

MINUTES
SENATE HEALTH & WELFARE COMMITTEE

DATE: Tuesday, January 28, 2014

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: None

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 3:03 p.m. and asked the Committee Secretary to take a silent roll.

S 1223 **Relating to the Personnel System - Amendments to Authorize a Loan Repayment Program for Physicians, Psychologists and Mid-level Practitioners at Certain State Hospitals; to Provide Limitations on the Program; to Provide Eligibility Criteria for the Program; to Provide for Length of the Program; and to Provide for Amounts to be Reimbursed: Ross Edmunds**, Division Supervisor, Department of Health and Welfare (Department). Mr. Edmunds began by stating that the purpose of **S 1223** is to establish a loan repayment program for two of the state hospitals as incentive for employment and continuing employment at the hospitals. The problem is that these hospitals are not fully staffed. This is not from an inability to adequately pay the practitioners, but by not being able to recruit them due to lack of incentives in comparison to other states. The Department is looking at a three-pronged approach of recruitment bonuses, addressing increasing wages and salaries (for new as well as current employees), and the student loan repayment program.

Mr. Edmunds clarified that the loan repayment program would not be just for the psychiatrists and psychologists, but also medical doctors and mid-level prescribers (including nurse practitioners, and physicians assistants) at the state hospitals. The Board has exhausted efforts on the federal level to find a program that would take care of this need, but there is nothing out there for this group of practitioners at the state hospitals. This legislation would allow for loans relating to their medical training/education to be paid, at the discretion of the Board and the hospital as a means of retention and recruitment efforts. In order to qualify for the loan repayment program, it would require a years worth of employment or a total of 2080 hours. There's internal policy to guide the specifics for the amounts to be paid and when, and he showed that after four full years of employment, the benefit would be a total of \$75,000 in loan repayment. The amounts for the other practitioners would be different, depending on their level of responsibility to the hospital. This would be deemed as income to the participant and it would not only be taxable income, but up to the individual to then pay it towards the student loan.

Senator Bock wanted to know, in judging whether or not this will be sufficient incentive, for a psychiatrist who is being recruited just out of their residency, what would be the starting salary for someone like that. **Mr. Edmunds** responded that the physicians being hired at the state hospitals start at about \$85 an hour which translates to \$175,000 - \$180,000 a year. **Senator Bock** followed up by asking

what the actual range of pay for the physicians at the hospital is. **Mr. Edmunds** answered that the \$180,000 is the maximum range except for the chiefs of medicine at the two hospitals that make above that amount.

Vice Chairman Nuxoll wanted to know about the need for the mid-level practitioners since she wasn't aware the hospitals were deficient at that level. **Mr. Edmunds** said that they have an easier time recruiting the individuals at the mid-level, but a harder time retaining them due to other opportunities that are more beneficial at other places.

Senator Guthrie asked how it would work out between an individual just coming into the hospital versus a practitioner that's been with them for a while. Are they both eligible or how does that work? **Mr. Edmunds** stated that the fiscal impact is \$85,000 a year per hospital. With that in mind, there would be a need for them to look at the needs of existing staff and the recruitment opportunities on how to best use the funds available. He confirmed that the priority wouldn't go to the recruitment, necessarily, since it's just as important to retain the staff they already have on hand. What they've had to do, by being short-staffed, is to hire out by contracts which is a lot more expensive than salaries. **Senator Guthrie** then inquired if it was a full calendar year or 2080 hours to actually qualify for the program, and what was the criteria after the first year. **Mr. Edmunds** responded that the first distribution is after the 2080 hours, after that they would make the determination for the following years since there's nothing set in stone at this time, and they can also look at how to compensate part-time practitioners as well.

Senator Lodge mentioned that it might be helpful to look at past legislation, specifically H 301, that might help in recruitment efforts since it deals with rural areas and the state hospitals are in rural areas and she is very aware of the need that these hospitals face. She confirmed that this step has been long overdue.

Senator Hagedorn stated he is in support of the program and certainly can see the need for it. His concern with this particular legislation is that it doesn't address where the actual funds will come from. **Mr. Edmunds** answered that this is in fact part of the Governor's recommendation, the funds are coming from endowment, and pointed to the fiscal statement for the legislation that notes the funding will be 100 percent endowment dollars. **Senator Hagedorn** then mentioned that he can see that on the fiscal note accompanying the statute, but it's not in the statute itself and perhaps it would be good to have it listed there as well. **Mr. Edmunds** stated that he has never done that in a piece of legislation other than on the fiscal note, but said if that is what the Committee wanted he could go back and take care of it. He did say the information was provided by the Governor's office, being recommended through his budget, he would need to go back to them for approval. He can also check with the budget analysts with the Legislative Services Office (LSO) to confirm that with the budget request this program is to be done with endowment funds. **Senator Hagedorn** commented that checking with the LSO and having them add it in as a line-item might be the best way to address his concern.

Senator Lakey asked about the details for the payout of funds. Was it paid at the end of a calendar year, paid on their anniversary date, or pro-rated for part-time work? **Mr. Edmunds** answered that it would be at the completion of their required hours for the first year of employment. **Senator Lakey** wanted to know if each of the years are looked at all at once, or looked at as they come around. **Mr. Edmunds** responded that the statute leaves the options open to do either one of those things when it came to recruitment or retention, allowing for more flexibility to fit the individual and situations to meet their needs.

Vice Chairman Nuxoll wanted to know if this is a new process to have the Division Administrator make these types of decisions, along with the hospital administration, or are there other decisions Mr. Edmunds and his group might be called in to make. **Mr. Edmunds** noted that it is not uncommon for his position to step in, since he is considered the "appointing authority" and can make those decisions for his division. The two state hospitals fall under his appointing authority, but they have to follow the procedure that goes up through his Department for final decisions, and sometimes involves the Governor.

Senator Martin asked if to Mr. Edmunds' knowledge, is this being done in other areas of state government, or anything similar to this program. **Mr. Edmunds** stated that student loan repayment programs are very common, especially for the healthcare industry. He can't really speak for other professions, but as far as healthcare it is common, they just have not been able to find help on the federal level for the state hospitals. **Senator Martin** wanted to know about controlling the funds. Once they are disbursed to the individual do they have to use it for loan repayment or can they use it as additional income. **Mr. Edmunds** answered that it would be difficult for their Department to track that the money goes specifically for loan repayment. Since they are recruiting and retaining with this incentive, it is up to the individual to take advantage of it for what the program is meant for.

Chairman Heider wanted to confirm that the Department does not follow up with the individual as to what money is given to them, and the decision is made every year to pay them that particular bonus. **Mr. Edmunds** responded that the Department is not obligated to pay the bonus to the individual, it would depend on the available funds and the agreement that had been originally agreed upon. **Chairman Heider** asked if an individual would be expecting the annual bonus and then did not receive it, would it put the Department in an awkward position, violate the contract, or will this all be addressed up front. **Mr. Edmunds** stated that whatever the original agreement was with the practitioner is what the Department would stick to for up to the four years, or revisit it each year, depending on what had been previously arranged.

Vice Chairman Nuxoll inquired if each year the Department can ask the individual if they have used the money to actually reduce their loan payments. **Mr. Edmunds** said that was certainly an option, and there is nothing to prevent them from asking that. It would seem like unnecessary control or management to require a receipt or proof of how the funds are used.

Senator Guthrie noted that he thought the statute mentioned something about not paying to the individual more than is owed on the student loan and is concerned that if the Department does not monitor the funds, this situation could happen and feels that there should be more control.

Senator Hagedorn said he is assuming that this retention and recruitment tool will be looked upon by the practitioners as part of their salary, and at the end of the first year, they would get approximately an additional \$10,000 for their loan payments they had made, or should've made, throughout the year. **Mr. Edmunds** stated that was correct, and it may not add up exactly, but they would probably make a lump payment at the end of the year with their "bonus". He also noted Senator Guthrie's concern, and said that they would be monitoring that scenario. **Senator Hagedorn** then wanted to know, if someone was not paying their loan, and the Department chose to stop the "bonus" and the person decided to leave because of that, how would the Department address that situation. **Mr. Edmunds** confirmed that the Department is looking for the flexibility to look at the program each year to establish a process of providing the bonus without such strict monitoring, but also knowing

that the funds are being put to good use. **Senator Hagedorn** wanted to know if this legislation gives them the needed flexibility. **Mr. Edmunds** asserted that it does give the Department the flexibility.

TESTIMONY

Kathie Garrett, on behalf of the National Alliance on Mental Illness (NAMI) of Idaho, stated that she was before the Committee to voice her support for **S 1223** since it will help in improving the State's mental health system. For many years NAMI has advocated for improved staffing at both of the state hospitals. They have watched as the Department has struggled for many years to recruit and retain adequate staffing which has left many empty beds that could've been filled by those truly in need. The NAMI group applauds the Department's efforts to come up with this program of loan repayment as a tool to retain and recruit proper staffing.

Vice Chairman Nuxoll wanted it noted that there is a conflict of interest since she sits on the Board. **Chairman Heider** noted her wish.

MOTION:

Senator Martin moved that the Committee send **S 1223** to the floor with a **do pass** recommendation. **Senator Hagedorn** seconded the motion. The motion carried by **voice vote**. Vice Chairman Nuxoll will carry **S 1223** to the floor.

S 1224

Relating to Behavioral Health Services - Amendments: **Mr. Edmunds** thanked the Committee for passing a variation of this bill last session, and reminded them that it didn't have time to make it through the House. Whereas the House side was able to hear the opposition, the Senate Committee did not have that chance. Since that last session, however, he has been able to spend more time with it; do the homework; meet with the opposition, the supreme court, NAMI and other groups to make improvements from last year. This legislation will move behavioral health in the State a step further to being more effective in serving the public and represents a decade of review for possible improvements.

Mr. Edmunds went on to list out some of the changes that have come about due to the decade long examining process. One of them is combining the areas of mental health and substance abuse into a single behavioral health approach. Another area they discovered is to go more with a local community approach in solving problems rather than a top-down Department approach all the time. Some of the changes to the flowchart are already in place, others are to be implemented with flexibility to the particular department to either take on a new role or not. He pointed out the area that names the 7 regional behavioral health centers, and how this current legislation will more clearly define what those centers are and do. He then noted the changes to be made in the different sections and how they would affect what is currently being done by the Department. **Mr. Edmunds** noted that, even with the problems of the Affordable Care Act, it is part of the law to have mental health coverage, as well as medical coverage, through individual insurance plans as a means of parity in the system. **Senator Schmidt** wanted it noted, that parity may be part of the law, but it is not part of the Affordable Care Act. **Mr. Edmunds** confirmed that it is not part of the Affordable Care Act as stated by Senator Schmidt. He then ended by stating that people with mental illness have been found to die twenty-five years earlier than their peers. By moving from a more clinical approach and treatment for the mental illness and by moving the control down to the regional boards, this will better allow the focus to be on recovery and family support.

Supporting documents related to this testimony have been archived and can be accessed in the office of the Committee Secretary (see attachment 1).

Senator Bock was curious to know where this all might fit in with the Criminal Justice Reinvestment proposals going on in the session now. **Mr. Edmunds** answered that he has seen that the role of behavioral health is very critical when it comes to trying to keep people out of prison. He gave the example of someone on

probation, receiving adequate behavioral health intervention so another episode does not occur to cause a parole violation or subsequent offense. **Senator Bock** then asked what more needs to be done on the Health and Welfare side to address the needs of the Justice Reinvestment objectives. **Mr. Edmunds** responded that as far as the Justice Reinvestment, they haven't made specific requests for changes to the mental health side of the system, but have made recommendations for increased funding for the substance abuse disorder side. One thing that is definitely needed is more access to care. **Senator Bock** wanted to know what efforts Health and Welfare are making to pinpoint those individuals being released from a correctional institution that are getting enrolled into Medicaid for assistance, or is that the responsibility of the Department of Corrections. **Chairman Heider** wanted to make it clear that the Committee is not addressing Medicaid expansion or the Department of Corrections at this time. **Mr. Edmunds** stated that the Department does play a role in that effort, specifically the Department of Behavioral Health, in working very well with the Department of Corrections to align with those individuals integrating back into the communities.

Vice Chairman Nuxoll wanted to confirm that the regional health boards are becoming governmental entities if they so wish. **Mr. Edmunds** said that through this legislation, the regional behavioral health boards would be able to become pseudo-governmental entities. **Vice Chairman Nuxoll** then asked how will that work when they want funding. **Mr. Edmunds** answered by talking about the regional base (operations) funding that's been set aside by the Department. The additional funding for them taking over the recovery and family support services would come from the Department or contracts and grants as it does now. **Vice Chairman Nuxoll** asked as far as the regional boards, why couldn't they become non-profit agencies, or why not use the current community health centers instead of creating something new. **Mr. Edmunds** responded that these regional mental health boards have been around for many years and have not chosen to become non-profit due to lack of funding. The point is not to waste any resources, but to use them more effectively. There's a growing interest for the regional mental health boards to partner with the health districts to expand the scope of service available.

Chairman Heider wanted to know about the seven behavioral health boards, will they all be set up at once, or a few here and there. **Mr. Edmunds** stated that the decision would be driven by the regions themselves as to when and how they want to do it, but until they choose to go that route, all of the responsibilities will remain with the State's Board. **Chairman Heider** then asked if the State Board was now ready to financially support the seven boards if they were ready to be up and going. **Mr. Edmunds** said they do have the resources available to fulfill their obligation to the seven boards if they choose to take on the role themselves since it's not new money, but money that would be used by the region, for the region and at the region's discretion.

TESTIMONY:

Ms. Garrett also wanted to voice support for this piece of legislation saying that the intent is to deliver better community behavioral health services in the State by bringing together the mental health and substance abuse sides to act together on a regional level. She noted that NAMI Idaho opposed the legislation last session, but the current bill has been modified to address those issues, and they are pleased with the efforts that have been made to address their concerns and those efforts have improved the legislation significantly.

Greg Dickerson, Chairman of the Region 4 Mental Health Board, wanted to speak in support of this legislation. They have been looking for an opportunity to implement these supports in their local communities. With the reintroduction of this legislation, his region created a subcommittee to look at how they as a committee would take the ball and run with it instead of leaving it up to the state level. The

subcommittee looked at the details including expenses and determined with a framework in place, they'd be able to take this on.

Howard Belodoff wanted to speak in support of this bill, specifically for children in the State, since he is a court appointed Guardian Ad Litem. This group opposed the legislation last year, and even though he doesn't agree with everything in it this year, some things were worked out to their benefit. This bill does not provide the resources for the children's side of things, which are sorely needed. It does provide the local boards and staffing to help the children, but the resources are needed for the services that would be most helpful. He wanted it noted that, even though this legislation falls short, it is best to support something that starts getting things moving in the right direction.

DISCUSSION: **Senator Bock** wanted to know the vehicles that might be foreseen for the delivery of resources to those who need them now. How do the fragmented pieces come together so the resources can be obtained? **Mr. Belodoff** answered that Idaho is not alone in this quest, and it will take partnerships in place between groups such as the juvenile justice system, and agencies affiliated with Health and Welfare. When you have Medicaid, children's mental health and child welfare all acting independently when they could be working together for the same goals and resources, it doesn't help the children.

Senator Martin had a question for Mr. Ross as far as the fiscal note that states "\$315,000 to be used for base funding for operations" and he wanted to know if, for some reason, this legislation does not pass, what happens to the \$315,000. **Mr. Ross** responded that could be a bit tricky to answer since the money is currently tied to personnel costs. When the Department no longer needs to employ someone at the regional level, those funds will be freed up for regional use with those people being taken care of at the regional level as far as payment compensation.

Vice Chairman Nuxoll voiced concern and opposition to this legislation stating there are other local agencies that are in place and can see no need to have new centers in place to increase government control.

Senator Schmidt added a comment that he agreed with Mr. Belodoff, these are much needed services, and in the long run, investing in these services could save money in other areas. However, cost accounting for where and how money is being spent is hard to track in this process, and the fact that it can be paid for with money the department already has makes him somewhat uncomfortable. Policy wise he can support this, but funding it should prove rather interesting.

MOTION: **Senator Lakey** moved that the Committee send **S 1224** to the floor with a **do pass** recommendation. **Senator Martin** seconded the motion. The motion carried by **voice vote** with **Vice Chairman Nuxoll** wanting it recorded that she was voting nay. Senator Lakey will carry **S 1224** to the floor.

RS 22402 **Relating to the Board of Medicine - Amending to Revise Provisions Relating to the Terms of Board Members and to Make Technical Corrections: Nancy Kerr**, Executive Director, Idaho State Board of Medicine (Board). This RS changes Idaho Code for the Medical Practice Act to allow Board members to continue in their term until the appointment of a new member and the new member is qualified to take over the role. The Idaho Board of Medicine is responsible for the licensure and regulation of physicians and other health care professionals in Idaho. Part of the regulatory duties include the responsibility to make decisions as to the ability of a licensed professional to retain a license to practice. Members must be familiar with laws and rules, administrative process and due process to fairly and impartially make these decisions.

Ms. Kerr noted that the terms of appointment have expired in the middle of the administrative hearing process, putting a burden on the Board to ensure a qualified quorum of the Board members to hear the case. For an administrative hearing the members must read all the documents related to the hearing. This can be more than several hundred pages. The Board members must be familiar with the rules and laws of the Board in order to make a fair and impartial decision affecting a licensee of the Board. While appointments are made promptly, it is very difficult to welcome a new Board member to the Board by asking them to read several hundred pages of legal documents, be familiar with the laws and rules of the Board and make informed, impartial decision in a few days. The changes suggested to Idaho Code will allow the experienced members of the Board to continue the hearing process and allow new members the opportunity to be appropriately oriented to their new role.

MOTION: **Senator Bock** moved to send **RS 22402** to print. **Vice Chairman Nuxoll** seconded the motion. The motion carried by **voice vote**.

ADJOURNED: There being no further business before the Committee, **Chairman Heider** adjourned the meeting at 4:32 p.m.

Senator Heider
Chair

Linda Hamlet
Secretary

Linda Harrison
Assistant Secretary