

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, March 10, 2015

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Tippetts, Vice Chairman Patrick, Senators Cameron, Martin, Lakey, Heider, Lee, Schmidt and Ward-Engelking

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 Tippetts** called the meeting to order at 1:30 p.m. and welcomed all.

MINUTES APPROVAL: **Senator Martin** moved to approve the Minutes of February 24, 2015. **Senator Heider** seconded the motion. The motion carried by **voice vote**.

GUBERNATORIAL APPOINTMENT AND HEARING: The appointment of Candace Sweigart, of Boise, Idaho, to the Idaho Health Insurance Exchange (Board), term commencing February 5, 2015 and expiring on April 10, 2017.

Ms. Sweigart thanked the Commerce and Human Resources Committee (Committee) for the opportunity of serving on the Board. She said she is an Idaho native and small business owner of a software development agency. She has a background in marketing and information technology and would like to bring her expertise to the Board. Additionally, she said her firm has extensive background in developing software solutions for healthcare and has a strong interest in companies looking to improve healthcare for patients. She said she is excited about what Your Health Idaho (YHI) has been able to accomplish and would love to be a part of the organization's success.

Senator Schmidt wanted to know in what capacity she would be serving on the Board. **Ms. Sweigart** stated she was serving in the small business category. **Senator Lakey** and **Ms. Sweigart** had a conversation about what a certified scrum master did as applied to software development methodology. **Ms. Sweigart** explained a scrum master is the facilitator for a product development team that uses scrum, a rugby analogy for a development methodology that allows a team to self-organize and make changes quickly. The scrum master manages the process for how information is exchanged.

Senator Cameron and **Ms. Sweigart** discussed her experience with insurance and how her background may influence her decisions. She said primarily her decisions will be technology-focused with the goal of making YHI sustainable. She said she was fond of an Idaho program and the aspect of a small business with YHI.

GUBERNATORIAL APPOINTMENT: **Senator Cameron** moved to send the gubernatorial appointment of Candace Sweigart to the Idaho Health Insurance Exchange Board to the floor with the recommendation that she be confirmed by the Senate. **Senator Lakey** seconded the motion. The motion carried by **voice vote**. **Senator Buckner-Webb** will carry the appointment on the floor.

**GUBERNATORIAL
APPOINTMENT
AND HEARING:**

The appointment of Jerry Edgington of Boise, Idaho, to the Idaho Health Insurance Exchange (Board), term commencing February 24, 2015 and expiring on April 10, 2017.

Mr. Edgington said that as the Vice President and General Manager of SelectHealth of Idaho, he is interested in and supportive of the efficient operation of the Your Health Idaho Exchange marketplace, and in particular, in Idahoans purchasing insurance. He said Your Health Idaho (YHI) was unique, well received and functional.

Senator Heider wanted to know if Mr. Edgington saw any conflict with his job at SelectHealth and serving on the Board. **Mr. Edgington** said by being on the Board, he has gained insight and feels he is not biased or influenced in any way. He said insurance must be made simple and understandable to the public.

Senator Cameron disclosed, for the record, that he has worked with Mr. Edgington, not only with his company, but with him. **Senator Cameron** said Mr. Edgington is a person of high caliber, and he could not think of a better person to serve on the Board.

**GUBERNATORIAL
APPOINTMENT:**

Senator Schmidt moved to send the gubernatorial appointment of Jerry Edgington to the Idaho Health Insurance Exchange Board, to the floor with the recommendation that he be confirmed by the Senate. **Senator Lee** seconded the motion. The motion carried by **voice vote**. Senator Martin will carry the appointment on the floor.

S 1062:

Relating to Direct Primary Care. **Chairman Tippetts** said there had been public testimony at prior meetings, and this bill had been held in Committee at the call of the Chair. He said the purpose of hearing this bill was to consider further amendments.

TESTIMONY:

Suzanne Budge, representing the National Federation of Independent Businesses, testified in support of the bill and said she appreciated the option of having health care.

Senator Thayn thanked the Committee for their time. He said originally the bill was a little broader. He referred to a draft amendment, a copy of which is attached (see attachment 1), and asked the Committee to send the draft to the Amending Order. He stated this was not the time to include dentists, which could be problematic. He pointed out that page 2, line 10 included an amendment and clarification that a "primary care provider" means a natural person licensed or otherwise legally authorized to provide health care services. He said line 9 was changed to "services are rendered in the primary care provider's office or the patient's home" and line 12 lists three practices, namely, "in the field of pediatrics, family practice or internal medicine." He said the term "general practitioner" should be added. On line 39 the verbiage was removed relating to billing an insurer. **Senator Thayn** said the remainder of the amendments were small.

Senator Lakey and **Senator Thayn** discussed the amendments, including the change to "a natural person." **Senator Martin** wanted to know what the effect would be on the bill if line 12, which refers to pediatrics, family practice or internal medicine, was stricken. **Senator Thayn** said obstetrics and gynecology doctors would be included as primary care providers, which would add complexity to the bill. **Senator Martin** wanted to know if dentists could still provide services if they were excluded. **Senator Thayn** answered by saying if the dentists are not violating the insurance codes and the law, he thought

dentists could still provide services.

Senator Heider and **Senator Thayn** discussed the concept of a patient having a contract with a doctor and also paying for an insurance policy and the issues surrounding those items. They talked about the agreement which delineates what takes place under direct primary care. **Senator Thayn** pointed out that in the State of Washington those individuals who purchase direct primary care, pay for it with their own money and do not use insurance. For the employer the reduction is in downstream costs. The hope is that if a safe haven is created, direct primary care is enhanced and a wrap-around policy would be generated by the insurance companies.

Senator Schmidt said the phrase "of services rendered in the primary care provider's office or the patient's home" may be too restrictive. He wondered if doctors with these relationships follow patients to hospitals and if care fell under the direct medical care agreement. **Senator Thayn** said doctors can manage patient care in the hospitals.

Senator Lakey asked Senator Thayn to clarify his statement that dental should be included in the bill, but not this year. **Senator Thayn** said, "yes." **Vice Chairman Patrick** said if dental care was not included, applying insurance standards to these contracts would not be pursued this year. **Senator Thayn** said he thought direct medical care contracts are not currently regulated. He hoped this bill would help.

Senator Lee said she would like to see dentists included in the amendment, which would make primary care more clear. **Senator Thayn** stated he wanted to know where to draw the line for dentists as it relates to primary care, what it is and what it is not. **Chairman Tippets** reminded the Committee a decision would not be made at this meeting on the proposed amendments.

TESTIMONY:

Ken McClure, representing the Idaho Medical Association, spoke in favor of amending the bill and presented an amendment which is attached (see attachment 2). He said the concept was similar to what Senator Thayn proposed. He referred to the lines that were crossed out in the amendment. In Subsection 3 "which services are rendered in the primary care provider's office or the patient's home" was deleted because the definition was too narrow. The definition of a primary care provider was expanded to "or a natural person practicing in a legal form allowed by such person's license", dentistry was added, and "general practice of medicine, obstetrics and gynecology (OB/GYN)" are added. **Mr. McClure** commented that half of the women in Idaho treat their OB/GYN as their primary doctor. He expressed a concern that a provider would not be included. He stated that neither party should be able to cancel the contract without the consent of the other.

Senator Cameron stated that insurance plans under the Affordable Care Act (ACA) are required to cover maternity. He wanted to know how a pregnant woman who signed up for direct primary care would work with the regular insurance company. **Mr. McClure** said if a physician wanted to offer direct primary care to a pregnant woman she would be covered. **Senator Cameron** and **Mr. McClure** discussed maternity care. Primary care would be covered by direct primary care in this amendment. The amendment would also address non-regulation by the Department of Insurance (DOI) of direct primary care contracts. **Senator Cameron** said he wanted to prevent a future situation where a direct primary care provider crossed the line and then they could not be regulated or the consumer protected.

Senator Schmidt and **Mr. McClure** discussed the definition of "health care providers" and how the term applies to anyone who provides health care.

Senator Lakey stated he was not aware of any provision in the ACA that would prohibit the Committee from incorporating dental into this legislation. **Mr. McClure** said he thought dental could be incorporated into the legislation.

Senator Martin referred to the broad definition of "primary care provider" and wanted to know why the term should be specified. **Mr. McClure** stated the Committee and the sponsor were not in favor of a previous amendment, so that was why the definition was added.

TESTIMONY:

Julie Taylor, Director of Governmental Affairs, Blue Cross, spoke in opposition to the scope of the original bill. She indicated Blue Cross had been talking with Senator Thayn about the possibility of a wrap-around policy. A wrap-around policy can only be wrapped around a medical home or direct primary care agreement. She stated the bill is really primary care and not direct primary care. She said Blue Cross is in support of Senator Thayn's amendment.

Senator Cameron and **Senator Thayn** discussed the amendment and the provision that does not allow an individual to seek reimbursement from the insurance company. **Senator Cameron** said he could envision a patient having a direct primary care contract and an insurance policy, and he wanted to know why the patient would not be able to submit a "fee for services rendered" to the insurance company for reimbursement. **Senator Thayn** stated they were trying to gradually familiarize the insurance companies and the direct primary care providers with the bill to make them aware of the provisions. This item can be addressed at a future time.

MOTION:

Senator Lakey moved that **S 1062** be referred to the 14th Order for amendment. **Senator Martin** seconded the motion.

Senator Heider commented he likes the concept, but not the details and that a consumer may be disappointed if they had to enroll in an insurance program. He said he was reticent to move forward.

Senator Lakey said he would have preferred to have everyone agree on the same issue, and it is important to recognize direct primary care is not insurance. He wanted to continue to move forward. **Senator Cameron** said he was concerned; at what point is it important for the DOI to step in and regulate. He expressed concern about when this becomes a prepaid medical plan or assumes risk, it then should be regulated by the DOI. He remarked that when there are large expensive claims, there could be a situation where the wealthy could receive preferential treatment. He expressed a desire for both sides to agree. He remarked he was willing to move forward with an amendment, but would like to have a more consensus bill.

The motion carried by **voice vote**. Senator Thayn will carry the bill on the floor.

H 30: **Relating to Certified Shorthand Reporters.** **Roger Hales**, Attorney, Bureau of Occupational Licenses (Bureau), said this bill will allow the State Certified Shorthand Report Board (Board) to clarify permits; to correct the title of the state association; to clarify the number of permits allowed; to remove the fee for temporary permits that have been suspended or revoked; to remove the deadline for examinations; and to clarify that temporary permit holders may seek judicial review. There is no fiscal impact on the General Fund or dedicated funds.

Roger Hales, said the Board is made up of three shorthand reporters, a district judge, and a licensed attorney. The Board regulates the practice of shorthand reporting in Idaho in both a private and courtroom setting. He said the \$100 reinstatement fee, the 120-day advanced notice for the examination and the 30-day notice filing date for any person desiring to take the reporters examination prior to the exam were being eliminated.

Senator Lakey wanted to know if notice was provided under the open meeting law and **Mr. Hales** said the notice was on the website.

MOTION: **Senator Schmidt** moved to send **H 30** to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**. Senator Schmidt will carry the bill on the floor.

H 81: **Relating to Geologist Exams.** **Roger Hales**, Attorney, Bureau of Occupational Licenses (Bureau), testified on behalf of Professional Geologists. This bill will allow the Idaho Board of Registration for Professional Geologists to clarify by rule the examination process. The changes will also allow geology students to take one of the two examinations required for licensure while still in college. This is consistent with most states. The second exam is typically taken after an individual graduates and obtains certain supervised experience. There is no impact on general or dedicated funds. There has been no opposition to this bill.

Senator Schmidt and **Mr. Hales** discussed the national proprietary exam and the consistency throughout the states.

MOTION: **Senator Martin** moved to send **H 81** to the floor with a **do pass** recommendation. **Senator Lakey** seconded the motion. The motion carried by **voice vote**. Senator Lakey will carry the bill on the floor.

H 78: **Relating to Employment Security Law.** **Bob Fick**, Communications Manager, Department of Labor (Department), said that in 2013 the Legislature approved changes to Idaho Code § 72-1369 that were required by the federal Trade Adjustment Assistance Extension Act of 2011 (Public Law 112-40). The United States Department of Labor has now informed the Department that a technical correction is necessary to this language to clarify that of the civil penalty amounts collected, an amount equal to 15 percent of the total overpayment must be paid into the Employment Security Fund created by Idaho Code § 72-1346. There is no fiscal impact to the General Fund or to local government funds. He went over the monetary civil penalties outlined in the bill.

MOTION: **Senator Schmidt** moved to send **H 78** to the floor with a **do pass** recommendation. **Senator Lee** seconded the motion. The motion carried by **voice vote**. Senator Lee will carry the bill on the floor.

H 46:

Relating to Stand Alone Dental Plan. **Representative Packer** said the proposed legislation provides a definition of the term "stand-alone dental plan" and clarifies the plan is for children. Stand-alone dental plans are specifically authorized to be sold on the Idaho Health Insurance Exchange (Exchange), but the term is not defined in current law. This proposal provides necessary clarification of the term. There is no fiscal impact.

Senator Schmidt wanted to know how many dental plans were available. **Bill Roden**, representing Delta Dental, said there were plans available on the Exchange. **Jane DeLuca**, Chief Executive Officer, Delta Dental, said that within the State, almost everyone buys dental benefits as a family. She added that the technology with Your Health Idaho could not support both adults and children.

Senator Cameron indicated that anyone who purchases insurance through the Exchange is offered the opportunity to purchase stand-alone dental plans. **Senator Cameron** disclosed for the record, as a licensed agent, he sells Delta Dental insurance.

MOTION:

Senator Cameron moved to send **H 46** to the floor with a **do pass** recommendation. **Senator Martin** seconded the motion. The motion carried by **voice vote**. Senator Martin will carry the bill on the floor.

ADJOURNED:

There being no further business, **Chairman Tippetts** adjourned the meeting at 2:55 p.m.

Senator Tippetts
Chair

Linda Kambeitz
Secretary