

**MINUTES OF THE
HEALTH AND HUMAN SERVICES INTERIM COMMITTEE**
Wednesday, October 19, 2005 – 9:00 a.m. – Room W020 House Building

Members Present:

Sen. Allen M. Christensen, Senate Chair
Rep. Bradley G. Last, House Chair
Sen. Sheldon L. Killpack
Sen. Peter C. Knudson
Sen. Scott D. McCoy
Rep. D. Gregg Buxton
Rep. Patricia W. Jones
Rep. David Litvack
Rep. Rebecca D. Lockhart
Rep. Steven R. Mascaro
Rep. Ronda Rudd Menlove
Rep. Paul Ray

Members Absent:

Rep. Wayne A. Harper

Staff Present:

Mr. Mark D. Andrews, Policy Analyst
Ms. Catherine J. Dupont, Associate General Counsel
Mr. Thomas R. Vaughn, 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.

1. Committee Business

Chair Last called the meeting to order at 9:10 a.m.

MOTION: Rep. Jones moved to approve the minutes of the September 21, 2005 meeting. The motion passed unanimously. Sen. Knudson, Rep. Litvack, and Rep. Ray were absent for the vote.

2. Medicaid - Prescription Drug Cost Containment

Mr. Scott Morgan, R.Ph, Director of Pharmacy, TriCast and Mr. Greg Rucinski, R.Ph, President of TriCast, gave a presentation on “The Value and Savings with Group Drug Purchasing of PBM Services.” TriCast focuses on negotiating contracts with PBMs (Pharmacy Benefit Manager) in an effort to obtain a greater discount on PBM services. Mr. Morgan outlined the drug claim cost equation and discussed the potential savings that could be realized with group drug purchasing of PBM services. He noted that a 1 percent discount in the average wholesale price is equal to approximately \$2.2 million.

Dr. David Sundwall, DOH (Department of Health), gave a presentation on Medicaid prescription drug cost containment. He reviewed the pharmacy cost-saving measures that the state has implemented. Dr. Sundwall addressed the PDL (Preferred Drug List) and stated that the PDL places the best drug into the hands of the patient for the best price possible. He outlined the benefits and savings that would be realized through a PDL. He distributed "Utah Pharmacy Cost Containment Initiatives Compared to the Kaiser Cost Containment Strategies for Prescription Drugs."

Mr. Blake Anderson, DOH, indicated that where a PDL is used, doctors prescribe drugs included on the PDL approximately 95 percent of the time. If Utah had a PDL, exceptions would be handled in a timely manner.

Rep. Mascaro distributed "Resolution Supporting Medicaid Preferred Drug List for Acid Reflux and

Statins." He asked that the Committee review the resolution for possible action at the next meeting.

Mr. Richard Cauchi, Health Care Program Director, National Conference of State Legislatures, distributed a copy of his presentation "Prescription Drug Bulk Purchasing: Recent History and State Actions" and additional supporting information. He stated that bulk prescription buying is a logical, traditional step for many high volume commodities. He compared prescription drug discounts under various purchasing arrangements. Mr. Cauchi pointed out that several states are using a single PDL both for Medicaid and other state programs.

3. Medicaid – Provider Reimbursement

Mr. Michael Deily, Division of Health Care Financing, distributed "Medicaid Reimbursement Comparison to Medicare and Private Pay" and "Medicaid Inflation History FY 2000 - FY 2006." He discussed the issue of physician access. Mr. Deily commented that reimbursement rate is very important and pointed out that Utah is ranked 47th in its reimbursement.

Dr. Craig Olsen, Utah Dental Association and Utah Oral Health Coalition, gave a presentation on Medicaid dental reimbursement. He stated that the reimbursement rate is so low that few dentists will see Medicaid patients. He stressed the need to continue Medicaid benefits for adults. Dr. Olsen commented that all stages of life have need for oral health services. He outlined possible solutions to the problem.

Dr. Catherine Wheeler, Utah Medical Association, discussed many issues such as the rising cost of liability premiums and the low rate of Medicaid reimbursement. She stated that physicians have had to limit their practices. Dr. Wheeler expressed her concern with access to health care and discussed the changes that other states are making to address the problem.

Mr. David Gessel, Utah Hospitals and Health Systems Association, distributed "CPI Increase vs. Utah Medicaid Inflation Rate FY2002-FY2006." He said that over the last few years the Medicaid program has not had the same attention in funding as other areas. He stated that now is time to increase physician fees.

4. Medicaid—2006 General Session Preview

Dr. Sundwall identified Medicaid issues likely to come up during the 2006 General Session: budget needs, continued funding of adult dental and vision, modification of the asset test, the Covered at Work premium subsidy level, and provider reimbursement.

The Committee briefly discussed the Covered at Work program. It was noted that many people had difficulty accessing the program because the Department of Workforce Services was not properly educated on it to provide the necessary help.

Dr. Sundwall provided a copy of a letter from the National Governors Association regarding its position on critical Medicaid issues pending before Congress.

Ms. Judi Hilman, Utah Issues, said the Legislature should take care of the ongoing dental and vision issue and address provider rates with budget surplus funds. She stated that the asset test should be removed and that the Covered at Work premium subsidy level should be raised to \$150.

5. Adoption

Rep. Kory Holdaway discussed draft legislation, "Adoption and Vital Statistics Amendments" which was included in the supplemental mailing packet. The bill would provide for the release of an original certificate of birth to an adult adoptee, subject to certain exceptions. He asked that the Committee review the legislation for future action.

Ms. Nicole Barker, adoptee, stated that there is a need to give options to both parties involved. Each individual adoptee has their own reasons for wanting access to their birth parents. She indicated she wanted access to her birth parents for medical background purposes.

MOTION: Rep. Litvack moved to adjourn. The motion passed unanimously.

Chair Last adjourned the meeting at 12:00 p.m.