MINUTES

HOUSE HEALTH & WELFARE COMMITTEE

DATE: Tuesday, February 14, 2012

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: Kris Ellis, and Serge Newberry, Idaho Health Care Association; Bev Barr, Department of Health & Welfare; Woody Richards, Lobbyist; Dr. Murry Sturkie, Idaho Emergency Medical Services Physician Commission; Denise Chuckovich, Idaho Primary Care Association; Julie Taylor, Blue Cross; Ed Hawley, State of Idaho Administrative Rules Division; Wayne Denny, Emergency Medical Services Bureau; Mark Johnston and Darcy Aslett, Bureau of Pharmacies; Kurt Stembridge, GlaxoSmithKline; Mas Greenlee, Risch Pisca; Tony Poinelli, Idaho Association of Counties; Elizabeth Criner, Pfizer.

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

Rep. Bilbao made a motion to approve the minutes of the February 8, 2012, meeting. **Motion carried by voice vote.**

PRESENTATION: **Rep. Nonini** introduced **Brent Regan**, Regan Design, and **Dr. Loel Fenwick**, Phillips + Fenwick, who will present "A Health Care Pilot Program."

Mr. Regan, described the 2012 meeting of health care experts to develop practical solutions to the current health care system. He detailed the issues of increased health care costs, consumer procedural choice barriers, lack of cost information, and outcome transparency. Mr. Regan explained how both low insurance deductibles and legal jeopardy encourage unnecessary service use. Two final problem areas were the compliance costs and lack of consumer involvement.

He explained how the search for an applicable system led to Cosmetic, Bariatric, and LASIK program, all of which have experienced lowering costs, improved outcomes, and more procedural choices as a direct result of consumer involvement.

Mr. Regan detailed the features of a health care solution as the transparency of cost and outcome so patients can make informed decisions; competition, which drives down costs; patient empowerment to eliminate the taxpayer bearing all health care costs; and, compensation of injured patients through a malpractice administrative law process similar to workers' compensation, with an immediate determination.

In introducing the Health Responsibility and Savings Account (Health RASA), **Mr. Regan** explained how the consumer would use funds from this account for health care expenses and deductibles. He stated that the account maintenance would be handled by insurance providers and the consumer would retain ownership, with the ability to transfer the funds to an IRA, heirs, or an estate. Unused funds would be retained in the account and the consumer could withdraw 10% annually for any purpose.

Mr. Regan said that public websites could be developed to list the costs and the effectiveness of both procedures and medications. He concluded that health care problems are linked to how we shop and pay for them. Through the proposed methods, consumers are rewarded and given incentives to use only needed services, while free market competition is stimulated.

Dr. Loel Fenwick described his background and how he learned that empowerment is a smoother, less-expensive process than force. He stated that single-room maternity care, which synchronizes a family's wants with a natural birth process, is analogous to the current situation with the rising care costs. His research indicates that the areas showing the most increase were medical prices and utilization.

He then remarked that the out-of-pocket expense decline is linked to the lack of consumer budgets. **Dr. Fenwick** stated that the actual expenditure amounts are difficult to obtain, which would not be the case in a free-market system. He talked about the human nature drivers for physicians, including additional defensive medicine and paperwork, and queried about what a prudent consumer would spend for cost-effective health care.

Dr. Fenwick talked about the historical use of insurance for catastrophic care, how it's changed to cover routine health care, and the effect of a consumer responsible HealthRASA primary health care fund. He said that such a fund would also eliminate back office paper costs since payments would be made at the time of service.

Both **Dr. Fenwick** and **Mr. Regan** encourage legislation to develop a pilot program that could be expanded to other states, creating a generation of self-sufficient people. Dr. Fenwick said that time is an issue since the Patient Protection and Affordable Care Act will mandate insurance purchase and eliminate consumers for the pilot programs.

Responding to questions, **Dr. Fenwick** explained that the HealthRASA account is similar to the current Health Savings Account, but without the major limitations. He said that legislation for a HealthRASA system would require only state legislation, as long as it was not used with a federally funded program.

DOCKET NO. 16-0202-1101: **Chairman McGeachin** stated that **Docket No. 16-0202-1101**, which was presented by **Dr. Murry Sturkie** on January 26, 2012, is before the committee.

Rep. Roberts stated that, after discussions, it is apparent that there is a need to delay implementation of this rule to allow time to work with rural emergency medical service (EMS) agencies and return with a more mutually agreeable process.

MOTION: **Rep. Roberts** made a motion to reject **Docket No. 16-0202-1101**.

Rep. Rusche commented that the issue of how to acquire and maintain first responders in rural areas is important, and additional standards would impair that ability. He said that it is obvious that a lot of work went into this rule to articulate a national standard, but this is the wrong way to assure quality and quantity of first responders throughout Idaho.

Rep. Chew stated that the table was confusing, especially the continuing education portions, which she was under the impression would include online training.

VOTE ON MOTION: **Chairman McGeachin** called for a vote on the motion to reject **Docket No. 16-0202-1101. Motion carried by voice vote**. **Reps. Rusche** and **Chew** requested they be recorded as voting **NAY**.

H 439: **Rep. Rusche** presented **H 439**, which allows the release of controlled substance information to practitioners licensed outside of Idaho. This legislation includes an amendment stipulating that the Board of Pharmacy maintains the prescription tracking program, under what conditions information can be released, and to whom it can be released.

Mark Johnston, Executive Director, Board of Pharmacy, spoke in **support** of **H 439**, stating that this is a reciprocal change that helps practitioners who live near borders, with licenses in other states, access the Prescription Monitoring Program (PMP) data. It still allows the Board of Pharmacy to block access to PMP data if they believe it's use would be illegal. The amendment allows the Board to distribute unsolicited reports which could avoid inappropriate use of controlled substances.

MOTION: **Rep. Wood(27)** made a motion to send **H 439** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Rusche** will sponsor the bill on the floor.

H 441: **Rep. Rusche**, presented **H 441**, legislation which authorizes county commissioners and the board of the Catastrophic Health Care Cost Program (CAT) to pay for authorized expenses to manage health care costs for indigent persons. He stated that these are qualified patients who are expected to have ongoing treatment. They may have Cobra coverage available or qualify for high risk insurance program. This bill allows the counties and CAT to save money by sharing the cost of the insurance premiums.

Tony Poinelli, Idaho Association of Counties, spoke in **support** of **H 441**, stating that the counties review a variety of programs, preventative care, and insurance coverage in order to manage or reduce the health care costs for indigent individuals. This legislation would allow CAT and the counties to share insurance premiums equally.

Responding to questions, **Mr. Poinelli** stated that applicants must be deemed indigent. The premium payments are considered a loan with repayment and lien processes still in effect.

MOTION: **Rep. Loertscher** made a motion to send **H 441** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Rusche** will sponsor the bill on the floor.

H 442: **Kris Ellis**, Idaho Health Care Association, presented **H 442**, which allows a nursing home administrator in training, who is still in school, the ability to begin the required intern program prior to receiving a baccalaureate degree. This doesn't change licensing requirements, it just allows them to meet their internship requirements simultaneously.

Serge Newberry, Licensed Home Administrator, testified in **support** of **H 442**, stating that the current shortage of nursing home administrators was due to the fact that an applicant, who has finished 4 years of college, with the related costs, finds it difficult to wait another year to finish the adminstrator-in-training internship.

MOTION: **Rep. Guthrie** made a motion to send **H 442** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Loertscher** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:52 p.m.

Representative McGeachin
Chair

Irene Moore
Secretary