

MINUTES
HOUSE HEALTH & WELFARE COMMITTEE

DATE: Wednesday, March 20, 2019

TIME: 8:00 A.M.

PLACE: Lincoln Auditorium and EW42

MEMBERS: Chairman Wood, Vice Chairman Wagoner, Representatives Vander Woude, Gibbs, Blanksma, Kingsley, Zollinger, Christensen, Green(2), Lickley, Chew, Rubel, Davis

**ABSENT/
EXCUSED:** None

GUESTS: The sign-in sheet will be retained with the minutes 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 Services Library.

Chairman Wood called the meeting to order at 8:03 a.m.

Chairman Wood welcomed everyone and explained the rules of decorum. He said the meeting will recess at 10:20 a.m. and reconvene at 12:30 p.m. in room EW42. Anyone wishing to testify must sign in by 10:00 a.m.

H 277: **Rep. John Vander Woude**, District 22, presented **H 277**, which is similar to **H 249**. Differences include work requirements of twenty hours per week averaged on a monthly basis, which includes training or volunteering. Exemptions have been detailed. A waiver is requested to retain persons on the exchange who fall within the 100% to 138% federal poverty level (FPL).

Answering questions, **Rep. Vander Woude** said the work requirement does not preclude Medicaid application. The Department of Health and Welfare (DHW) would determine the substance abuse exempting treatments and other ways to help these individuals. Persons who are eligible but have not availed themselves of the exchange would be included in the waiver. The Institutions for Mental Diseases (IMD) waiver would allow Medicaid payments to hospitals already treating mental health patients. The use of Planned Parenthood as a primary care provider is not prevented. Many persons, beyond the working poor, would fall under the work requirements.

Fred Birnbaum, Idaho Freedom Foundation, testified **in support** of **H 277**. He stated the out-of-control growth of traditional Medicaid requires ways to curb costs for any program designed for the most needy. The work requirements are not onerous. The exchange has low cost plans.

Testifying **in opposition** to **H 277** were **Samantha Kenney**, United Way Treasure Valley; **Dena Duncan**, Self; **Mark Schlegel**, Pastor, Hyde Park Mennonite Church; **Don Kemper**, Self; **Lori Burelle**, Southwest Idaho Chapter, National Organization for Women; **Dr. Ryan Milne-Price**, Self; **Tracy Olson**, Self; **John Glick**, Self; **Dr. Mary Barinaga**, Immediate Past President, Idaho Rural Health Association; **Cay Marquart**, Self; **Lupe Wissel**, American Association of Retired Persons; **Ian Bott**, Self, Developmental Disabilities Council; **Kathie Garrett**, Self; **Carl Isaksen**, Self; **Brenda Foster**, Self; **Sam Sandmire**, Self; **Dr. Laura Tirrell**, Family Practice Physician; **Christine Pisani**, Executive Director, Idaho Council on Developmental Disabilities; **Dr. Mark Maring**, Self; **Neva Santos**, Executive Director, Idaho Academy of Family Physicians; **Susie Pouliot**, CEO, Idaho Medical Association; **Rita Sherman**, Self; **Roberta Damico**, Self; **Rebecca Schroeder**, Executive Director, Reclaim Idaho; **Alicia Abbott**, Volunteer, Reclaim Idaho; **Brie Katz**, Self; **Marilyn Sword**, Idaho Caregiver Alliance; **Dr. Andrea Christopher**, Idaho

Doctors and Nurses for Health Care; **Brian Whitlock**, President, Idaho Hospital Association; **Diane Jensen**, Self.

They stated medical care is necessary before persons can be healthy enough to work. This legislation does not translate the public will expressed by Proposition 2. The vague legislative review is a prelude to repeal. Rural residents are older, sicker, and die younger. The fiscal cost is confusing. Too much authority may be given to the Executive Branch. We need to respect time, which is our most valuable asset and a measure of our quality of life.

With only four employment training centers, rural workers will have long drives. Unexpected circumstances or injuries would remove persons from coverage. Persons unemployed due to medical conditions want to work, not take advantage of the system. Rural areas face internet and phone access communication issues. The work requirements have a negative impact for individuals fifty years of age and older who may be over qualified.

This legislation limits a doctor's scope of care. Without insurance, prescriptions are not retrieved and hospital costs become unpaid care. Ninety-three percent of family physicians want an unmodified Medicaid expansion. Physicians would be spending time with paperwork instead of discussing medications, health management, and improved care with patients.

The family planning provision targets women and creates a silo of care, which is contrary to the medical home care model.

The use of the exchange needs to be optional. The exchange health plans may not include the Affordable Care Act (ACA) stipulated coverage. If one spouse has employer coverage, the ACA exchange plans do not allow insurance purchases by the non-covered spouse.

Persons with mental health conditions may be confused by forms, receive non-qualifying letters, and go into crisis. The legislation refers to persons with disabilities as physically and intellectually "unfit," which is old terminology used when they were considered throwaways and kept in institutions. Insurance does not cover all of the Medicaid behavioral health (BH) services they now receive.

Individuals may not be comfortable and forthcoming with the health assessment questions. Persons dropping out of substance abuse programs still need coverage.

The retroactive decrease will shift costs to the counties. Persons anticipating non-qualification would have no incentive to seek Medicaid coverage. Veterans, who are already struggling with Veterans Affairs (VA) requirements, would lose coverage. Family caregivers and direct care workers play a critical role in healthcare. There is no delineation regarding which parent is considered the caregiver.

Chairman Wood called a recess of the committee at 10:22 a.m. to reconvene in EW42 at 12:30 p.m.

Chairman Wood reconvened the meeting at 12:34 p.m.

Testifying in opposition to H 277 were **Reverend Andrew Kukla**, First Presbyterian Church, President, Catch Inc., Interfaith Equality Coalition; **Sylvia Chariton**, American Association of University Women; **Deborah Silver**, Self, Certified Public Accountant; **Kay Hummel**, Self; **Sasha Pierson**, Policy Analyst, Idaho Fiscal Policy; **Hillarie Hagen**, Idaho Voices for Children; **Dr. Jordan Urbanek**, Self; **Diane Schwarz**, Self; **Chris Stroh**, Self; **Carmel Crock**, Self; **Nichole Stall**, Self; **Caroline Merritt**, Close the Gap, Idaho; **Ceci Thunes**, Idaho Behavioral Health Alliance; **Michael Richardson**, Self; **Rachel Sjoberg**, Self; **Jeannie Peterson**, Self; **Gil Aroutet**, Regional Council of Carpenters; **Jim Baugh**, Disability Rights Idaho; **Patti Raino**, Self; **Laurie DuRocher**, Self; **Dr. Alicia Carrasco**, Idaho Chapter, American College of Physicians; **Dr. Cynthia Brooke**, Self; **Karah Parker**, Self; **Dr. Lee Binnion**, Emergency Room Physician, St. Alphonsus, Idaho College of Emergency Physicians; **William Brudenell**, Self; **Gwen McElhaney**, Self; **Adam Olson**, Self; **Dr. Ingrid Bruneau**, Self, Idaho Nurses Association

What we've been doing is the most expensive method. Clean expansion would not add these costs to track 8,000 non-exempted Idahoans. A full expansion will improve rural communities, counties, and critical access care hospitals, who are struggling. Living without healthcare impacts purchasing food, gasoline, when debts are paid, paying for school fees, and choices of when or if to seek medical care. No one chooses to be or stay in this situation. The government's role to care for people is humane and a net benefit to society. The will of the people is the highest voice of the government.

The work requirements will result in persons floating in and out of coverage. Only 13% of the target individuals are expected to successfully navigate the requirements. Additional DHW staffing costs will be required. Rural employers will have to provide the necessary hours, which may not happen. Loss of coverage creates a cycle of stress, illness, and impacts a person's ability to work. Other states have pending court cases for their work requirements. Current work requirement websites, unavailable from 9 p.m. to 7 a.m. for scheduled maintenance, are not compatible with smart phones. Some industries are subject to elements beyond their control, such as the economy, weather, and scheduling. Incarceration can impact a person's ability to find work. Victims of crime, already in crisis, are adversely impacted by the requirements.

Family planning referrals will impact OB-GYN primary providers. The hospitals will experience financial damage due to the retroactive timeframe. Doctors, who are in short supply, may chose against settling in Idaho when they review if they can provide effective care and practice to their full scope. Barriers make doctor visits less likely.

Do not assume the exchange plans are affordable. No state has received approval for the enhanced match for the 100-138% FPL group. Exchange policies do not provide adequate BH services to keep persons with severe and persistent mental illness out of hospitals and jails.

Rep. Vander Woude, in his closing statement, said H 277 is a responsible way to implement Proposition 2. The work requirements are lighter than the Supplemental Nutrition Assistance Program (SNAP), which have worked well.

In response to questions, **Rep. Vander Woude** stated because the tribes are considered a separate nation, the work requirement cannot be applied to them. Eligible for Medicaid expansion, they would have to make their own work requirements. Arkansas work requirements excluded persons for a full year and required electronic filing. This legislation is an honest effort for treatment and care. The exemption continues when unemployment is collected. The DHW will make determinations, as is done with SNAP.

There is no intention to create a secondary gap population. After January 2020 there will be a program review with possible changes. Without the waiver to allow persons to remain on the exchange, the \$10M savings would not happen, increasing the expansion cost. The implementation date was selected to allow for the necessary waiver and program set up. Utah did not take this step and has a 70/30 rate until their waivers are approved.

Lori Wolff, Deputy Director, DHW, and **Lisa Hettinger**, Deputy Director, DHW, Division of BH and Medicaid, were invited to answer questions.

Ms. Wolff said the weekly hours are averaged monthly, with monthly reporting. Twenty hours per week at the minimum wage, even if all paid during one week of the month, would meet the requirement. Although there are four employment and training centers, a lot of activity can be done over the phone to minimize travel time. There are 13,000 individuals who are eligible, but not participating, in the exchange. Proof of self-employment includes income evidence. Persons not filing tax returns are asked to provide income statements.

The fiscal note staffing estimates were based on the approximate 47,000 individuals who will be reporting and require eligibility determinations. There is an initial cost for the 1115 waiver and no waiver management costs.

Ms. Hettinger answered additional questions. The initial retroactive eligibility waiver cost is estimated at \$27,000 plus \$8,500 for annual maintenance. The family planning waiver will cost \$27,000 initially and \$81,200 for annual maintenance.

Ms. Hettinger said there are one-time and annual costs for the automated system programming and maintenance. Three additional full time personnel (FTP) are requested. These two items are requested in the 2020 budget as \$265,700 annual and \$23,600 one-time costs. Proposition 2 was written to allow access to the 90/10 split, although Medicaid administration and staffing would be at a 50/50 split.

Ms. Wolff commented most of the expansion challenges in other states have been the fall out due to the reporting requirement. Both Ms. Wolff and **Ms. Hettinger** agreed to provide the committee with a compilation of the costs for a clean Proposition 2 implementation.

MOTION:

Rep. Blanksma made a motion to send **H 277** to the floor with no recommendation.

Speaking to her motion, **Rep. Blanksma** said this is a large issue which bears debate and discussion as a full body. Constituents from non-metro areas have indicated they are not as passionate to expand Medicaid and spend tax dollars in this manner.

Rep. Chew, speaking **in opposition** to the motion, expressed concern for the unintended consequences and the lack of fiscal note clarity. There is a need for additional committee discussion.

Ms. Wolff said implementing a clean Proposition 2 expansion would require three additional FTP. With **H 277** 22 additional FTP would be required.

SUBSTITUTE MOTION:

Rep. Rubel made a substitute motion to **HOLD H 277** in committee.

Speaking to her motion, **Rep. Rubel** said this creates a secondary gap of 20,000 people, which was not a part of the November vote. It is an expensive gutting of the proposition the people passed.

Rep. Green(2), speaking **in support** of the original motion, stated in this eleventh week of the session we are no further along and it is time to get the bill on the floor to find out the will of the body. He said this is a good motion; but, he may not support the bill on the floor.

Jim Baugh, Disability Rights Idaho, was invited to answer a question. Individuals with serious and persistent mental illness who fall within the 100-138% FPL will no longer have access to Medicaid community services. The exchange products only cover anxiety or a single episode for acute and short term mental problems. Without community supports, they are endanger of deterioration, falling into a crisis, and winding up in hospitals, jails, or emergency rooms. Although the intention was for these individuals to have an exemption, the specific language does not include them.

MOTION: **Rep. Zollinger** made a motion to call for the previous question. **Motion carried by voice vote.**

ROLL CALL VOTE ON MOTION: Roll call vote was requested. **Motion carried by a vote of 10 AYE and 3 NAY.** **Voting in favor** of the motion: **Chairman Wood, Reps. Wagoner, Vander Woude, Gibbs, Blanksma, Kingsley, Zollinger, Christensen, Green(2), Lickley.** **Voting in opposition** to the motion: **Reps. Chew, Rubel, Davis.**

VOTE ON SUBSTITUTE MOTION: **Chairman Wood** called for a vote on the substitute motion to **HOLD H 277** in committee. **Motion failed by voice vote.** **Reps. Davis, Rubel, and Chew** requested they be recorded as voting **AYE.**

VOTE ON ORIGINAL MOTION: **Chairman Wood** called for a vote on the original motion to send **H 277** to the floor without recommendation. **Motion carried by voice vote.** **Reps. Davis, Rubel, and Chew** requested they be recorded as voting **NAY.** **Rep. Vander Woude** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 3:13 p.m.

Representative Wood
Chair

Irene Moore
Secretary