary