

MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Monday, March 04, 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:** None.

**GUESTS:** Woody Richards, American Health Insurance Plans; Suzanne Budge, SBS Associates; Lee Flinn, American Association of Retired Persons; Colby Cameron, Sullivan & Reberger; Toni Lawson, Idaho Hospital Association; Heidi Low, Ritter; Julie Taylor, Blue Cross; Ray Stark, Boise Metro Chamber of Commerce; Marnie Packard, Pacific Source; Lauren Willis, Idaho House of Representatives; Molly Steckel, Idaho Medical Association; Blake Sampson, Idaho Resident; Shad Priest, Regence Blue Shield of Idaho; Bill Deal, Department of Insurance

**Chairman Wood(27)** called the meeting to order at 9:00 a.m.

**MOTION:** **Rep. Hixon** made a motion to approve the minutes of the February 27, 2013, meeting. **Motion carried by voice vote.**

**RS 22192:** **Vice Chairman Perry** presented **RS 22192**, a concurrent resolution to reject **Docket No. 16-0720-1201, Section 009, Subsection 01**. At the time this rule was presented, the Department of Health and Welfare requested this rejection to continue the grandfather allowance.

**MOTION:** **Rep. Hixon** made a motion to introduce **RS 22192** and send it directly to the Second Reading Calendar. **Motion carried by voice vote. Vice Chairman Perry** will sponsor the bill on the floor.

**RS 22193:** **David Hensley**, Chief of Staff, Governor Butch Otter's Office, presented **RS 22193**, which combines **S 1042** with legislative recommendations in **H 179** and others, and establishes a state-based Health Insurance Exchange which will serve as a voluntary market place for insurance shopping, comparing, and pricing. This will be a "body corporate and politic," an independent entity with a Health Insurance Exchange Board to oversee and manage the functions of the exchange. The Board will consist of 19 members, three of whom are legislators. The Speaker will appoint one House member, the President Pro Tem will appoint one Senate member, and the Minority Leadership will appoint one member. The rest of the board members will consist of representatives of health carriers, producers, providers, individual consumer interests, and small employer business interests. No non-legislative Board members will be state employees, public officials, or agents of the state. They will not participate in the Public Employee Retirement System of Idaho.

The Board will perform the necessary duties to implement an Idaho Health Insurance Exchange. In order to be self-sufficient after the first year, the Board will be responsible for assessment and collection of fees from participating health carriers and exchange participants. The Board may appoint any advisory committee needed, and adopt a plan of operation. All Board meetings are open to the public. Annual audits and legislative reports shall be required. The Board cannot change the Health Insurance Exchange's legal structure and cannot force anyone to participate or buy insurance. The Health Insurance Exchange can and should use Idahoans in the course of its business.

A severability clause states that any provision or its application can be removed, with the remainder of the law persisting. There is an emergency clause as well. Should Health and Human Services and/or the U.S. Congress change both the Health Insurance Exchange establishment date and the eligibility limitation date, the Governor is empowered to respond. If this should happen, the Governor can issue a proclamation declaring that Idaho will not be obligated to comply until new dates are set.

Responding to committee questions, **Mr. Hensley** said any part of the Patient Protection and Affordable Care Act that is ruled invalid by any federal court, unless stayed by the court, including a court in another state, will cease to be enforced.

He explained that there are multiple types of corporations and an independent body corporate and politic is one such type used to govern a public purpose.

The Director has to approve the initial bylaws and any subsequent changes as a check against the entity's authority without reduction to legislative authority. Because the Director regulates the insurance industry, it makes sense to have this level of oversight.

**Mr. Hensley** stated that the initial Health Insurance Exchange implementation and development costs have been awarded a federal phase 1 grant of twenty million dollar grant. Costs above that amount can be covered by additional federal grants. It is expected that by using available technology and marketplaces developed by other states, the State Health Insurance Exchange development costs may be significantly lower than previous estimates. Another cost cutting avenue is the use of available technology and marketplaces developed by other states.

Declaration of any provision or application of this act would be determined by a court. The severability clause works to the extent that a court finds it unconstitutional.

**MOTION:** **Vice Chairman Perry** made a motion to introduce **RS 22193. Motion carried by voice vote. Rep. Vander Woude** requested that he be recorded as voting **NAY**.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 9:18 a.m.

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Representative Wood(27)  
Chair

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Irene Moore  
Secretary