

MINUTES  
**SENATE HEALTH & WELFARE COMMITTEE**

**DATE:** Tuesday, January 15, 2013

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

**PLACE:** Room WW54

**MEMBERS PRESENT:** Chairman Heider, Vice Chairman Nuxoll, Senators Lodge, Hagedorn, Guthrie, Martin, Lakey, Bock, and Schmidt

**ABSENT/  
EXCUSED:**

**NOTE:** The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

**CONVENED:** **Chairman Heider** called the meeting to order at 3:00 p.m., and welcomed guests. He also commented that RS 21577, 21578, 21579 and 21601 on today's agenda would be heard at a later date.

**PRESENTATION:** **William Deal**, Director of the Department of Insurance, presented information on Health Care Exchange. He began by offering that there would be a briefing to answer any questions that anyone might have tomorrow at 4:00 p.m. and next Tuesday at the same time. He stated that he wished to begin today by providing a brief history. **Governor Otter** appointed two committees last summer: one worked on the expansion of Medicare, and the other committee dealt with the Health Care Exchange in Idaho. The second committee made a presentation to **Governor Otter** on October 31, 2012, in which they provided their findings and recommendations. On December 14, **Governor Otter** sent his Letter of Declaration to **Secretary Sebelius**, stating that he chose to do a state-based exchange for Idaho. **Mr. Deal** stated that with direction from Health and Welfare and the Department of Insurance, the blueprint of a plan to be put in place was submitted along with the Declaration to the Health and Human Services, and have it functional by the deadline of October 2013. He further indicated that the plan was to piggyback on what other states have done, such as Nevada, Colorado, Oregon and Washington. On January 3, **Secretary Sebelius** sent a letter, indicating that the blueprint had been approved. A draft bill will be coming to the legislative leadership for a future hearing.

**Mr. Deal** stated there is a cost difference between a state-based exchange versus a federal based exchange, and the ongoing cost of the federal base exchange would be about 3.5-percent of the rate premium of Idaho. An exchange would be calculated on a per member, per month basis, which would make costs considerably less. He explained that if Idaho went with a federally facilitated exchange, it would lose a considerable amount of its regulatory authority. He advised that individual states have local expertise and innovation with how they are going to structure their plan for management and customer service for the citizens who will be involved in the exchange.

An issue that has been concerning the health insurance agents of Idaho is if they will remain employed if this exchange takes place. **Mr. Deal** indicated that as far as navigators, agents and brokers are concerned, if it is a federally facilitated exchange, the state has virtually no oversight on what they can do or not do, and agents would be replaced by sisters and navigators.

**Mr. Deal** stood for questions. **Chairman Heider** asked about the terms sisters and navigators versus agents. **Mr. Deal** replied that an agent has to be trained, licensed and receive continuing education; a navigator is a person who is like a guide who helps people through the system, but cannot sell a policy because they are not licensed; and a sister is like a navigator.

**Chairman Heider** then asked how much money will be saved with a state exchange versus a federal exchange. **Mr. Deal** answered that he hoped to have figures available in the near future. He continued that Idaho has fewer mandated coverages, and that Idaho has some of the lowest small group rates in the nation.

**Senator Bock** asked for examples of mandated coverages. **Mr. Deal** replied that one example of a mandated coverage is for children to stay on their parents' policy until the age of 19, that Idaho has fewer mandated coverages than most states, and he could supply a list. **Senator Bock** stated that a list would be helpful to him. **Mr. Deal** explained further that essential benefits would be the same, regardless if it was a state exchange or a federal exchange, since they basically have the same types of coverages. **Senator Bock** stated that it was his impression that Idaho can offer cheaper rates in health insurance because of fewer mandated coverages, and inquired if that would change with the exchange. **Mr. Deal** replied that the policy will be to have what is in force today, in addition to some of the additions of coverage, such as children staying on policies and so forth.

**Senator Hagedorn** inquired if the intention is to go to a 501c3 or a non-profit based organization. **Mr. Deal** responded that in the Affordable Care Act, there were two options that could be used: one was the quasi-state government and the other was a not for profit. As states go to the state-based exchange, most of them are using the quasi government. Hawaii and Colorado are two examples of states that have gone to the not for profit entity. **Senator Hagedorn** then asked what is the anticipated state cost out of general funds to set the exchange up and to operate it. **Mr. Deal** replied that there would be no cost to the state to set it up, that it would all be financed through a grant.

**Senator Martin** inquired about the dates and times of the briefings mentioned earlier in the meeting. **Mr. Deal** indicated that both briefings are at 4:00 p.m.; one meeting is set for Tuesday, January 16, at the Department of Insurance on the third floor of the J. R. Williams Building, and the second meeting is on Tuesday, January 22, in the Department of Insurance conference room.

**Vice Chairman Nuxoll** stated that for a state exchange, she assumed there would be mandates to buy health insurance, and she inquired if she had a moral objection to getting the health insurance because of the Health and Human (HHS) Mandate, who is going to enforce my paying of taxes? **Mr. Deal** responded the (Internal Revenue Service) IRS would. **Vice Chairman Nuxoll** then clarified, the IRS would have their agents come and take care of the issue, and asked if there would there be a lot, if that were the case. **Mr. Deal** replied that the IRS is the enforcement agency of the collection of the fees and taxes, and the state of Idaho, nor any other state, is going to be responsible for the enforcement of the federal law.

**RS 21592**

**Relating to Medical Assistance Services.** **David Simnitt**, the Deputy Administrator in the Division of Medicaid, advised that the purpose of the bill is to revise sections of the Medical Assistance Program code that are related to the behavioral health services for Medicaid participants. He indicated that the behavioral health managed care program will begin delivering services to Medicaid participants on July 1, 2013. He furthered that these statutory changes will not impact the general fund. **Mr. Simnitt** requested the Committee send **RS 21595** to print.

**MOTION:** **Senator Schmidt** moved, seconded by **Vice Chairman Nuxoll**, that the Committee send **RS 21592** to print. The motion carried by **voice vote**.

**RS 21593** **Relating to Notification of Immunization.** **Dr. Christine Hahn**, State Epidemiologist and the Medical Director of the Division of Health in the Department of Health and Welfare, advised the purpose of the bill is to clarify terminology regarding removal of information from Idaho's Immunization Reminder Information System (IRIS) registry. She indicated that when someone opts out of IRIS, it is necessary to clarify that all information about the person's immunizations will be removed from IRIS, but not all information about the person. **Dr. Hahn** said that it is necessary to maintain a minimum amount of demographic information in IRIS about someone so that the system can prevent immunization data from being re-entered. She advised that there would be no fiscal impact as a result of this legislation, and requested the Committee send **RS 21593** to print. **Vice Chairman Nuxoll** asked why someone would wish to opt out. **Dr. Hahn** replied that the registry allows parents to opt out of the registry on medical, religious or philosophical grounds, and that their wishes should be honored.

**MOTION:** **Vice Chairman Nuxoll** moved, seconded by **Senator Martin**, that the Committee send **RS 21593** to print. The motion carried by **voice vote**.

**RS 21595** **Relating to Immunization Registry.** **Dr. Christine Hahn** advised the purpose of the bill would enable IRIS to be used for bi-directional exchange of immunization information, allow IRIS to send historical data back to a provider's electronic medical records (EMR) to ensure that the provider has their patients' complete immunization records in the EMR and replace the word "child" with the word "individual" in multiple places to further clarify that IRIS is a "birth-to-death" registry that contains immunization information for both children and adults. She requested the Committee send **RS 21595** to print.

**MOTION:** **Senator Schmidt** moved, seconded by **Senator Bock**, that the Committee send **RS 21595** to print. The motion carried by **voice vote**.

**RS 21600** **Relating to Telecommunications Service Assistance.** **Genie Sue Weppner**, Program Manager in the Division of Welfare, provided an overview of the Idaho Telecommunication Service Assistance Program (ITSAP), which is a Federal Communications Commission (FCC) program which began in Idaho in 1987. This service provides *Lifeline*, which is a reduction in low income household's phone bills of up to \$12.75 a month and has provided *Link-Up* which assisted in the cost of connecting low income household residential phone service. The purpose of this assistance was to help low income households have vital phone service for emergencies, to connect with potential employers and obtain access to medical assistance. **Ms. Weppner** indicated the reductions in costs are funded by surcharges that all phone subscribers pay as part of their monthly phone bill. The state of Idaho contracts with the Community Action Partnership Association of Idaho, known as CAPAI, to manage the enrollment, recertification and validation of program participants who apply for and are found eligible for *Lifeline* or *Link-Up*. She furthered that recently, there has been a new interest in the program by cell phone providers across the nation. This new interest has cell phone providers featuring ads that are aimed at attracting low income households receiving Food Stamps or Medicaid who would be eligible for *Lifeline*. **Ms. Weppner** indicated this new interest has caused the cost of *Link-Up* support to increase by over 230% across the nation. The increase is largely the result of the entrance of wireless services into the market. *Link-Up* was adopted as a discount off of "customary" land line connection charges at a time when these charges were regulated by the Idaho Public Utilities Commission (PUC). She furthered that now the majority of *Link-Up* support is going to pre-paid wireless sellers who are not regulated and therefore difficult to monitor, audit and enforce. This year, the FCC made some rule changes in order to eliminate waste, fraud and abuse. **Ms. Weppner** advised one of the

changes was to eliminate the *Link-Up* program. Since the FCC has terminated this program, it is requested that it be removed from the ITSAP statute. **Ms. Weppner** asked for Committee support in sending **RS 21600** to print.

**Senator Lakey** inquired about the program, and wished to know if it had perpetual eligibility, poverty guidelines or other requirements. **Ms. Weppner** replied that all applicants are re-certified annually to make sure they meet requirements, and that information is sent to the PUC to reimburse providers. **Senator Lakey** then asked if there were any requirements for the applicants to get out of the situation that they are in. **Ms. Weppner** responded that there are no work requirements connected to the program; however, there will only be one phone service per household, and a database has been put in place to assure that only one individual in a household has access to this service of a reduction in their phone bill.

**Senator Hagedorn** recommended that the verbiage in the Statement of Purpose be changed and to strike the second sentence regarding the Federal Poverty Level language, which has nothing to do with the change in statute. **Ms. Weppner** agreed that it the verbiage did not need to be there. **Chairman Heider** indicated that the sentence, "They have increased the eligibility limits from 133% Federal Poverty Level (FPL) to 135% of FPL and they have discontinued the '*Link-Up*' program" should be taken out.

**MOTION:** **Senator Hagedorn** moved, seconded by **Vice Chairman Nuxoll**, that the Committee send **RS 21600** to print. The motion carried by **voice vote**.

**RS 21664**

**Relating to Fees and Taxes.** **Paul Leary**, Administrator to the Division of Medicaid, advised the purpose of the bill is to modify current code to allow available funding to be use dot cover program expenditures. He indicated that this is included in the Governor's budget recommendation for Medicaid. He furthered that there are three Department of Health and Welfare programs: Children Health Insurance Program (CHIP B), Children's Access Card and the Small Business Health Insurance Pilot Program, all of which are funded through the use of dedicated funds from the Premium Tax Fund. **Mr. Leary** advised that current statute directs specific percentage of the funds to each of the three programs. He furthered that for State Fiscal Year 2013, this allocation formula will leave the children's program underfunded, while excess funds in the adult program will remain idle. He stated that modifying Title 41, Insurance, Chapter 4, Fees and Taxes eliminates the need to revisit the allocation formula each year and will allow the department to fully fund each program.

**Mr. Leary** indicated there is a sunset clause included in this RS, and the sunset date is October 1, 2015. The reason for this sunset clause is that the adult premium assistance program will be transitioned to the federal subsidy program - that is part of the Affordable Care Act (ACA) – January 1, 2014. Additionally, through a section of the ACA, federal funding of Children Health Insurance Program(CHIP) will increase by 23 percentage points up to 100 percent on October 1, 2015. **Mr. Leary** noted at that point in time, Idaho's CHIP program will be at 100 percent federal funding and the premium tax fund will no longer be necessary to fund the State's share of this program. He requested that the Committee send **RS 21664** to print.

**MOTION:** **Vice Chairman Nuxoll** moved, seconded by **Senator Martin**, that the Committee send **RS 21664** to print. The motion carried by **voice vote**.

**RS 21680**

**Relating to Putative Fathers.** **Robert Luce**, Administrator of the Division of Family and Community Services (FACS), began by stating that when an adoption is done correctly, all parties involved have a joyous experience. He continued that when an adoption fails, it is everyone's worst nightmare. He advised that, while rare, more and more adoptions are being overturned over the course of months and years due to the lack of attention to the parental rights of birth fathers. **Mr. Luce** used Utah as an example, stating that last year, The Supreme Court unwound two adoptions, while a district court unwound one adoption. He explained that Idaho adoption laws are very similar to Utah's, and we are at risk this same type of disruption. He explained that **RS 21680** seeks to clarify the statutes in Idaho governing paternity, the putative father registry, termination of parental rights and adoption. He indicated that this legislation will do four things: 1) further the best interests of the child; 2) clarify that putative fathers must strictly comply with the law; 3) establish a date/time certain for putative fathers to comply with the law; and 4) direct the Department of Health and Welfare to produce and distribute a pamphlet or publication, in English and Spanish, explaining the law in this area; **Mr. Luce** pointed out that this legislation has been in the works for the last five years. He stated that he has worked with **Senator Lodge**, **Senator Davis**, **David McConkie** (General Counsel for the LDS Church), **Willey Dennert** (adoption attorney in Idaho Falls), and himself. He furthered that they crafted **RS 21680** that is before the Committee today. He advised that this morning, he had an opportunity to meet with **Representative Lynn Luker** and added a small tweak that is included in the **RS 21680**, that will aid in avoiding future adoptions from being unwound. **Mr. Luce** requested the Committee send **RS 21680** to print.

**Senator Bock** stated that he had a couple of concerns: one is that there is a law that gives the perpetrators of forcible rape paternity rights; and has the Judiciary actually been presented with this bill for discussion. He indicated that the question did not need to be answered now, but that he would like to know more about it.

**Senator Lodge** complimented **Mr. Luce** on the effort that has been put into this matter, and inquired if this included the changes that **Representative Luker** made. **Mr. Luce** explained that **Representative Luker's** requested change had to do with the pamphlet piece and a request that we also include putting that on our web page.

**MOTION:** **Senator Schmidt** moved, seconded by **Senator Lodge**, to send **RS 21680** to print. The motion carried by **voice vote**.

**ADJOURNED:** **Chairman Heider** thanked everyone for their hard work, and the meeting was adjourned at 4:18 p.m.

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Senator Heider  
Chairman

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Linda Hamlet  
Secretary