

MINUTES
HOUSE HEALTH & WELFARE COMMITTEE

DATE: Tuesday, March 11, 2014

TIME: 9:00 A.M.

PLACE: Room EW20

MEMBERS: Chairman Wood(27), Vice Chairman Perry, Representative(s) Hancey, Henderson, Hixon, Malek, Morse, Romrell, Vander Woude, Rusche, Chew

**ABSENT/
EXCUSED:** Representative(s) Chew, Vander Woude

GUESTS: Kathie Garrett, NAMI ID; Jonelle Hudson and Caitlyn Bovans, Boise, ID; Paige Wilson, Boise State University Nursing Student; Steve Millard, IHA; Julie Taylor, Blue Cross of Idaho; Giva Kovac, BSU; Jessica Mothershead, BSU Student; Cynthia York, DHW

Chairman Wood(27) called the meeting to order at 9:01 a.m.

MOTION: **Vice Chairman Perry** made a motion to approve the minutes of the February 19, February 27, and March 3, 2014, meetings. **Motion carried by voice vote.**

Chairman Wood(27) turned the gavel over to **Vice Chairman Perry**.

H 601: **Rep. Fred Wood**, District 27, presented **H 601**, a simple bill dealing with the reimbursement rate for services paid to providers in the Indigent Healthcare Program. During the 2011 Legislative Session, the rate was changed to 95% of the unadjusted Medicaid rate and a 2014 sunset date was added. Removing the sunset date will preserve the rate at 95% of the unadjusted Medicaid rate, which is working very well.

The Medicaid cost settlement payment takes one to three years after completion of the audits. Rather than wait that length of time, hospitals are paid based on the unadjusted Medicaid rate, which is typically very close to the final rate.

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

MOTION: **Rep. Hixon** made a motion to send **H 601** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Wood(27)** will sponsor the bill on the floor.

Vice Chairman Perry turned the gavel over to **Chairman Wood(27)**.

S 1362: **Ross Edmunds**, Administrator, Division of Behavioral Health, Department of Health and Welfare (DHW), presented **S 1362**. The two Idaho State Hospitals have difficulty recruiting and retaining physicians. Applicants want an educational loan repayment program before they will consider positions at these facilities. Federal loan repayment programs are unavailable because the hospitals focus on only psychiatric care.

This legislation establishes a loan repayment program for physicians, mid-level practitioners, and psychiatrists. The loan repayment can only be used for outstanding loan debt. The provider must prove the reimbursement was used specifically for the payment. A state hospital governing body will oversee the program.

Prior to the first disbursement, the employee needs to provide 2,080 credited service hours and satisfactory performance standards. Additional disbursements can occur after one year, or 2,080 hours, of the previous disbursement, along with satisfactory performance standards.

The four-year total reimbursement for a physician is \$75,000 and is \$50,000 for both a psychologist and a mid-level practitioner. The term "mid-levels" refer to nurse practitioners and physician assistants.

Rep. Rusche said recruiting professionals to rural areas from large cities, where the psychiatric programs are located, becomes difficult, especially when a working spouse is involved.

Answering a question, **Mr. Edmunds** explained a physician, graduating usually with \$160,000 to \$200,000 worth of debt, would receive a four-year loan reimbursement totalling \$75,000.

Mr. Edmunds said the loan payment is a piece of a recruitment and retention package. There is also the hope of community roots being established. The loan repayment is available for existing staff.

The fiscal note shows \$85,000 in endowment dollars for each of the two hospitals on an annual, ongoing basis. He described the source of the endowment funds to be used by both hospitals.

MOTION:

Rep. Malek made a motion to send **S 1362** to the floor with a **DO PASS** recommendation.

Rep. Rusche commented on the importance of being in an attractive employment position when compared to other locations. Psychiatrists at state hospitals tend to be transient, while those in community practice are more rooted in their communities. The Tools must be provided to meet the staffing needs at Idaho's institutions.

Kathie Garrett, NAMI Idaho, testified **in support of S 1362**. The DHW has struggled to recruit and adequately staff state hospitals, with empty beds due to insufficient staffing. Loan repayment is a common, effective practice in other fields of medicine.

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

Answering additional questions, **Mr. Edmunds** said the \$170,000 will provide an opportunity to assist current providers with their loan repayments and pursue recruitment. He described the current staffing and needs of each location.

Any staff bonuses would either come from salary savings in the existing personnel budget or a Legislative request for additional funding. He reiterated the physicians, who are usually just out of school, are very concerned with paying back steep loans and are looking for positions that help them in this endeavor.

Mr. Edmunds stated endowment increases tend to be permanent. This year's Endowment Fund increase for State Hospital South decreased the General Fund dollars needed.

VOTE ON MOTION:

Chairman Wood(27) called for a vote on the motion to send **S 1362** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Malek** will sponsor the bill on the floor.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 9:39 a.m.

Representative Wood(27)
Chair

Irene Moore
Secretary