

**MINUTES OF THE
HEALTH AND HUMAN SERVICES INTERIM COMMITTEE**
Wednesday, June 21, 2006 – 2:00 p.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. Wayne A. Harper
Rep. Patricia W. Jones
Rep. David Litvack
Rep. Rebecca D. Lockhart
Rep. Steven R. Mascaro
Rep. Ronda Rudd Menlove
Rep. Paul Ray

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, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Last called the meeting to order at 2:15 p.m.

MOTION: Rep. Ray moved to approve the minutes of the April 19 and May 17, 2006 meetings. The motion passed unanimously. Sen. Killpack and Sen. Knudson were absent for the vote.

2. Health Insurance Access in Other States

A. The Massachusetts Model

Mr. Norman Thurston, Ph.D., Health Economist/Research Consultant, Utah Department of Health, distributed "Massachusetts Health Care Reform." He gave a detailed analysis of legislation passed recently in Massachusetts to reduce the number of uninsured by increasing Medicaid enrollment, subsidizing private insurance premiums, and promoting the availability of affordable health insurance plans.

Dr. Joe Jarvis, Utah Health Policy Project, distributed "The Massachusetts Health Plan: *Lessons for Utah*" and "HSAs: Wrong Answer to the Problem of Rising Health Care Costs." Dr. Jarvis explained why the Massachusetts plan is not a good model for Utah.

Ms. Judi Hilman, Utah Health Policy Project, indicated that Medicaid is the most cost-effective way to provide health care coverage to low income people. She said she hoped that the new Medicaid Interim Committee would recognize the value of Medicaid and fully fund comprehensive services through disease management, modernization of long-term care, bulk purchasing, and a preferred drug list.

Mr. Bill Tibbitts, Anti-Hunger Action Committee, stated that Massachusetts has done a good job of

developing a proposal that will expand access to many people without reducing benefits to those who already have coverage.

B. Access to Affordable Health Insurance in Utah

Mr. Paul Zane Pilzer, economist, entrepreneur, and author, reviewed the history of employer-sponsored health benefits and distributed a written summary of his comments. He said the federal government passed consumer directed health care laws and regulations in 2002-2005 allowing employers to reimburse employees, tax-free, for the cost of individual or family health insurance policies that employees purchase themselves. The two largest health insurance carriers in Utah have established a policy of rejecting policies and/or cancelling coverage if employers provide such a reimbursement. He recommended that the Legislature address the issue.

Mr. Kelly Atkinson, UHIA (Utah Health Insurance Association), pointed out that no carrier in the state's individual health insurance market allows for premium reimbursement by an employer. He said that UHIA's pay or play plan proposed three years ago is now being reviewed by the governor's work group on the uninsured. The basic premise of the pay or play plan and the Massachusetts plan is to spread risk over a broad base. In responding to a question about a bill considered during the last legislative session that would permit small groups to enroll in PEHP (Public Employees Health Program), Mr. Atkinson explained that PEHP has low administrative costs, primarily because it insures government employees. If small businesses were added to PEHP, administrative costs and bad debts would increase exponentially.

Mr. Todd Trettin, SelectHealth, indicated that if Mr. Pilzer's concept is adopted, it would destroy the small group market which would in turn destroy HIPUtah (Utah Comprehensive Health Insurance Pool).

3. Other Business / Adjourn

MOTION: Sen. Knudson moved to adjourn. The motion passed unanimously.

Chair Last adjourned the meeting at 4:20 p.m.