

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 25, 2016

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Patrick, Vice Chairman Martin, Senators Lakey, Guthrie, Heider, Rice, Thayn, 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 Patrick** called the meeting of the Commerce and Human Resources Committee (Committee) to order at 1:32 p.m.

MINUTES APPROVAL: **Senator Guthrie** moved to approve the Minutes of February 16, 2016. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

Chairman Patrick remarked that the approval of the Minutes of February 11, 2016 was postponed until later in the meeting.

HCR 36 **Recognizing National Apprenticeship Week.** **Representative Chew** said this House Concurrent Resolution recognizes the critical importance of the registered apprenticeship program to Idaho and the nation with 130 apprentice programs serving approximately 950 apprentices in such industries as advanced manufacturing, energy, mining and timber. The Idaho State Legislature recognizes the significance of these programs in creating a qualified workforce. There is no fiscal impact on the General Fund.

Representative Chew reported there are more than 445,000 active apprentices across the country and this number continues to grow. Apprenticeship programs not only offer an education, in many cases at no or low cost, but also provide a clear career path through new skills, higher wages and opportunity for advancement. She noted that apprentices receive hands-on career training in fields such as health care, construction, information technology (IT) and many more. Apprentices received a national industry certification, which can be taken anywhere in the United States. Apprentices also receive a paycheck with built-in wage increases as new skills are learned over time.

Representative Chew said the skilled trades have led the way in developing and refining apprenticeships in America. Today, in addition to using expertise to apply apprenticeships to modern methods and skills, apprenticeship programs are partnering with businesses to offer programs that prepare workers with family-sustaining wages and the skills needed to keep pace with technology advances in today's economy.

DISCUSSION: **Senator Schmidt** asked if any Workforce Development Grants (WDG) are awarded to apprenticeship programs. **Jason Hudson**, Director, Idaho Workers' Opportunity Network, said that WDGs are not being awarded to existing apprenticeship programs in the State. Some WDG dollars are currently being used to help fund a pilot program using the models that have been developed in the traditional apprenticeship programs. Those areas are health care, high tech, IT and coding. Apprenticeships are being developed to serve some other areas of high need in the State, such as water and wastewater treatment operators.

MOTION: **Senator Ward-Engelking** moved to send **HCR 36** to the floor of the Senate with a **do pass** recommendation. **Senator Thayne** seconded the motion. The motion carried by **voice vote**. Senator Ward-Engelking will carry the bill on the floor.

H 440 **Relating to Insurance - To Provide an Exception to Require that Every Domestic Insurer Must Have and Maintain its Principal Place of Business and Home Office in Idaho.** **John Mackey**, representing the United Heritage Mutual Holding Company, said that current Idaho Code requires domestic insurers to have and maintain their principal place of business, home office and assets in Idaho. **Mr. Mackey** said this Legislation establishes certain conditions which, if met, provide an exception to these requirements for stock insurers that redomesticate to Idaho. The exceptions will allow an Idaho domestic mutual insurance holding company to acquire stock insurers located in other states and redomesticate them to Idaho without having to move the principal place of business, home office or assets to Idaho. The exception is when the majority of the stock of the insurer is owned directly or indirectly by a mutual holding company that maintains its home office and principal place of business in this State. The insurer can and shall produce the accounts and records of the insurer in their entirety in this State upon request from the Department of Insurance (DOI) Director in a form satisfactory to the DOI Director. He stated material administration and financial activities of the insurer are conducted in this State, initial evidence of which is submitted by the insurer under oath to the Director as part of the insurer's application for a certificate of authority or certificate of redomestication. At least one officer and one director of the insurer must be residents of this State and shall not be the same person. In addition to examination expenses payable by the insurer, the insurer pays all examination expenses that exceed the costs and fees necessary to examine an insurer with its principal place of business and home office in this State including without limitation, actual travel expenses, reasonable living expense allowance and compensation of employees, agents and contractors of the DOI, as determined and approved by the DOI Director.

Mr. Mackey said that adoption of this bill will aid Idaho mutual insurance holding companies to expand their business externally by acquisition of stock insurance companies headquartered in other states. This legislation adapts a 55-year-old code to a more suitable statute given the business climate that exists today for the Idaho insurance industry. Local insurance industry leaders are determined to increase their footprint in the State, not only with internal growth, but with external growth as well.

Approval of this bill will allow the entrepreneurship of innovative visionary leaders within the Idaho insurance industry to bring new insurers to the State and not just for the benefit of their own company, but for the benefit of Idaho's economy.

Mr. Mackey pointed out that provision 5(c) requires "material administrative and financial activities," which include but are not limited to Human Resources, accounting, investing, actuarial, IT and legal to be conducted in Idaho. These are all career-type job opportunities that will be available to the Idaho workforce. All of this can be done without using a single dollar of the Idaho Incentive Fund for bringing new businesses to Idaho. This bill in no way diminishes the insurer's

accountability to the DOI. Subsection 5(e) assures that even excess examination costs by the DOI will be paid for by the insurer.

DISCUSSION: **Chairman Patrick** wanted to know that after the fact, what happened if stockholders were not in the State. **Mr. Mackey** responded that most likely the State would not let that happen. **Senator Heider** wanted to know who is the "director." **Mr. Mackey** said it is the Director of the DOI.

MOTION: **Senator Heider** moved to send **H 440** to the floor of the Senate with a **do pass** recommendation. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**. Senator Winder will carry the bill on the floor.

H 367 **Relating to Morticians - Amends Existing Law to Revise License Eligibility.** **Roger Hales**, Attorney, Idaho Bureau of Occupational Licenses (IBOL), said the Idaho Board of Morticians (IBM) wants to amend the law to change the total cumulative period in which a person may serve as a resident trainee for either a mortician or funeral director. **Mr. Hales** said this bill benefits applicants. It increases the total cumulative period of time in which a person may serve as a resident trainee for either a mortician or funeral director in order to obtain the necessary supervised experience to qualify for a license. One of the qualifications to be licensed as a mortician or funeral director is that an individual must obtain one year of supervised experience as a resident trainee. During their supervised experience, a funeral director trainee must also assist in 25 embalmings. This bill allows three years in which a person may serve as a resident trainee in order to meet the requirement. The IBOL may extend this three-year period for good cause. He cited an example of a resident trainee living in a small town and that there may not be 25 funerals or embalmings in two years. **Mr. Hales** said he thought this legislation will eliminate requests for an extension.

MOTION: **Senator Schmidt** moved to send **H 367** to the floor of the Senate with a **do pass** recommendation. **Senator Thayn** seconded the motion. The motion carried by **voice vote**. Senator Schmidt will carry the bill on the floor.

H 369 **Relating to Funeral and Cemetery Merchandise and Services.** **Mr. Hales** remarked that in this bill the IBM is amending its law to require morticians or funeral directors to identify which funeral establishment is responsible to provide funeral goods or services and to maintain all documentation associated with pre-arrangement sales made by or sold by morticians or funeral directors. This change will require morticians or funeral directors to identify which funeral establishment is responsible to provide funeral goods or services at the time they are needed, and to maintain all documentation regarding pre-arrangement sales made or sold by morticians or funeral directors. This change will resolve the issue of who is responsible for the documentation for services in the event the selling mortician or funeral director sells, moves out of state or dies. Additionally, this change will provide clarification to the public regarding which establishment is ultimately responsible to provide the goods and services when they are needed.

DISCUSSION: **Senator Schmidt** wanted to know what problems were being solved by this bill. **Mr. Hales** said that a mortician is in possession of contracts (book of business) and could move out of town. This bill is an effort to be clear between a mortician and an establishment and who is ultimately responsible. Any establishment has to identify all pre-contracts they have entered into before a company can be sold. **Senator Schmidt** remarked he has seen mortuaries either sold or go out of business and pre-contracts were not honored. **Mr. Hales** said he suspects there are some violations of the law.

TESTIMONY: **James Opdahl**, IBM, said that a funeral establishment is a centerpiece in town and their records date back 100 years. Sometimes a mortuary will change hands seven or eight times during the 100 years, and each time the book of business is given to the new owner. The book of business is something to offer a prospective buyer.

Senator Schmidt wanted to know if the establishment and the mortician are one in the same. **Mr. Opdahl** said that if that person is the owner of the establishment, they could be the same. However, if the mortician wanted to retire, they would want the book of business to go with the establishment. Pre-arranged funerals is a unique piece that funeral homes work on to guarantee the future. A licensed mortician is the only one who can sell pre-arranged funerals.

DISCUSSION: **Senator Heider** said he made his own coffin and wanted to know if this legislation would preclude him from using his casket. **Mr. Opdahl** said that pre-arranging a funeral does not preclude one from building their own casket and storing it at home. Most establishments will not store a casket until it is needed. Funeral homes are not allowed to ban any family member from bringing their own casket or urn for a funeral. He reiterated this bill refers to pre-arranged funeral goods and/or services.

MOTION: **Senator Guthrie** moved to send **H 369** to the floor of the Senate with a **do pass** recommendation. **Senator Heider** seconded the motion. The motion carried by **voice vote**. Senator Guthrie will carry the bill on the floor.

H 341 **Relating to Patient Freedom of Information Act (PFIA).** **Maurice Ellsworth**, Attorney, IBOL, said this bill updates the PFIA, also referred to as IDACARE (Idaho Cares, which is the database). IDACARE was enacted in 1998 to create a publicly accessible database of information regarding specified licensed or registered health care professionals. At the time IDACARE was created, many regulatory boards did not have comprehensive publicly searchable websites. Since regulatory boards now have information about licenses available on their websites, this bill would eliminate the requirement for a separately maintained website. The bill also requires health-related regulatory boards to make certain information about licenses available on their website. This change will ultimately relieve the burden on health care professionals of reporting information in two different places and relieve the burden on the State of maintaining a separate database and website for IDACARE. The public will also be ensured access to certain information by requiring boards make it available on their websites.

Mr. Ellsworth stated that now individual boards maintain websites with certified licensure and disciplinary status. Board websites are more modern, robust, reliable and user friendly than IDACARE. Several health care professions are not listed in IDACARE. This bill requires all boards who license or register health care providers, not just those listed in IDACARE, to make health care providers' licensure status and disciplinary information available on their websites. Boards are given discretion to list other practitioner information, such as practice specialty, office address and phone, dates of original license and expiration of current license. The separate IDACARE website is eliminated by this legislation. The DOA records show that the IDACARE website has approximately 750 visits per month. The Board of Medicine reports 7,500 website visits per month, and the IBOL reports over 14,000 visits per month.

Mr. Ellsworth remarked there will be approximately \$1,700 in annual savings to the Department of Administration (DOA) and over \$12,000 in annual savings to the IBOL's dedicated funds due to elimination of the duplication of effort to support the IDACARE website. There also will be no need to redevelop the current IDACARE database and website, which is an estimated one-time cost of \$30,000 to the DOA.

Senator Schmidt declared a conflict of interest as he has to renew his medical license using IDACARE. He said this legislation is long overdue.

MOTION:

Senator Schmidt moved to send **H 341** to the floor of the Senate with a **do pass** recommendation. **Senator Thayn** seconded the motion. The motion carried by **voice vote**. Senator Thayn will carry the bill on the floor.

**MINUTES
APPROVAL:**

Vice Chairman Martin moved to approve the Minutes of February 11, 2016. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

ADJOURNED:

There being no further business, **Chairman Patrick** adjourned the meeting at 2:15 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary