

MINUTES
HOUSE HEALTH & WELFARE COMMITTEE

DATE: Thursday, January 17, 2013
TIME: 9:00 A.M.
PLACE: Room EW20
MEMBERS: Chairman Wood(27), Vice Chairman Perry, Representatives Hancey, Henderson, Hixon, Malek, Morse, Romrell, Vander Woude, Rusche, Chew
**ABSENT/
EXCUSED:** Representative(s) Malek and Morse

GUESTS: Art Evans, Matt Wimmer, Sheila Pugatch, Lisa Hettinger, Division of Medicaid; Shannon Dunston, State Department of Education; Paul Leary, David Simnitt, Bev Barr, Chad Cardwell, Department of Health & Welfare (DHW); Corey Makizuru, Idaho Association of Developmental Disabilities Agencies (DDA); Brody Astow, Lobby Idaho; Tyler Mallard, Risch Pisca; Heidi Low, Ritter Public Relations; Elizabeth Criner, Pfizer / Idaho State Dental Association; Dennis Stevenson, Department of Administration.

Vice Chairman Perry called the meeting to order at 9:01 a.m.

MOTION: **Rep. Rusche** made a motion to approve the minutes of the January 15, 2013, meeting. **Motion carried by voice vote.**

**DOCKET NO.
16-0309-1101:** **Sheila Pugatch**, Principal Financial Specialist, Division of Medicaid, presented **Docket No. 16-0309-1101**, which changes the calculation for the pharmacy actual acquisition cost (AAC) to a tiered-fee structure. Both the drug cost and dispensing fee information is collected to better reimburse pharmacies for the cost of the drug.

Ms. Pugatch replied to questions, explaining that the previous single dispensing fee was based on an average wholesale price (AWP) plus 12%. The new tiered fee structure takes into consideration rural pharmacies, whose dispensing fees are higher. The revised payment method will result in a general funds savings. The various associations are in agreement with this new system.

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

MOTION: **Rep. Hixon** made a motion to approve **Docket No. 16-0309-1101**. **Motion carried by voice vote.**

**DOCKET NO.
16-0309-1202:** **Lisa Hettinger**, Bureau Chief, Division of Medicaid Financial Operations, presented **Docket No. 16-0309-1202**, a Pending Rule that is in response to a petition from the Trust and Estate Professionals of Idaho (TEPI) requesting the addition of a new subsection to codify the current practice of not subjecting certain life estates of Medicaid participants to recovery.

Responding to questions, **Ms. Hettinger** defined a life estate as part of an estate owner's planning process to establish that assets are held by a beneficiary during the owner's lifetime. **Mr. Corey Cartwright**, Deputy Attorney Prosecutor, Attorney General's Office, was called upon to describe a life estate, which is a transfer of property to a beneficiary, allowing the owner retention of control, with transfer, upon the owner's death, of the remaining property to the designee as a retained life estate. Life estates established prior to this Rule change are not subject to the new rules.

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

MOTION: **Rep. Romrell** made a motion to approve **Docket No. 16-0309-1202**. **Motion carried by voice vote.**

DOCKET NO. 16-0309-1203: **Matt Wimmer**, Bureau Chief, Medical Care, presented **Docket No. 16-0309-1203**, pertaining to tobacco cessation products for pregnant women and children under the age of twenty-one. The changes align with federal requirements and cover tobacco cessation nicotine replacement therapy and prescription drugs. The decision to use any of these drugs or products is ultimately up to the patient and physician.

Mr. Wimmer, responding to a committee question, stated that the federal regulations require coverage of specific drugs in accordance with the health service guidelines.

MOTION: **Rep. Rusche** made a motion to approve **Docket No. 16-0309-1203**. **Motion carried by voice vote.**

DOCKET NO. 16-0309-1205: **Matt Wimmer**, presented **Docket No. 16-0309-1205**, a Pending Rule for the implementation of Idaho Medicaid Health Homes (Health Home). Health Home providers will be responsible for activities directed towards assisting patients with chronic conditions to achieve better health and engage them in managing their own health care, including the development and implementation of a comprehensive primary care plan. Electronic medical records or other electronic record-keeping methods will be used and they will manage patient care with hospitals, nursing facilities, emergency rooms, and specialist staff. They must also provide extended hours of access to primary care, report progress and performance data, and meet the patient-centered medical home requirements of the National Committee for Quality Assurance.

Mr. Wimmer explained, in answer to questions, that this primary care provider program is for a higher level of chronic diseases and not a hospice program. A new savings to the state is expected and close monitoring with reporting information will be a part of every stage. As part of the Governor's Medical Home Collaborative, this program addresses chronic care conditions by systemically providing across-the-board home health care benefits. Health Connections is a primary care case management program that has been in place since the late 1990's and initially enhanced access to primary care for diabetic patients with a lower level of case management. The Medicaid Health Home Program is a replacement that includes other illnesses with a higher level of case management.

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

MOTION: **Rep. Rusche** made a motion to accept **Docket No. 16-0309-1205**. **Motion carried by voice vote.**

DOCKET NO. 16-0309-1206: **David Simnitt**, Deputy Administrator, DHW, presented **Docket No. 16-0309-1206**, which aligns the general Medical Necessity for Early Periodic Screening Diagnosis and Treatment (EPSDT) definition with the Social Security Act regarding Medicaid-eligible children.

In answer to questions, **Mr. Simnitt** stated that the federal EPSDT defines children as ages zero to twenty-one. He explained that additional service needs can be identified during or outside of the screening process.

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

MOTION: **Rep. Hixon** made a motion to approve **Docket No. 16-0309-1206**. **Motion carried by voice vote.**

**DOCKET NO.
16-0309-1204:**

Art Evans, Bureau Chief, Bureau of Developmental Disabilities Services, Division of Medicaid, presented **Docket No. 16-0309-1204**, a Pending Rule that is a companion docket to the Children's Redesign Rules and school-based benefits. The removal of developmental disabilities (DD) benefits from the State Plan directly impacts the DD services in the school setting, requiring changes to incorporate replacement services to assure appropriate Medicaid developmental services are provided. Specific removals include DDA service references, developmental therapy and intensive behavioral intervention services, and the Idaho Infant Toddler Program. New behavioral intervention and consultation services are being added for school-based services. Additional clarifications are being made to various school based services and processes.

Responding to questions, **Mr. Evans** commented that there were requests to change the physician signature requirement; however, the plan signature requirement prior to implementation and billing assures both medical necessity and physician involvement, which is important in managing the services. Fiscal impact to the general fund indicates negative federal funding because the old system of DD therapy and intervention included skill building services, which are not appropriate to school based settings. The new array makes sure that the services are appropriate and within federal guidelines, so removal of some services with the redesign represents a federal funding loss to the school districts.

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

MOTION:

Rep. Wood(27) made a motion to accept **Docket No. 16-0309-1204**. **Motion carried by voice vote.**

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 9:49 a.m.

Representative Perry
Chair

Irene Moore
Secretary