

MINUTES  
**HOUSE HEALTH & WELFARE COMMITTEE**

**DATE:** Wednesday, February 07, 2018

**TIME:** 8:00 A.M.

**PLACE:** Lincoln Auditorium

**MEMBERS:** Chairman Wood, Vice Chairman Packer, Representatives Perry, Vander Woude, Redman, Blanksma, Hanks, Kingsley, Zollinger, Wagoner, Chew, Rubel

**ABSENT/  
EXCUSED:** None

**GUESTS:** The sign in sheet will be retained in the committee secretary's office until the end of the session. Following the end of the session, the sign in sheet will be filed with the minutes in the Legislative Library.

**Chairman Wood** called the meeting to order at 8:01 a.m.

**H 464:** **Russ Barron**, Director, Idaho Department of Health and Welfare (DHW), presented an overview of **H 464**.

**Dean Cameron**, Director, Department of Insurance (DOI), said this legislation's goals are to assist both those priced out of coverage by lowering insurance costs and those who were left out by waiving the Obamacare laws. These are hardworking individuals who may not be able to afford insurance for a variety of reasons.

The Idaho Health Care Plan, explained **Director Barron**, allows DHW and the DOI to submit federal waiver applications to provide both insurance coverage for Idahoans below 100% of the federal poverty level (FPL) and temporary Medicaid coverage for the sickest population. This will reduce health insurance premiums for everyone on the individual market and balance the risk pool for long-term sustainability of the insurance markets.

**Director Cameron** stated carriers, taking losses due to high claims and low premiums, are not allowed to ask for rate increases and use other lines of coverage or reserves to cover their losses. With a \$200M claims reduction from this legislation, carriers would be required to reduce their rates by 20%.

Regarding Medicaid expansion, **Director Barron** said, had it been selected, 90k to 100,000 Idahoans would have been added to Medicaid, with 90% initial cost coverage and no program caps. The Idaho Health Care Plan will add 2,500 to 3,500 individuals with high-cost conditions to Medicaid under the 1115 Waiver. Physicians will be reimbursed at Medicaid rates.

By removing enough high-cost claims from the individual market, a reduction of rates will occur to offer coverage under the 1332 Waiver. The 1115 Waiver can be amended for the actual number of persons transferred to Medicaid.

**Director Cameron** stated without passage of **H 464**, low income families will continue without affordable comprehensive care and middle income families will continue to be priced out of the marketplace. Carriers will continue to see losses and will withdraw from the marketplace. **H 464** helps Idaho avoid the problems experienced by other states.

Answering questions, **Director Cameron** said Idaho has five remaining insurance carriers, with four selling on the exchange. One carrier has already left the state and two are considering reducing their state footprint. Carrier boards are saying they can no longer use other business lines to subsidize the individual market place.

Invited to answer a question, **Lori Wolff**, Deputy Director, DHW, said the Centers for Medicare and Medicaid Services (CMS) requested a review of all high-cost conditions and with a Medicaid provider match. The report showed over 90% of the providers in those categories accept Medicaid.

**Director Cameron**, responding to questions, remarked the waiver provides the management capability not found in Medicaid expansion. Preventive care is part of both market place insurance and Medicaid. The Executive Order focuses on basically healthy middle-income Idahoans unable to receive a subsidy and coverage. **H 464** focuses on low income individuals who, even with a 30% rate reduction could not afford the insurance. Any claims reduction benefits are passed to the consumer through rate reductions.

**Director Barron**, answering questions, said some individuals will move from Medicaid back to private insurance when their health is restored.

Responding to a question, **Ms. Wolff** explained the 1115 Waivers have a five-year term, with reapplication. During the waiver duration, reports to CMS demonstrate cost, budget, and eligibility remain within the waiver confines.

Individuals testifying in support of **H 464** were: **Norma Duarte; Aubrye Spence; Virginia Baloo; Bernice Galinas; Jessica Rachels; Cheryl Slaven; Casey O'Conner; Ania Seline**

They shared their stories. Employers do not always cover family members. The trauma of surgery and billing struggles can be worse than the actual accident. This legislation provides a chance to move from a Catastrophic Fund (CAT) only plan to marketplace coverage. Care management allows early intervention and preserves the families. Caregivers deal with their own medical issues, costs, and any illness' impact on their families.

Individuals testifying on behalf of organizations in support of **H 464** were **Yvonne Ketchum**, CEO, Idaho Primary Care Association; **Daniel Stone**, Shoshone Bannock Tribes; **Sylvia Chariton**, President, Boise Area Branch, American Association of University Women of Idaho; **Jim Baugh**, Executive Director, Disability Rights Idaho; **Brian Whitlock**, President, Idaho Hospital Association; **Mel Leviton**, Director, State Independent Living Counsel; **Doug Frye**, Strategic Employee Benefit Services; **Elinor Chehey**, League of Women Voters of Idaho; **Lauren Necochea**, Idaho Voices for Children; **Susie Pouliot**, Idaho Medical Association; **Tom Lamar**, Chair, Latah County Commission; **Deborah Parsons**, Chairman, Idaho Council on Developmental Disabilities, Executive Director, Senior Center, Driggs, Idaho; **Andrew Kukla**, Pastor, First Presbyterian Church, Board President, Interfaith Quality Coalition; **Mike Reynoldson**, Vice President, Public Affairs, Blue Cross of Idaho.

They stated **H 464** allows better care and funding in conjunction with the Indian Health Services (IHS). Economic security is tied to affordable health care, especially for women who face loss of insurance when widowed or divorced. Medicaid access provides personal services not covered by insurance companies. Hospitals may see a reduction in their bad debt numbers, although they will face some reimbursement loss. Living at or below the FPL is off the state's radar until something critical happens. Approximately 94% of state physicians participate in Medicaid. Counties, as payor of last resort, use property tax monies for what they cover and pass the rest to the state CAT Fund. Seniors are concerned their elected representatives neither know nor care about them. Medicare does not cover all members within a family and not all needed services.

Testifying **in support** of **H 464**, except for the work requirements, were: **Adrienne Evans**, Executive Director, United Vision of Idaho; **Jennifer Zielinski**, Director, Idaho Anti-trafficking Coalition; **Heather Kimmel**, Executive Director, American Lung Association, Idaho; **Frank Monasterio**, Self; **Joy McKennon**, Idaho Chapter, National Organization for Women.

They asked for removal of the work requirement and its paperwork hurdles. This legislation will improve healthcare spending, reduce the state indigent spending, and provide local and county government savings. An inability to obtain and afford medical treatment can lead to an inability to work, death, and the cessation of families.

Testifying **in opposition** to **H 464** were: **Fred Birnbaum**, Idaho Freedom Foundation, and **Jinny Tetersen**, Health Freedom Idaho.

They stated this legislation is an expansion of Medicaid. The dual waivers are at cross purposes to the Governor's Executive Order, a shift in costs, and a bail out for insurance carriers. There are no guarantees carriers will lower their costs. Not only are extremely vulnerable persons forced into a worse healthcare situation, but their personal medical information is shared.

**MOTION:** **Vice Chairman Packer** made a motion to send **H 464** to the floor with a **DO PASS** recommendation.

Answering a question, **Director Cameron** said personal medical information sharing remains between the physician and insurance carrier. **Director Barron** further answered, the DHW would receive only referral, not medical, information for persons eligible for Medicaid.

**SUBSTITUTE MOTION:** **Rep. Kingsley** made a substitute motion to **HOLD H 464** in committee until time certain, at the discretion of the chair.

**ROLL CALL VOTE:** Roll call vote was requested on the substitute motion. **Substitute motion failed by a vote of 5 AYE, 7 NAY. Voting in favor** of the motion: **Reps. Vander Woude, Blanksma, Hanks, Kingsley, Zollinger. Voting in opposition** to the motion: **Reps. Wood, Packer, Perry, Redman, Wagoner, Chew, Rubel.**

**ROLL CALL VOTE:** Roll call vote was requested on the original motion. **Motion carried by a vote of 7 AYE, 5 NAY. Voting in favor** of the motion: **Reps. Wood, Packer, Perry, Redman, Wagoner, Chew, Rubel. Voting in opposition** to the motion: **Reps. Vander Woude, Blanksma, Hanks, Kingsley, Zollinger. Chairman Wood** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 11:20 p.m.

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Representative Wood  
Chair

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Irene Moore  
Secretary