

MINUTES
SENATE HEALTH & WELFARE COMMITTEE

DATE: Wednesday, March 18, 2015

TIME: 3:00 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Heider, Vice Chairman Martin, Senators Lodge, Nuxoll, Hagedorn, Tippets, Lee, Schmidt and Jordan

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.

MINUTES APPROVAL: **Vice Chairman Martin** moved to approve the Minutes of January 30, 2015. **Senator Tippets** seconded the motion. The motion carried by **voice vote**.

MINUTES APPROVAL: **Vice Chairman Martin** moved to approve the Minutes of February 26, 2015. **Senator Tippets** seconded the motion. The motion carried by **voice vote**.

GUBERNATORIAL APPOINTMENT: The appointment of Suzanne Budge of Boise, Idaho, as a member of the Hazardous Waste Facility Siting License Application Review Panel (Panel) for a term commencing March 6, 2015 and expiring on March 6, 2018.

Suzanne Budge stated that she had received her undergraduate and graduate degrees in geology from Utah State University and the Colorado School of Mines respectively. She has returned to Idaho to do environmental work. **Ms. Budge** indicated that she was a geologist working with a review panel put together several years ago. One of their projects was Envirosafe in the Owyhee desert and the other was at the Idaho National Engineering Laboratory (INEEL). The Panel consists of a varied group of people, and she filled one of the spots that would be needed if a project were to become involved with the DEQ.

Senator Schmidt asked if she had any recommendations for making the Panel more effective. **Ms. Budge** indicated that possibly the actual need for the Panel could be evaluated. There are very specific facilities that deal with hazardous waste and not many are in Idaho. **Senator Hagedorn** asked if Ms. Budge had ever been involved in any nuclear waste reviews. **Ms. Budge** stated that one of the proposed projects reviewed by the Panel was INEEL.

MOTION: **Senator Tippets** moved to send the gubernatorial appointment of Suzanne Budge as a member of the Hazardous Waste Facility Siting License Application Review Panel to the floor with the recommendation that she be confirmed by the Senate. **Senator Hagedorn** seconded the motion. The motion carried by **voice vote**.

Relating to Indigent Sick: Senator Schmidt indicated that this legislation concerns the "process." Senator Schmidt serves on the Catastrophic Healthcare Fund Board (Board). Applications from the counties that exceed \$11,000 are reviewed by the Board. Applying for indigency begins in the counties and payments are made at the state level. The processes are overseen by the Idaho Association of Counties on the state level, but every county has their own indigent coordinator. The statute specifies what their responsibilities are and what claims ultimately go to the State so they can have a uniform process for making the determination of what is paid. This legislation would change a part of the process that the payers and providers are hoping to clarify.

Senator Tippetts asked if Senator Schmidt was aware of any opposition to the legislation. **Senator Schmidt** replied that the Idaho Hospital Association (IHA) indicated they had not had time to get responses from all of their members. The CAT Board ultimately decides whether to make payments on the claims. This legislation would help to resolve the conflicts between the IHA and the CAT Board regarding who should be paid and how much the payment should be. **Senator Schmidt** stated that there has been significant interest in making sure that this legislation is fully vetted. Part of the reason this legislation is late in the session is because of the time requested by IHA.

TESTIMONY:

Kathryn Mooney, program director, Catastrophic Healthcare Program, began by stating that attorneys from the IHA and one of the providers were included in drafting this legislation. The focus is to streamline the program and provide consistency statewide. **Ms. Mooney** gave a history of the progression of the county payment procedures and how they eventually end up with the CAT Fund. She stated that there are about two and a half people who are basically responsible to pay the bills and go through whatever legal proceedings occur. This is a payer program, and streamlining it will ultimately save the State money. Work began on this legislation in October and there were communications with the IHA relating to their concerns during the ensuing months. This legislation would enable everyone to use the same paperwork and keep operating procedures consistent throughout the State (see attachment 1).

Chairman Heider asked if this would make the process easier and more accurate. **Ms. Mooney** responded that she thought it would. One of the main benefits would be that much of what is currently being determined in the courts would be taken care of without going through that system. Much input was given so that the language was clear, concise and made sense to all parties involved. Patients are guided through the process by either the hospital or the county. Emergency applications come from providers. They are given to Health and Welfare first for a Medicaid determination. If they do not qualify, they go to the counties. This is a combined application. Non-emergent applications can be filed at the county level, and patients or hospitals can file that paperwork.

Senator Tippetts referred to page 14 where it reads "any medical claims that are not submitted within the time frame . . . shall not be paid nor shall it be considered a debt of the applicant." He asked if that was still current practice. **Ms. Mooney** stated that the standard is that patients won't be taken to collections. The bill paying process is very long and payment is not always timely. Also, payment is not the full billed price. Payment is based on the Medicaid rate, their own reimbursement rate definition, plus a 5 percent discount. Anything that isn't paid does not become the responsibility of the patient. The statement clarifies that it applies to all bills that have to do with a particular procedure.

Senator Nuxoll asked what it means to "administer alternative care options." **Ms. Mooney** stated that the original writing of this legislation did not include the use of skilled facilities. The definition now includes rehab and some full scale interim residential facilities. That level of care is more beneficial to patients and saves the taxpayer money. **Senator Nuxoll** asked if this referred just to process as far as applying for CAT Fund aid and would not add more cost or increase in payments. **Ms. Mooney** responded there is one provision on page 16, line 48, in S 1158 from 2009 that was taken out. The commissioners who are members of the Board are the only ones who have any travel reimbursement to attend meetings. There is an operating expense of about \$7,000. Most meeting participation is done remotely, but occasionally they do travel to attend meetings. It is costly for the commissioners to do all of the travel required. Bonneville County pays for all of the chairman's travel. At some point a chairman from a smaller county may be appointed, and his county may not be able to pay for his costs. A participant from a smaller county may decline to be chairman because of these costs. The amount would still not exceed \$7,200. Operating expenses of about \$400,000 a year are paid out of the Catastrophic Healthcare Fund. This would increase that amount by about \$7,000.

Senator Lee referenced page 4, section B, line 25, and asked if that language had been used elsewhere or if it was just being clarified. **Ms. Mooney** stated that it was almost verbatim to the one above it. That one had been added to cover weight loss procedures at the suggestion of two doctors on the CAT Board. If unnecessary medical procedures are performed and complications arise, the ongoing payment of costs for those would not be necessary.

Chairman Heider thanked Ms. Mooney for her testimony.

Senator Schmidt thanked the Committee for hearing this legislation. He summarized by saying that the main thing this legislation is trying to do is combine the application process into one standard application rather than two different ones.

Chairman Heider asked if the hospital ultimately determines the cost of the care that is passed on to the Board. **Senator Schmidt** explained how the amount of the bill is arrived at. **Chairman Heider** asked if there was a checks and balance system. **Senator Schmidt** said that there is a medical review system so that when a bill is above a certain amount, it is reviewed to determine whether or what portion will be paid. He indicated there was some negotiation in this process.

Senator Nuxoll asked whether the commissioners made a determination in payment of costs. **Senator Schmidt** said that it was done at the county level. The CAT Board receives the applications from the counties that are greater than \$11,000. It is not up to the Board's determination whether the patients are able to pay their medical bills within five years. That determination goes back to the counties. **Senator Schmidt** asked the Committee to send **S 1123** to the floor with a **do pass**.

MOTION:

Senator Lodge moved to send **S 1123** to the floor with a **do pass** recommendation. **Senator Hagedorn** seconded the motion. The motion carried by **voice vote**.

ADJOURNED:

There being no further business, **Chairman Heider** adjourned the meeting at 3:42 p.m.

Senator Heider
Chair

Erin Denker
Secretary

Sharon Pennington
Assistant Secretary