MINUTES

SENATE HEALTH & WELFARE COMMITTEE

DATE:	Wednesday, March 27, 2019
TIME:	1:00 P.M.
PLACE:	Room WW54
MEMBERS PRESENT:	Chairman Martin, Vice Chairman Souza, Senators Heider, Lee, Harris, Burtenshaw, Bayer, Jordan, and Nelson
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 Martin** called the meeting of the Senate Health and Welfare Committee (Committee) to order at 1:00 p.m.
H 277	**Representative Vander Woude** presented **H 277**, relating to Medicaid expansion sidebars, and highlighted key differences between **S 1204** and this bill. **H 277** has a mandatory work requirement and the Senate bill has a voluntary work requirement. The House bill requires the recipient to work 20 hours per week at minimum wage. If pay is above minimum wage, the hours requirement drops accordingly. To satisfy the work requirement, a recipient must earn approximately $600 per month. If one does not meet the work requirement, they are directed to a training program to help secure that employment requirement. There has been some discussion about introducing a trailer bill to change this bill's monthly reporting to every six months to align with the Supplemental Nutrition Assistance Program (SNAP). The bill includes similar exemptions found in SNAP; for example, those caring for a child under the age of six are exempt from the work requirement and one spouse remains exempt until the child is 18. If one does not meet the work requirement, does not enter the training program, and is subsequently dropped off Medicaid, one can reapply to receive Medicaid after two months. The other major difference between the two bills that this one seeks a waiver to allow those from 100 to 138 percent of the poverty rate to stay on the health exchange. Currently, there are about 19,000 to 20,000 Idahoans in that range that are on the exchange while receiving a government subsidy. This bill hopes to keep them on the exchange to save the State a substantial amount of money by having the federal government subsidize their insurance. It is understood that it will prove difficult to secure that waiver, but he believes this is a good piece of legislation.
DISCUSSION:	**Vice Chairman Souza** asked for details about Maximus, the company that will provide oversight to this work requirement. **Representative Vander Woude** reported that it is the company used by the Department of Health and Welfare (Department) to monitor work requirements for SNAP. **Vice Chairman Souza** shared her own understanding of the company. Maximus is a nationwide employment agency that contracts with the Department. They charge for very basic administrative costs only. Profits are realized when they demonstrate positive outcomes for their clients. Maximus assesses an individual's skills, their background and experience, what they are good at, and what they like to do. They assist in developing soft skills, such as how to interview and present themselves to a potential employer. Further, they provide specific job training and Maximus does not receive their commission until that individual is successful in completing a job training program, education program, or has successfully secured employment.

Senator Jordan raised concerns about the waiver plan to keep those in the 100-138 percentile on the health exchange. That waiver has never been approved for another state. If that waiver is somehow approved for Idaho, this bill limits the choice of plans on the exchange for that population, and in subsequently removing them from the Medicaid expansion group, Idaho will drop from its 90/10 percent match rate down to a 70/30 rate. **Representative Vander Woude** replied that it does not increase cost for those below 100 percent of the federal poverty level and all policies are in compliance with the Affordable Care Act (ACA).

Senator Jordan asked for clarification on language that will purportedly defund Planned Parenthood, in response to an outpouring of constituent contact. She stated the language appears to impose undue bureaucracy in accessing family planning services. **Representative Vander Woude** deferred to Representative Blanksma. **Representative Blanksma** stated that the intent of the language is to create cost savings through managed care by keeping people in their patient-centered medical home. In follow up, **Senator Jordan** queried if a person's patient-centered medical home happens to be a Planned Parenthood clinic, would they have to leave their patient-centered medical home to go to another doctor, to get a referral back to their clinic. **Representative Blanksma** explained that the Department determines the qualification for a patient-centered medical home. It is intended to be part of the managed care program to realize cost savings and most family planning services can be found within a patient-centered medical home. This is basically a test to see if a referral system can continue to show cost savings for Idaho by maintaining managed care and the patient-centered medical home.

Senator Jordan asked, regarding the waiver to limit retroactive eligibility from 90 days to 30 days, if there were estimates on how many people would be impacted and potentially pushed into significant financial difficulty. **Representative Vander Woude** stated that the bill includes the 30-day limit to encourage quick enrollment to avoid a catastrophic event, and instead beginning primary care to potentially avoid that outcome.

Senator Jordan cited text in the bill that states, "the Director of the Department of Insurance (DOI) shall limit the choices of qualified health plans to ensure cost effective coverage" and asked what that refers to. **Representative Vander Woude** responded that it is to limit liability to the federal government on the tax credit.

Senator Jordan inquired why the bill specifically references Native Americans. **Representative Vander Woude** explained that the tribal nations are exempt from certain state requirements. Further discussion ensued regarding match rates, effective dates, definitions, parameters for hours worked, and hourly wages to meet the work requirement.

Senator Nelson noted in regard to the waiver limiting enrollment to 30 days, that the population has proven difficult to communicate with in other states. In Arkansas, many fell off Medicaid because of the work requirements due to communication failures, and he wondered if this bill dedicated any funds to enhance communication with those enrollees toward the goal of getting them into preventive care earlier. **Representative Vander Woude** stated that this legislation assumes that everyone is eligible and if someone signs up, they will be informed of any guidelines that apply when they sign up.

Senator Nelson expressed concern regarding the reduced match rate risk associated with the waiver application, noting that the authority to grant a waiver appears to be inconsistent with federal statute and that no state with a waiver has retained its 90/10 match rate. **Representative Vander Woude** stated that it is worth asking, although the Department has confirmed that obtaining the waiver would be difficult.

Senator Jordan asked, regarding the exemption for the tribes, if anyone involved in drafting this legislation reached out to the tribes. **Representative Vander Woude** replied that he was not aware of that happening.

Senator Jordan asked Representative Vander Woude for the cost to administer the work requirements. **Representative Vander Woude** reported that the cost is estimated at $2.6 million.

Chairman Martin requested a Department opinion on limiting health plan choices to ensure cost effective coverage.

Lori Wolff, Deputy Director, Department of Health and Welfare, interpreted the bill as asking to expand Medicaid to 100 percent of the federal poverty level, with individuals over 100 percent then eligible to receive a tax credit and purchase insurance on the exchange. If Idaho is approved for that waiver, those individuals could stay on their current insurance plan. Her understanding of the language referencing limiting health plan choices is that it refers to the DOI and their role in approving plans as those rates are submitted to the DOI. The ACA states that those who are not eligible for Medicaid are eligible for a tax credit, and those tax credits can only be used to purchase private, qualified health plans.

Senator Nelson revisited the 30-day retroactive waiver that creates two different Medicaid populations with different waiver links: our existing population at 90 days, and a new population with 30 days. He asked if that cost has been calculated into the cost of administering two different limits. **Lisa Hettinger,** Deputy Director, Department of Health and Welfare, responded that the retroactive eligibility change would apply to the entire Medicaid population. However, to change what is currently in federal code would include costs for the Department to draft the waiver and come to an understanding with the federal government around budget neutrality, administer the waiver, and report back to them. Those costs were not incorporated into the fiscal note for this bill.

Chairman Martin recommended the Committee review materials provided electronically and in print, specifically from the Idaho Center for Fiscal Policy, the Idaho Medical Association, and an opinion from the Attorney General's Office. He then invited testimony.

TESTIMONY:

Alex Lebeau, President, Idaho Association of Commerce and Industry (IACI), testified in opposition to **H 277**. Regardless of whether people are covered by Medicaid or if they are somehow left out, costs are borne by the state taxpayers through the indigent and catastrophic funds while Idahoans pay federal taxes specifically designed to go to this particular program. Taxpayers pay for this program multiple times without getting a return on that investment and IACI does not consider that an efficient way to manage. A top priority for IACI is workforce enhancement, however those that choose not to work are still going to require healthcare. They are still going to get into accidents, get diseases, and go to the hospital and with the current system, those costs are not reimbursed. IACI opposes this particular bill because it creates a secondary gap and there are other, better ideas proposed that will help people more effectively.

Fred Birnbaum, Idaho Freedom Foundation, testified in support of the bill, stating Proposition 2 passed, but there is an ancillary piece that goes back to the fiduciary duty of this Legislature to fund this program appropriately. **H 277** is the first step in a needed reform package.

Frank Monasterio, Society of St. Vincent de Paul, testified in opposition to the bill. **Mr. Monasterio** reported that the United States is the only industrialized democracy that allows its citizens to die or go bankrupt over medical treatment. On November 6, 2018, Idaho voters did something about it. They passed Proposition 2 to expand Medicaid coverage as allowed by federal law. **H 277** is expensive, bureaucratic, and litigious. It undermines the will of the voters with the likely result that the gap will remain with many uncovered, and Idahoans will continue to be double taxed to sustain indigent and catastrophic care funds (see Attachment 1).

Christine Pisani, Executive Director, the Council on Developmental Disabilities (Council), testified in opposition to this bill. There are currently about 5,000 direct care workers who do not have access to affordable health insurance. About 4,000 of all direct care workers in Idaho earn less than an annual income of 138 percent of federal poverty level for an individual, which equates to about $12,000 annually. Given this income level, they are forced to make decisions to pay for rent, food and utilities, and forgo healthcare coverage. Even with the subsidy, high deductibles weigh into their decision to see a doctor for preventive care. Excluding this segment of our workforce from Medicaid coverage will only add to a secondary coverage gap. A healthy direct care workforce matters for all of us, not just the staff in this category. Each of us may have a family member who benefits from their services. This important workforce makes so little in wages, and their work is so undervalued that we currently have a direct care worker shortage. This segment of our workforce are often the unsung heroes who assist individuals to stay in their homes, with their families, and avoid costly institutional living options (see Attachment 2).

Christa Rowland, Director of Community Impact for United Way of Treasure Valley (United Way), spoke in opposition to the bill. The fiscal impact to taxpayers exceeds $30 million to set up and manage new bureaucracy. United Way has on-the-ground experience in many states that have included mandatory work reporting requirements that triggered a secondary gap, especially in rural communities and areas where seasonal agriculture and tourism are dominant industries. Volunteer programs have not provided the viable option state legislatures anticipated. Nonprofit organizations do not have the infrastructure to manage, coordinate, track, and report volunteer hours as demanded by the Medicaid reporting requirements. The idea may look good on paper, but does not lead to success in reality.

Joseph Schueler spoke in opposition to the bill on behalf of the low income families he has worked with for over 16 years in Canyon County. **H 277** undermines what Idaho voters sought to create while burdening our state with unnecessary cost. He asked the Committee to consider the tertiary savings of a fully-implemented Medicaid expansion to fill the gap that is currently wreaking havoc on communities and individuals stuck in situations not of their own choosing. Those in a difficult position are rarely the perpetrators of the acts that placed them there. The vulnerable in our communities suffer the most for decisions made outside their control, like disability or catastrophic accident. **Vice Chairman Souza** asked Mr. Schueler if he reviewed the bill and its long list of exemptions, including care of a disabled relative or child. **Mr. Schueler** explained that when a family is in crisis, they often lose some ability to function normally. Adding another layer of bureaucracy will make it that much harder for them to access care and this should be carefully considered since this demographic is already fragile.

Kay Hummel spoke in opposition to the bill, stating there is no precedent for success in this approach. **H 277** will remove about 32,000 Idahoans in the gap and will cost $32 million more than unmodified implementation. Three states are in litigation over their work requirements and Idaho should not go down that expensive lawsuit path. The expected savings from unmodified expansion would reduce the use of indigent and catastrophic funds. Instead, those funds will be called upon again and again, when sick, uninsured citizens end up in hospitals, with uncompensated care, especially stressing rural hospitals. She expressed consternation that legislators who are conservative on budget matters now endorse **H 277**.

Sasha Pearson, Policy Analyst, Idaho Center for Fiscal Policy, testified in opposition to the bill. One specific provision to deny Medicaid coverage for people with incomes between 100 and 138 percent of federal poverty level has severe fiscal implications for the state, because it jeopardizes the enhanced federal match offered under full Medicaid expansion. There is no precedent for a partial Medicaid expansion with the enhanced match rate. Massachusetts and Arkansas both requested permission to continue to receive the enhanced match and lower eligibility to 100 percent of the federal poverty line, but their requests were denied. In 2018, Wisconsin also submitted a waiver to expand to just 100 percent of federal poverty level and was approved at their regular Medicaid matching rate only. Utah recently submitted a partial expansion waiver at the state's regular rate, rather than the enhanced rate of 90/10. Utah may have hopes about receiving a 90/10 match rate in the future, but took care to budget for the most realistic outcome, while **H 277** reverts to full Medicaid expansion. If Idaho's waiver is rejected, it creates a far worse financial picture for the state that would then pay three times as much per person covered. In addition, the bill would decrease savings brought about by Medicaid expansion because fewer people will be covered, with caps on behavioral health services and substance use disorder services (see Attachment 3).

DISCUSSION: **Vice Chairman Souza** cited language in the bill that states if the waiver is not received prior to January 1, 2020, the population on the exchange would be moved into the full Medicaid expansion and asked Ms. Pearson if she felt it would still threaten the 90/10 match rate. **Ms. Pearson** replied that the language in the bill is not as clear as would be required to uphold that intent.

TESTIMONY: **Hilary Hagen** , Close The Gap Idaho, spoke on behalf of the many Idahoans in the gap, in opposition of **H 277**. There are only four employment and training centers across Idaho, making it impossible for many Idahoans to participate and meet reporting requirements. She shared compelling stories of Idahoans who struggled working inconsistent hours, with untreated health conditions, or who were displaced by sudden loss or crime (see Attachment 4).

Christine Tiddens, Idaho Voices for Children, spoke in opposition to the bill. Not all parents between 100 and 138 percent of the federal poverty level are eligible for financial assistance on the exchange due to what is referred to as the "family glitch." Eligibility to receive financial assistance through tax credits on the exchange is not solely determined by income, it is also based on whether a family has access to affordable employer-sponsored insurance. The definition of affordable as stated in the ACA is based on the cost of coverage for the employee alone and does not take into consideration the higher cost of a family plan. **Ms. Tiddens** used the example of a family of five that makes about $35,000 annually and falls just above the poverty level. The father works full time and receives employer-sponsored insurance and an affordable premium. While the employer offers coverage for his dependents, that cost is left to the family. The father's coverage makes the entire family eligible for tax credits on the exchange. While his kids can enroll in the Children's Health Insurance Program, the cost of adding his wife to his coverage plan would be hundreds of dollars a month, insurmountable on his low income. Medicaid expansion provides a coverage option for this mother. Under **H 277**, the

mother will have no coverage option due to this glitch. Thousands of Idaho parents could be impacted if Medicaid is capped at 100 percent of the poverty level. When parents lack access to coverage, they live in fear that a medical emergency could financially ruin their family (see Attachment 5).

DISCUSSION: **Vice Chairman Souza** requested that Ms. Tiddens explain how Medicaid expansion for the glitch population solves the problem and how **H 277** does not. **Ms. Tiddens** clarified that Medicaid expansion does not solve the entire family glitch problem: that lies within the ACA. It does allow individuals between 100 and 138 percent of the federal poverty level to enroll in Medicaid to avoid the family glitch. The problem arises when we cap Medicaid at 100 percent of the poverty level, and force those families onto the exchange. If they fall into the family glitch, they would not be eligible for tax credits, would fall into another gap, and not have a coverage option.

TESTIMONY: **Rachel Sjoberg,** master's degree candidate in social work, Boise State University, spoke in opposition to the bill. Highlighted throughout her education is the importance of evidence-based solutions that are efficient and cost effective. There has been much discussion about the increased costs from a work reporting requirement and the volume of complex paperwork warrants concern: the number of employees needed to support the program, the cost in time for public outreach to educate individuals, and the cumbersome reporting process. Idaho and its citizens should not go down a path without demonstrated success.

Maija Baehrspoke in opposition to the bill, stating she is a member of the first American generation predicted to make less money over their lifetime than their parents, who entered adulthood in the middle of the worst financial crisis since the Great Depression. They will likely inherit a bankrupt Social Security system despite paying into it, a crumbling infrastructure, and the costly care-giving needs of the aging "baby boomer" population. They will have significantly fewer children and will delay starting families because they simply cannot afford them. In that context, she evaluated whether her generation could control the cost of this program under **H 277** and does not believe they can. **H 277** does not treat Medicaid like the insurance program that it is. The intent is to provide an option for health insurance for low income Americans who are priced out of purchasing their own private insurance if their job doesn't subsidize their premiums. **Ms. Baehr** offered context regarding Idahoans who choose not to buy health insurance, stating she is one of them. People who live at the high end of the Medicaid gap have incomes just high enough that hospital billing departments don't work with them when they cannot pay their bills and county indigent funds will cover their uncompensated care. She cautioned the Committee to not assume that all uninsured persons create uncompensated care for the state: many pay their own medical bills.

DISCUSSION: **Vice Chairman Souza** thanked her for underscoring her own concern that there are people who cannot afford insurance even when they are fully employed and paying taxes because the cost of healthcare is too exorbitant.

TESTIMONY: **Ceci Thunes**, Idaho Behavioral Health Alliance, testified in opposition to the bill. Having testified repeatedly in support of a clean expansion bill, she has returned to speak in rebuttal to those claiming that the issue has too much representation from Boise and reminded the Committee that Medicaid expansion was made law by 75 percent of all Idaho districts: urban, suburban, and rural. She struggled with how this bill aligns with fiscal conservatism. Analysis shows significant cost to implement sideboards and additional cost as people without insurance continue to access uncompensated healthcare. Idaho faces mounting behavioral health crises and when left untreated, a crisis often extends beyond emergency rooms into the criminal justice system (see Attachment 6).

Dr. Mary Barinaga, Idaho Rural Health Association's immediate past President, testified in opposition to the bill on behalf of the association. An Idaho native and family doctor, **Dr. Barinaga** believes that **H 277** will jeopardize rural healthcare. For someone who lives in Salmon, or Grangeville, it would take about three hours driving in one direction to meet the reporting requirement. About a third of rural Idahoans lack internet. Many jobs in rural areas have variable hours, above average levels of involuntary part-time work, and irregular schedules. She reports having seen too many hardworking rural Idahoans needlessly suffer and sometimes die, because they lacked access to medical care. In Idaho and across the country, rural residents are older, sicker, poorer, and die sooner than urban residents. Medicaid expansion without work reporting requirements will help counter these rural health disparities and strengthen our rural health systems. Idaho has seen the difference expansion has made in other states and Idaho must move forward as voters demanded (see Attachment 7).

Caroline Merritt, Close the Gap Idaho, spoke in opposition to the bill. No state has ever received approval for a waiver request in the enhanced Medicaid match. Kentucky, Arkansas, and now New Hampshire have mandatory Medicaid work programs pending in federal court because work requirements violate the main tenet of the Medicaid program, which is to furnish healthcare to low income Americans. If the Idaho Legislature approves this bill, it is directing the Department of Health and Welfare to implement a program that has just been declared illegal in federal court and putting taxpayers on the hook for costly legal battles that will follow. The testimony the Committee is hearing today represents broad support for unmodified Medicaid expansion from the business community, education groups, nonprofit organizations, and healthcare groups, all united in their view that unmodified expansion is the right solution for Idaho.

David Lehman, Primus Policy Group, representing Bingham Memorial Hospital, testified in opposition to the bill. **Mr. Lehman** state he just received notification that a federal judge in Washington, D.C., has struck down the work requirements in both Arkansas and Kentucky. The issues present in both of those states exist in **H 277** with respect to work requirements. **Mr. Lehman** stated that the new calculus should be what is legal. In considering the different work requirements, mandatory versus opt-in programs, Idaho has before it a policy path that has proven results, that has lowered costs, and that is the lighter hand of government. **H 277** is a policy path with work requirements just deemed illegal by a federal court, that has higher costs, and worse outcomes.

Sam Sandmire spoke in opposition to the bill, reiterating her repeated requests during this legislative session to not burden Idaho taxpayers with significant cost for a program that has not been shown to be effective and creates a secondary gap.

Brian Whitlock, President, Idaho Hospital Association (IHA), confirmed the federal court ruling just moments ago striking down work requirements in Arkansas and Kentucky.

DISCUSSION: **Chairman Martin** asked Mr. Whitlock if he knew specifically how those two state requirements compared to the proposed work requirements in **H 277**. **Mr. Whitlock** received a text and email notification while responding, from Politico in Washington, D.C., that reports that today, "a federal judge blocked new work requirements on Medicaid recipients for a second time.... U.S. District Court Judge James Boasberg ruled that the federal government failed to justify that adding employment conditions and other changes to Medicaid in Arkansas and Kentucky advanced Medicaid's basic purpose of providing health coverage." **Mr. Whitlock** added that while he has not had the opportunity to read this ruling, there are great similarities to **H 277** in the working and reporting requirements.

Chairman Martin apologized for the disruption to the Committee process, stating he did not expect this ruling at this time. **Senator Lee** reported looking at similar information that stated at issue where the rules obligating people to work, volunteer, or take classes as a condition for being allowed to remain in Medicaid. It blocked Arkansas and Kentucky from requiring Medicaid recipients to work, or train for work, as a condition of staying enrolled in the program. She stated that while we are not sure what the implications are, it certainly changes the conversation.

Senator Harris asked Mr. Whitlock how **H 277** would affect the five rural hospitals in his district. **Mr. Whitlock** believed it would affect them in a number of ways. If this bill were to pass, the family glitch would continue and people between 100 and 138 percent of the federal poverty level would be left uninsured. In follow up, **Senator Harris** asked if it is then true that this group would be covered without this bill because of Medicaid expansion, but would not be covered because of this bill. **Mr. Whitlock** confirmed that Senator Harris was correct. Idaho would still have a gap population that currently exists under existing law, and will continue to exist. Under **H 277** they would not be able to afford to buy a policy for a spouse through the family plan or obtain a subsidy through the exchange. Those individuals would likely continue to be uninsured. The work requirement will drive up those figures. Rural communities will be heavily impacted where work opportunities may not be as available as urban areas. Idaho will continue to see high levels of uncompensated care. IHA is also concerned with the retroactive enrollment period: there will be some who are noncompliant or refuse to give the information needed to enroll them in Medicaid. Of the 27 critical access hospitals in the state, 20 are operating at negative margins right now. Some are county hospitals that rely on their county taxpayers to even things up at the end of the year. Whatever can be done to help alleviate some of that uncompensated care will also provide relief to those county taxpayers. **Senator Harris** asked what would happen under this bill to those individuals currently in the exchange. **Mr. Whitlock** explained that as he interpreted the bill, those currently on the exchange when open enrollment comes around November 1, would go through the same process that they go through annually in the open enrollment process based on their income levels. The Department of Health and Welfare would then make a determination that they would still be eligible on the exchange or eligible for Medicaid.

Chairman Martin asked what would happen to larger hospitals. **Mr. Whitlock** referred back to the figures used statewide throughout the campaign for Proposition 2. At that time, Idaho had about $272 million in uncompensated care for 44 member hospitals. That uncompensated care represents bad debt or charity care that those hospitals provide. Full Medicaid expansion is not a total elimination of the uncompensated care, but it is certainly a reduction that will be helpful to both urban hospitals and rural hospitals with razor thin margins.

Vice Chairman Souza inquired if a 60-day clawback was acceptable to Mr. Whitlock. **Mr. Whitlock** responded that he was not certain why that language was inserted into this bill. The fiscal note indicated that it would generate a $100,000 savings to the state. The cost to the hospitals will be much greater than that. IHA is not sure what the source of the analysis is on the fiscal note, but it does not seem feasible to have a bifurcated system of 90 days for one, and 30 days for another, and a resulting savings of $100,000. **Vice Chairman Souza** stated that she hopes to find a place for compromise, adding that everyone listening should understand that the fiscal notes relating to Medicaid expansion cannot be accurate because we have no idea how many people will qualify for Medicaid, how many will choose to apply, how many will want to stay on the exchange, or how many of those that do sign up will fall under the sideboards found in this bill. **Mr. Whitlock** sated that IHA wholeheartedly supports a 30-day window to enroll in Medicaid to start preventive

care and possibly avoid a a costly emergency. He closed by stating that **H 277** is in need of major reconstructive surgery.

TESTIMONY: **Jim Baugh**, Disability Rights Idaho, distributed a transcript of a telephone conversation from Jane Perkins, Litigation Director for the National Health Law Project, who is the lead attorney for the plaintiffs in Kentucky and Arkansas. The conversation was regarding whether Idaho's attempts to put work requirements into a bill would result in the National Health Law Project filing for litigation against Idaho. The short answer is yes, it will.

Mr. Baugh then pointed to significant differences between mental health services covered by Medicaid and mental health services covered by insurance policies on the exchange. Under the ACA, exchange policies must cover mental and behavioral health services. Those plans provide limited coverage for psychiatry visits and psychotherapy sessions, prescription medications, and limited hospitalization days. People who have serious and persistent mental illness are only going to be successful in staying in the community if they have access to a broad spectrum of services not covered by private insurance, but that are covered under Medicaid: intensive outpatient therapy, partial hospitalization, case management, peer support and community crisis services. If this bill forces people in the gap with serious mental illness onto the exchange instead of Medicaid, they will not get the support they need (see Attachment 8).

See Attachment 9 for submitted written testimony.

CLOSING REMARKS: **Representative Vander Woude** closed by stating that while he understood that this bill may not go anywhere, and there remained some unanswered questions, there were valuable elements in the bill and the Legislature must responsibly implement Proposition 2.

MOTION: **Senator Heider** moved that **H 277** be held in Committee. **Senator Jordan** seconded the motion.

SUBSTITUTE MOTION: **Vice Chairman Souza** moved to send **H 277** to the 14th Order of Business for possible amendment. **Senator Bayer** seconded the motion. **Chairman Martin** called for a roll call vote.

ROLL CALL VOTE ON SUBSTITUTE MOTION: **Chairman Martin** called for a roll call vote on the substitute motion. **Vice Chairman Souza** and **Senator Bayer** voted aye. **Chairman Martin** and **Senators Heider, Lee, Harris, Burtenshaw, Jordan**, and **Nelson** voted nay. The motion failed.

ROLL CALL VOTE ON ORIGINAL MOTION: **Chairman Martin** called for a roll call vote on the original motion. **Chairman Martin** and **Senators Heider, Lee, Harris, Burtenshaw, Jordan**, and **Nelson** voted aye. **Vice Chairman Souza** and **Senator Bayer** voted nay. The motion carried.

ADJOURNED: There being no further business at this time, **Chairman Martin** adjourned the meeting at 3:35 p.m.

_____

Senator Martin
Chair

_____

Margaret Major
Secretary