

MINUTES
SENATE HEALTH & WELFARE COMMITTEE

DATE: Monday, February 15, 2021

TIME: 3:00 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Martin, Vice Chairman Riggs, Senators Heider, Lee, Harris, Agenbroad, Zito, Stennett, and Wintrow

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 3:01 p.m.

MINUTES APPROVAL: **Senator Zito** moved to approve the Minutes of February 4, 2021. **Senator Stennett** seconded the motion. The motion carried by **voice vote**.

Senator Stennett moved to approve the Minutes of February 8, 2021. **Senator Heider** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: **Idaho Department of Health and Welfare Budget. Dave Jeppesen**, Director, Idaho Department of Health and Welfare (DHW), introduced himself to the Committee. **Mr. Jeppesen** provided an update on the distribution of the COVID-19 vaccine in Idaho. He reviewed the types of vaccines available and the storage requirements for each. **Mr. Jeppesen** reported on the number of vaccines shipped to Idaho on a weekly basis and the process for distributing them to providers throughout the State. He stated the population of Idahoans age 65 and over is approximately 290,000 and it will take several weeks or months to fulfill demand for vaccinations in that age group. **Mr. Jeppesen** demonstrated the updated DHW website that now includes data on Idahoans vaccinated and numbers of vaccines administered by providers.

DISCUSSION: **Senator Stennett** asked what percentage of the population has been vaccinated, and for the number of vaccines coming to Idaho. **Mr. Jeppesen** replied 10 percent of Idahoans have received the first vaccine dose, and approximately 4 percent have received the second dose. He said Idaho receives 30,000 doses per week at this time, recently increased from 25,000 per week. **Senator Stennett** commented that other states comparable in size to Idaho have vaccinated more people. She asked what Idaho can do to receive more vaccine supply, and whether certain providers are holding large quantities of vaccines. **Mr. Jeppesen** answered that Idaho receives vaccine doses based on population, and Idaho has a larger proportion of people under age 18 than other states. He added that Idaho's population is rapidly growing and distribution is based on old census numbers.

Mr. Jeppesen remarked that DHW continues to communicate with federal partners regarding vaccine needs. He explained the federal government has a partnership with CVS and Walgreens to vaccinate long-term care centers, and those partners may be holding extra doses. **Mr. Jeppesen** said DHW is monitoring vaccine supply at CVS and Walgreens and can reallocate unused vaccines to other providers.

Senator Wintrow inquired about the aforementioned communication with the federal government and the status of increased vaccine manufacturing. **Mr. Jeppesen** responded that additional vaccines will likely be approved soon, and they could provide up to 100 million additional doses nationwide by the end of June. He added the federal government has contract options with existing vaccine manufacturers to increase production, and he expects to see 300 million additional doses by the end of summer. **Mr. Jeppesen** commented Idaho is presently using only 25 percent of vaccine provider capacity.

PRESENTATION: **Mr. Jeppesen** reviewed the mission and vision for DHW. He commented DHW has completed 56 percent of the tasks in its five-year strategic plan. **Mr. Jeppesen** explained DHW's efforts to accomplish Goal #1: ensure affordable, available health care that works. He provided statistics on Medicaid expansion and stated in fiscal year 2021, the second year of Medicaid expansion, enrollment was as expected but claims were higher than estimated due to pent-up demand for health care. **Mr. Jeppesen** mentioned that DHW received extra funding from the federal government due to the pandemic, which was sufficient to cover increased costs. He advised that the revised cost projection for fiscal year 2022 is \$827 million, much larger than originally forecast.

Mr. Jeppesen reported that the federal government plans to extend a temporary increase in reimbursements for the entire calendar year 2021, which will provide one-time savings of \$56 million. He stated it is imperative to take cost containment measures. In 2020, **H 351** moved hospitals and skilled nursing facilities from a cost-based to budget-based methodology, resulting in a \$23 million General Fund reduction.

DISCUSSION: **Senator Lee** inquired about the ability to make good budget decisions with a new cost structure in the midst of a pandemic, and asked how DHW intends to meet Goal #1 moving forward. **Mr. Jeppesen** answered that DHW moved to a budget-based model for services on a unit basis, and hospital partners have not reported undue stress due to the pandemic. He explained DHW is the only payer in the State that does not pay on the budget-based methodology. **Mr. Jeppesen** reported that DHW meets regularly with hospitals to establish a budget and ensure it is appropriate. **Mr. Jeppesen** mentioned that the budget-based approach may require the implementation of some processes to ensure no unintended negative consequences for skilled nursing facilities.

Matt Wimmer, Administrator, Division of Medicaid, DHW, introduced himself to the Committee. **Mr. Wimmer** stated that Director Jeppesen provided a thorough response to Senator Lee's question about budget decisions.

Chairman Martin commented that the State is saving money by paying the providers less. He asked how the provider will be able to provide needed services with less money, and if the State is creating a problem with providers who might be unwilling to provide services. **Mr. Wimmer** explained most states do not use cost-based reimbursements, and providers receive supplemental payments to bring them up to cost. He added it is a challenge to change the methodology but it is important for budget control and will benefit the State in the long term without serious negative impacts on providers.

PRESENTATION: **Mr. Jeppesen** described the value-based contracts the State has entered into with providers effective July 1, 2021, which will shift reimbursement from a fee-for-service methodology to one that pays based on results. **Mr. Jeppesen** reported that providers with good outcomes that operate below budget will share in the savings, while providers that are over budget will have to pay some of the cost overruns. He advised that Medicare and commercial providers already reimburse using this methodology, and DHW will monitor the process to ensure people receive needed care with the best outcomes. **Mr. Jeppesen** stated DHW plans to create a stabilization fund with one-time savings.

DISCUSSION: **Senator Wintrow** asked what challenges DHW anticipates in the transition to value-based budgeting. **Mr. Jeppesen** responded that providers have already made the transition with other payers. He added the new methodology will allow for better data sharing and communication to determine if patients are utilizing the most effective and cost-saving treatment options.

PRESENTATION: **Mr. Jeppesen** described DHW's Goal #2: Protect children, youth, and vulnerable adults. He reported DHW will open State Hospital West (SHW) in April in Nampa to serve adolescent behavioral health patients who are presently housed in State Hospital South (SHS) in Blackfoot. **Mr. Jeppesen** explained that moving the adolescent patients to SHW will allow SHS to serve high-risk adults with challenging behaviors. He stated DHW's budget request includes funding for a new psychiatrist for SHS. **Mr. Jeppesen** reported DHW's child welfare transformation project was completed on time, within scope, and on budget. He advised the project created a modern case management system that will be the first such fully functioning system in the United States.

Mr. Jeppesen thanked DHW staff and the Committee for their efforts to support the project. He explained DHW has made progress to improve the Southwest Idaho Treatment Center (SWITC). **Mr. Jeppesen** remarked that DHW developed a new treatment model for patients with intellectual disabilities and complex needs. DHW will transition from using SWITC as an intermediate care facility to providing a continuum of care, including crisis stabilization, short-term treatment, and a return to long-term care in the community, he said.

Mr. Jeppesen presented Goal #3: Help Idahoans become as healthy and self-sufficient as possible. He mentioned the Office of Performance Evaluations report on Alzheimer's disease and dementia. **Mr. Jeppesen** said the report identified the need for a centralized coordinated approach to battle Alzheimer's and dementia, provide service to individuals suffering from those conditions, and support Alzheimer's patient caretakers. He added the DHW budget includes \$275,000 for such a coordination project. **Mr. Jeppesen** noted DHW's goal is to reduce the Idaho suicide rate by 20 percent by 2025. He added suicide prevention stakeholders have formed a collective to coordinate efforts. **Mr. Jeppesen** claimed the suicide rate did not increase due to the pandemic.

Mr. Jeppesen explained Goal #4: Strengthen the public's trust and confidence. He remarked that a transition is taking place in state behavioral health hospitals, because they now can bill Medicaid for services due to adoption of Medicaid expansion and the approval of the Medicaid Institutions for Mental Disease (IMD) waiver. **Mr. Jeppesen** remarked that these changes have saved \$3 million in General Fund costs for SHS. He added that State Hospital North (SHN) will be eligible to bill Medicaid for services upon achieving national accreditation. **Mr. Jeppesen** said the accreditation process will require facility upgrades and additional staff, and DHW's budget request includes funding for SHN accreditation costs. He commented DHW expects ongoing General Fund savings of \$4 million to \$4.5 million annually once both SHS and SHN are billing Medicaid.

Mr. Jeppesen mentioned additional budget requests for the: 1.) Electronic Visit Verification program; 2.) federal patient access and interoperability requirement to share Medicaid provider and payment information with patients; 3.) audits of payments to managed care contractors; and 4.) support for nine Statewide community recovery centers.

DISCUSSION: **Senator Lee** asked what the deficit would have been if Idaho had not received the extended 2021 federal contribution. **Mr. Jeppesen** responded Medicaid expansion would cost an additional \$47.6 million in 2021 without the extra federal contribution.

Chairman Martin expressed his thanks to Director Jeppesen and the entire DHW staff for their work, especially during the pandemic, and for his responsiveness in answering questions for the Committee.

RS 28480 **Relating to Insurance.** **Elizabeth Criner**, on behalf of the Idaho State Dental Association, introduced herself to the Committee. **Ms. Criner** explained the RS amends two sections of Idaho Code to address concerns expressed by dental providers. She stated the first change pertains to reimbursement methods such as virtual credit cards that impose fees on a dentist in order to collect payment. The RS would require that insurance companies offer at least one reimbursement method that doesn't charge the dentist a fee.

Ms. Criner reported the second change addresses a recent process in which a dental plan may lease its provider network to another unrelated dental plan without the dentist's knowledge or authorization. She said the practice requires a dentist to comply with contract terms and payments that may differ from the original contract.

Ms. Criner advised the RS would ensure that dentists receive disclosure of a provider network lease arrangement and allow the dentist to confirm or decline participation.

MOTION: **Senator Lee** moved to send **RS 28480** to print. **Senator Stennett** seconded the motion. The motion carried by **voice vote**.

RS 28573 **Relating to Suicide Prevention.** **Stewart Wilder**, Co-Chair, Idaho Suicide Prevention Action Collective, introduced himself to the Committee. **Mr. Wilder** said the RS would implement the National Suicide Hotline Designation Act (Act) signed into law by President Trump in October 2020. He explained the Act established 988 as a national hotline number for suicide and mental health crisis calls. **Mr. Wilder** reported the 988 number will be operational in July 2022. He explained the fee collection method will be consistent with that used for the 911 emergency communication program, and fees will support expenses related to suicide prevention efforts. **Mr. Wilder** added that the RS establishes a start date of January 1, 2022 for fee collection and provides for an annual fee review.

DISCUSSION: **Senator Wintrow** asked with whom Mr. Wilder worked on the legislation. **Mr. Wilder** responded he discussed the RS with the American Foundation for Suicide Prevention, several Utah legislators, and DHW representatives to gain information on infrastructure needs and the amount of funding needed. **Senator Wintrow** commented she is interested in further discussion on this issue.

MOTION: **Senator Wintrow** moved to send **RS 28573** to print. **Senator Agenbroad** seconded the motion. The motion carried by **voice vote**.

RS 28322C1 **Relating to Virtual Care Access.** **Rick Soderquist** introduced himself to the Committee as an intern working for Chairman Martin this session. **Mr. Soderquist** explained the RS makes changes to the Idaho Telehealth Access Act (ITAA) based on the recommendations of DHW's Telehealth Task Force (TTF). He stated the TTF was formed to expand access to health care and increase telehealth utilization, including the formation of a Virtual Care Advisory Board (VCAB). **Mr. Soderquist** advised the pandemic highlighted the need for telehealth services throughout the State. He provided information on the composition of the TTF and information considered in formulating its recommendations. **Mr. Soderquist** said there is a fiscal impact to the General Fund related to the creation of the VCAB.

DISCUSSION: **Senator Lee** recognized the efforts of stakeholders to craft the legislation.

Senator Agenbroad asked whether the change in verbiage from "telehealth" to "virtual care" would negate **RS 28309** scheduled to be heard in Committee. **Mr. Soderquist** replied he would have more information on that question at the full hearing on the bill.

MOTION: **Senator Heider** moved to send **RS 28322C1** to print. **Senator Wintrow** seconded the motion. The motion carried by **voice vote**.

RS 28309 **Relating to Telehealth.** **Tim Olson**, representing Teladoc Health, introduced himself to the Committee. **Mr. Olson** stated the RS stands on its own merits without regard to **RS 28322C1**. He advised the legislation would make a simple change to the ITAA by allowing for additional types of technology to conduct telehealth. **Mr. Olson** emphasized the technology used to assess or treat a patient must allow the practitioner to meet the Idaho community standard of care. He reported the community standard of care has changed over the years. **Mr. Olson** provided a brief history of the legislation enacted to create the current ITAA. He remarked the pandemic generated increased need and demand for telehealth services, and he reminded the Committee that provider-patient encounters must always meet the community standard of care.

MOTION: **Senator Zito** moved to send **RS 28309** to print. **Senator Riggs** seconded the motion.

DISCUSSION: **Senator Lee** stated this is the same legislation that was proposed in 2020, and she has the same concerns as last year. She asked that the Committee receive an explanation at the bill hearing of how the change would meet the community standard of care. **Senator Lee** remarked she was unpersuaded by testimony given on the bill in 2020.

VOICE VOTE: The motion to send **RS 28309** to print carried by **voice vote**.

RS 28579 **Relating to Naturopathic Practitioner Licensing.** **Brody Aston**, representing the Naturopathic Physicians Association of Idaho (NPAI), introduced himself to the Committee. **Mr. Aston** stated the proposed legislation will improve access to natural health care by licensing naturopathic practitioners and will aid in delivering high-quality medical services in Idaho. He said the RS is the result of an agreement between the NPAI and the American Association of Naturopathic Physicians. The RS establishes the structure for a new licensing board but would not limit or restrict any present practitioner's ability to practice.

MOTION: **Senator Zito** moved to send **RS 28579** to print. **Senator Lee** seconded the motion. The motion carried by **voice vote**.

ADJOURNED: There being no further business at this time, **Chairman Martin** adjourned the meeting at 4:23 p.m.

Senator Martin
Chair

Jeanne Jackson-Heim
Secretary