

**MINUTES OF THE  
PRIVATELY OWNED HEALTH CARE ORGANIZATION TASK FORCE**  
Thursday, September 8, 2005 – 1:00 p.m. – Room W135 House Building

**Members Present:**

Sen. Michael G. Waddoups, Senate Chair  
Rep. David Clark, House Chair  
Sen. Gene Davis  
Sen. John W. "Bill" Hickman  
Sen. Peter C. Knudson  
Sen. Mark B. Madsen  
Sen. Ed Mayne  
Rep. Jackie Biskupski  
Rep. Stephen D. Clark  
Speaker Greg J. Curtis

Rep. Brad L. Dee  
Rep. James A. Dunnigan  
Rep. Patricia W. Jones  
Rep. Bradley G. Last  
Rep. Rebecca D. Lockhart

**Staff Present:**

Ms. Constance C. Steffen, Policy Analyst  
Ms. Allison Morgan, Policy Analyst  
Ms. Patricia Owen, Associate General Counsel  
Ms. Catherine J. Dupont, Associate General Counsel  
Ms. Joy L. Miller, Legislative Secretary

**Note:** A list of others present, copy of related materials, and an audio recording of the meeting can be found at [www.leg.utah.gov](http://www.leg.utah.gov).

**1. Task Force Business**

Chair Waddoups called the meeting to order at 1:20.

**MOTION:** Sen. Mayne moved to approve the minutes of the August 25, 2005 meeting. The motion passed unanimously with Speaker Curtis and Rep. Dee absent for the vote.

**2. Expert Services**

Chair Waddoups and Rep. D. Clark explained that after a lengthy meeting with stakeholders, staff, and some members of the Task Force, changes were made to the draft RFP, "Utah Health Care Markets." The staff incorporated the changes in a draft dated 8/30/05. The 8/30/05 draft was emailed to the stakeholders with instructions to submit final comments by September 1. The final comments are incorporated in the 9/02/05 draft RFP which was sent to Task Force members in the mailing packet. A copy of the 8/30/05 draft RFP and the 9/02/05 draft RFP, with the final comments highlighted, were distributed to the Task Force.

Mr. Doug Hammer, IHC (Intermountain Health Care, Inc.), expressed IHC's support for the 8/30/05 draft RFP but asked that the deadline for deciding on a contractor be extended.

Mr. Spencer Stokes, MountainStar Healthcare, stated the 9/02/05 draft is not perfect but is acceptable.

Mr. Jennifer Cannaday, Regence Blue Cross/Blue Shield, commented that the 9/02/05 draft is more reflective of the discussions, tone, and direction in the meeting.

**MOTION:** Sen. Hickman moved to begin with the 8/30/05 draft RFP, addressing it step by step, and comparing it to the highlighted changes in the 9/02/05 draft RFP. The motion passed unanimously.

**MOTION:** Rep Clark moved to accept the language in Purpose of Request for Proposals on page 1 with

the following change in paragraph 2): delete highlighted language "and behavior" and insert "business practices". The motion passed unanimously with Rep. Biskupski, Speaker Curtis, and Rep. Dee absent for the vote.

The Task Force discussed the highlighted changes to the Background section of the 9/02/05 draft. Mr. Hammer pointed out that the researcher is asked to look at the full range of health care financing options including commercial health insurance and self funding. Ms. Cannaday stated that referring to "major **commercial** comprehensive health insurers" may eliminate DMBA (Deseret Mutual Benefit Association) and PEHP (Utah Public Employees Health Program) from the study.

**MOTION:** Sen. Hickman moved to accept all of the highlighted changes to the Background section of the 9/02/05 draft, with the exception of the addition of the word "commercial" on page 2.

**SUBSTITUTE MOTION:** Rep. Lockhart moved to accept the motion as made by Sen. Hickman, adding DMBA and PEHP to the second paragraph on page 2. The motion passed unanimously with Speaker Curtis absent for the vote.

Sen Waddoups reviewed the highlighted changes under the Research Tasks and Questions section in the 9/02/05 version.

Mr. Hammer stated the emphasis in the RFP should be on the impact on consumers of health care and competition, not the impact on competitors.

**MOTION:** Sen. Davis moved to adopt the language as written in Research Tasks and Questions through 1) d) ii) in the 9/02/05 draft.

Mr. Hammer, Mr. Jack Towsley, MountainStar Health Care, and Ms. Cannaday commented on the language in section 1) of Research Tasks and Questions.

**SUBSTITUTE MOTION:** Sen. Madsen moved to approve the language in items 1) a) through h) from the 9/02/05 draft, with the following changes to e): "compare and contrast Utah health care markets with similar markets in the region or nation with respect to the quality of, access to, and cost of health care in the context of the competitive environment;". The substitute motion passed unanimously.

**MOTION:** Rep. Lockhart moved to accept the language in 2) a) through f) as written in the 9/02/05 draft.

**SUBSTITUTE MOTION:** Rep. D. Clark moved to approve the language in 2) a) through c) from the 8/30/05 draft, except in the third line of paragraph 2), after "cost of health care" insert "and competition".

Mr. Towsley spoke in support of including in the RFP a requirement to calculate the HHI (Herfindahl-Hirschman Index) for Utah health care markets. Mr. Hammer spoke in opposition to that requirement.

**MOTION:** Sen. Hickman moved to end debate. The motion passed with Rep. Last voting in opposition. The Task Force voted on the substitute motion which failed in the Senate.

**SUBSTITUTE MOTION:** Sen. Hickman moved to approve the language in 2) through 2)f) of the 09/02/05 draft except as follows:

- in paragraphs 2)d) and 2)f) replace “outpatient” with “healthcare” and after “certified by the state” insert “which compete for hospital services”; and
- in paragraph 2)e), after “company,” insert “their” and after “market share, and” insert “their”.

Speaker Curtis asked that the motion be divided and that the Task Force vote on each paragraph individually. Chair Waddoups accepted the recommendation.

The Task Force voted to adopt the introductory language in paragraph 2) of the 9/02/05 draft. The motion passed unanimously.

The Task Force voted to adopt the language in paragraph 2) a) of the 9/02/05 draft. The motion passed unanimously.

The Task Force voted to adopt the language in paragraph 2) b) of the 9/02/05 draft. The chair ruled the motion failed.

The Task Force voted to adopt the language in paragraph 2) c) of the 9/02/05 draft. The motion passed unanimously.

The Task Force voted to adopt paragraph 2) d) of the 9/02/05 draft with the following amendments: replace “outpatient” with “healthcare” and after “certified by the state” insert “which compete for hospital services”. The chair ruled the motion passed.

The Task Force voted to adopt paragraph 2) e) of the 9/02/05 draft with the following amendments: after “company,” insert “their” and after “market share, and” insert “their”. The motion passed unanimously.

The Task Force voted to adopt paragraph 2) f) of the 9/02/05 draft with the following amendments: replace “outpatient” with “healthcare” and after “certified by the state” insert “which compete for hospital services”. The motion passed.

**MOTION:** Sen. Hickman moved to adopt the language in paragraph 2) b) of the 8/30/05 draft. The chair ruled the motion failed in the Senate.

**MOTION:** Rep. Lockhart moved to amend paragraph 2) b) of the 8/30/05 draft to read as follows: “b) determine the market share and concentration of hospital systems in markets identified in 2) a) and trends in the market share of hospital systems;”. The chair ruled the motion failed.

**MOTION:** Speaker Curtis moved to adopt the language in paragraph 3) of the 9/02/05 draft. The motion passed unanimously.

**MOTION:** Sen. Hickman moved to adopt the language in paragraph 5) of the 9/02/05 draft.

**SUBSTITUTE MOTION:** Sen. Davis moved to amend the language in paragraph 5) of the 9/02/05 draft to read as follows: "Evaluate the impact and influence that a vertically integrated company has on the competitive environment for health care providers and the health insurance markets."

Mr. Hammer pointed out that paragraph 5) creates a shift away from looking at the impact on competition and consumers to the impact on competitors.

Mr. Towsley and Ms. Cannaday spoke in support of the language in paragraph 5).

The Task Force voted on the substitute motion which failed in the Senate.

The Task Force voted on the original motion which failed in the House.

**MOTION:** Rep. Dunnigan moved to amend the language in paragraphs 1) h) and 3)b) of the 9/02/05 draft as follows: after "company," insert "their" and after "market share, and" insert "their".

**SUBSTITUTE MOTION:** Sen. Davis moved to amend the language in paragraphs 1) h) and 3)b) as proposed by Rep. Dunnigan and to accept November 3, 2005 as the date when the Task Force will meet to determine a successful bidder. The substitute motion passed unanimously.

**MOTION:** Speaker Curtis moved to delete paragraph 2) d) i) and to amend 2) f) as follows: after "may" insert "impact or". The chair ruled the motion failed.

**MOTION:** Rep. Lockhart moved to amend paragraph 2) f) in the 9/02/05 draft as follows: after "may" insert "impact or". The motion passed unanimously.

**MOTION:** Rep. Clark moved to direct staff to proceed with finalizing the RFP. The motion passed unanimously.

Ms. Steffen distributed a second RFP dated 9/8/05 entitled "Analysis of Operation and Practices of the Non-profit Vertically Integrated Health Care System in Utah." Chair Waddoups explained that the RFP was drafted to address the financial aspects of the Task Force's study.

Rep. D. Clark commented that one of the critical portions of the RFP is the purpose statement. He stated that he wanted the Task Force to have more ownership in developing the initial concept of the RFP. The panel of stakeholders could help with the questions to be included within the RFP.

Chair Waddoups requested that the members review the RFP and be prepared to discuss it at the next

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meeting.

**MOTION:** Sen. Davis moved to adjourn the meeting. The motion passed unanimously.

Chair Waddoups adjourned the meeting at 4:15 p.m.