

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 18, 2021

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Patrick, Vice Chairman Souza, Senators Martin, Lakey, Guthrie, Agenbroad, Riggs, Ward-Engelking, and Burgoyne

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 Senate Commerce and Human Resources Committee (Committee) to order at 1:30 p.m.

S 1124 **Relating to Insurance - Providers of Dental Services. Elizabeth Criner**, Idaho State Dental Association, stated this legislation adds to current language in Idaho Code regarding dental plans contracting with dentists. She noted the language ensures a plan provides a dentist with a payment option that does not impose a fee to obtain payment for a contracted service. She said this bill also ensures that when a dental plan leases a provider network, contracting dentists have an opportunity to confirm or decline participation. **Ms. Criner** stated the changes will apply to any dental plan or contract that is issued or renewed after December 31, 2021.

Ms. Criner said this legislation does not impact public health programs. She reported there is no fiscal impact to the General Fund or local government funds.

DISCUSSION: **Senator Burgoyne** asked for an explanation of two sections of the bill that are repeated. **Ms. Criner** noted the second section was in reference to service corporations.

TESTIMONY: **Dr. Steve Bruce**, Idaho State Dental Association and an instructor at Idaho State University, testified in support of the bill. He said the language in this bill provides dentists with a payment option that does not impose a fee.

MOTION: **Senator Guthrie** moved to send **S 1124** to the floor with a **do pass** recommendation. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

MINUTES APPROVAL: **Senator Agenbroad** moved to approve the Minutes of February 11, 2021. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

HONORING OF PAGE: **Chairman Patrick** honored Page Olivia Jones. He asked her to tell the Committee about her experience as a page. **Ms. Jones** stated she learned how government works and she noted she learned the Senate was polite and professional. She thanked the Committee for the opportunity to serve as a page.

S 1082

Relating to Insurance - State Insurance Fund (SIF). **Rick Ferguson**, Chief Executive Officer, Idaho SIF, reported SIF provides only workers' compensation insurance and insurance to Idaho employers. He explained SIF is governed by a five-member board appointed by the Governor. **Mr. Ferguson** noted SIF operates exclusively on policyholder premiums and investment income and receives no federal or state tax dollars.

Mr. Ferguson advised banking directly with US Bank, rather than through the Treasurer's office, allows SIF to provide policyholders and injured workers with electronic banking options, such as digital fund exchanges similar to PayPal and Venmo. This change, he said, will allow SIF to more easily issue pay cards to injured workers, to manage stop payments and check cancellations, and to perform a variety of other banking procedures without the duplicity of banking through the Treasurer's Office.

Mr. Ferguson remarked this legislation will allow SIF to manage banking and payroll, and will provide the opportunity to work on some state holidays, offer new employees a paid time off policy, and manage banking needs more efficiently. He noted the Department of Insurance (DOI) and the Industrial Commission regulate all insurance companies providing workers' compensation insurance in Idaho, including SIF. He indicated this bill will not change oversight and regulation of SIF.

Mr. Ferguson stated existing employees would be grandfathered into the Public Employee Retirement System of Idaho (PERSI) sick leave trust. SIF would administer its own paid time off policy for new hires. He noted this bill would put SIF on a path toward implementing best practices similar to the insurance industry. He said no change would be made to SIF's participation in the PERSI pension trust. He noted the rules of the pension trust do not allow a "grandfathering" option.

DISCUSSION:

In response to a question by Chairman Patrick, **Mr. Ferguson** noted the SIF uses the services of US Bank because they are required to use whatever contractor the Treasurer's Office uses.

Senator Burgoyne said the State of Idaho has a public mission to supply a stable and reliable force for its citizens. **Mr. Ferguson** said the SIF plays an important role for small business, particularly for companies who have few claims.

Chairman Patrick and **Mr. Ferguson** discussed the relationship between SIF and the State Treasurer's and State Controller's offices. **Mr. Ferguson** noted banking goes through the Treasurer's Office, and the Controller's Office watches over the transactions, but SIF is not a regulatory body, nor does it have an oversight function. He said SIF has to comply with the State Controller's Office for payroll. **Mr. Ferguson** indicated SIF is the exclusive insurer for the State of Idaho and local government.

Senator Agenbroad remarked it appeared SIF has to put money into an interest-bearing account, which could cost money rather than earn money. **Mr. Ferguson** reported much of what SIF does is required by the DOI. **Mr. Ferguson** stated interest-bearing accounts are required to be held in trust. He said the amount SIF can invest in fixed assets is a function of the regulatory environment. **Senator Agenbroad** queried whether those regulations allow non-interest-bearing deposits. **Mr. Ferguson** said he would look up the regulations. **Senator Agenbroad** stated he would support broader language that would not cost SIF any money.

MOTION:

Senator Martin moved to send **S 1082** to the floor with a **do pass** recommendation. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**.

Relating to Public Employee Retirement System of Idaho (PERSI) - Catastrophic Line of Duty Benefits. **Senator Lakey** reported this legislation provides for a new classification of catastrophic disability benefit under PERSI. He noted this will apply to police officers and firefighters who are catastrophically injured in the line of duty. He said this bill provides for disability enhancements, specific conditions for payments, and periodic cost-of-living adjustments (COLA). **Senator Lakey** stated this bill also clarifies that a member receiving the catastrophic disability benefit may return to work under certain conditions.

Senator Lakey said this legislation is not anticipated to have any fiscal impact to the General Fund or to any other state or local budgets. He added this legislation would not affect others participating in PERSI because the costs associated with this benefit will be borne by the police officers and firefighters who are eligible to receive the benefit. He noted a public safety officer who sustains a catastrophic injury is eligible for a one-time permanent catastrophic injury benefit in the amount of \$500,000. In addition, he said, there would be an ongoing annual benefit in an amount not less than \$75,000 per year, to be adjusted every four years pursuant to an actuarial study (Attachment 1), to determine the change in average public safety officer benefits over the previous four years. **Senator Lakey** reported in the event a public safety officer receiving the benefit dies and leaves a surviving spouse to whom the member was married at the time of the catastrophic injury, the spouse shall receive the catastrophic line of duty benefit for the duration of the spouse's life, to which the public safety officer would have been entitled.

In addition, **Senator Lakey** said a public safety officer who seeks to obtain benefits must apply to the retirement board within 12 months of the date of the incident resulting in the public safety officer's catastrophic injury. He indicated no benefit would be payable unless the retirement board determines eligibility.

TESTIMONY: **Rick Allen**, Chief of Police, Garden City, and President, Idaho Chiefs of Police Association (ICOPA), talked about the dangers of being in the line of duty for both police and firefighters. He noted this bill will help secure the financial future of those injured. He said this legislation is a solution and does not impact state taxpayers.

DISCUSSION: **Vice Chair Souza** stated she was in full support of the bill. She reported law enforcement in her area did a marvelous job of handling a very delicate situation during protests in neighboring states and towns.

TESTIMONY: **Kevin Holtry**, Corporal, Boise Police Department, testified in support of the bill. He shared his story of how he was permanently and catastrophically injured while pursuing an armed criminal. He said he was shot five times. He reported he is paralyzed, lost a leg, and has a lot of nerve pain. He and his family have struggled personally and financially since the incident.

John Evans, Mayor, Garden City, testified in support of the bill.

Paul Jagosh, Idaho Fraternal Order of Police, testified in support of the bill. He noted the first question he hears when a police officer or firefighter is injured, is "When can they return to work?" He stated the enormous cost of a catastrophic injury should be the last concern for a police officer or firefighter.

Rob Shoplock, Battalion Chief, Eagle Fire Department, and representing the Professional Fire Fighters of Idaho, testified in support of this bill. He noted he hoped the firefighters and police officers would feel safer because of this bill.

Kieran Donahue, Sheriff, Canyon County, and representing the Idaho Sheriffs Association, testified in support of this bill. He pointed out individuals are allowed to obtain other jobs in addition to regular duties to help make ends meet. He

said he felt strongly that individuals should be able to do additional work and not be penalized.

DISCUSSION: **Senator Guthrie** and **Don Drum**, Executive Director, PERSI, discussed how the funds and any fees associated for contributions would be tracked.

Senator Burgoyne remarked he was in support of this bill. He and Mr. Drum discussed the effect of benefits on any disability or regular retirement. They also discussed how PERSI was careful to make sure the person who was injured qualified for this benefit. **Mr. Drum** stated if someone does not qualify for this benefit, they can still receive \$100,000 and disability. **Mr. Drum** noted this benefit is related to a specific event occurring in the line of duty.

MOTION: **Senator Guthrie** moved to send **S 1096** to the floor with a **do pass** recommendation. **Senator Agenbroad** seconded the motion. The motion carried by **voice vote**.

H 78 **Relating to Insurance - Omnibus Repeal.** **Dean Cameron**, Director, DOI, reported this legislation repeals several outdated or otherwise unnecessary provisions of Idaho Code, Title 41. He noted this includes repealing Idaho Code Chapter 35, Title 41, to move authority over certain bonds from the DOI to the Department of Administration by adding limited wording to Idaho Code § 67-5773.

Mr. Cameron stated there is no fiscal impact to the General Fund or any other state fund or expenditure as the provisions of this bill can be reviewed and monitored with the DOI's current and requested appropriation.

Mr. Cameron outlined the provisions of the bill noting what was eliminated and added.

MOTION: **Senator Burgoyne** moved to send **H 78** to the floor with a **do pass** recommendation. **Senator Martin** seconded the motion. The motion carried by **voice vote**.

S 1098 **Relating to Insurance - Contraception.** **Senator Wintrow** noted this legislation allows enrollees up to a 12-month supply of prescribed contraceptives. **Senator Wintrow** indicated that currently, many insurance plans reimburse for only a one- to three-month supply of contraceptive supplies. She said this legislation will require any health benefit plan issued or renewed on or after January 1, 2022, that covers contraceptives approved by the federal Food and Drug Administration (FDA) to provide reimbursement for up to a 12-month refill supply obtained at one time by the enrollee. **Senator Wintrow** remarked the enrollee or prescribing provider may request a smaller contraceptive supply.

Senator Wintrow reported there is no foreseeable fiscal impact to the General Fund because this legislation deals with a policy change for insurance companies.

TESTIMONY: **Julie Duncan**, family medicine physician training at the Family Medicine Residency of Idaho, representing herself, testified in support of the bill. She noted this bill will have a direct impact on a patient population who often struggles with transportation issues, busy lives, and jobs that create barriers to medication adherence. Some patients, she said, travel from places such as Horseshoe Bend and Garden Valley, making frequent return trips to the pharmacy or clinic impossible. **Dr. Duncan** stated that daily adherence is essential for birth control pills to be effective, and as few as two missed days can result in an unintended pregnancy. She cited several instances where a patient stopped taking the medication because they ran out.

Dr. Duncan cited studies in states where similar bills have been approved and have shown significant cost savings. She noted one Department of Veteran's

Affairs study estimated that supplying 12 months of contraception pills at a time saved the health care system \$87 per patient or more than \$2 million annually systemwide. She said this bill empowers physicians and patients to have options.

**CONTINUATION
OF
TESTIMONY:**

Chairman Patrick announced due to the lack of time, testimony would be continued to the next meeting.

ADJOURNED:

There being no further business at this time, **Chairman Patrick** adjourned the meeting at 3:00 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary