

**MINUTES OF THE  
HEALTH SYSTEM REFORM TASK FORCE**

Thursday, June 19, 2008 – 8:00 a.m. – Room C250 State Capitol

**Members Present:**

Sen. Sheldon L. Killpack, Senate Chair  
Sen. Gregory S. Bell  
Sen. Gene Davis  
Sen. Peter C. Knudson  
Rep. Roger E. Barrus  
Rep. Jackie Biskupski  
Rep. Bradley M. Daw  
Rep. David Litvack  
Rep. Merlynn T. Newbold  
Rep. Patrick Painter

**Members Absent:**

Rep. David Clark, House Chair

**Staff Present:**

Mr. Mark D. Andrews, Policy Analyst  
Ms. Catherine J. Dupont, Associate General Counsel  
Dr. Norman K. Thurston, Health Economist and  
Policy Consultant, Utah Department of Health  
Ms. Phalin L. Flowers, 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](http://www.le.utah.gov).

**1. Task Force Business**

Chair Killpack called the meeting to order at 8:05 a.m.

**MOTION:** Sen. Knudson moved to approve the minutes of the May 22, 2008 meeting. The motion passed unanimously with Sen. Davis, Rep. Biskupski, and Rep. Litvack absent for the vote.

**2. Health Insurance Reform**

Sen. Wayne L. Niederhauser reported on key issues identified by a group of Utah business representatives he has been meeting with to develop recommendations and input for the Task Force. These issues include:

- creating a defined contribution approach to health insurance, which businesses generally favor
- increasing consumerism
- increasing transparency of information, including information on pricing, outcomes, infection rates, and lengths of stay
- creating episode pricing
- fixing bad incentives, including coverage and billing practices, that lead to overutilization
- creating provider service warranties
- increasing portability of insurance, although this is not a core issue for business
- allowing COBRA-eligible insureds to choose a plan that costs less than the one under which they have been insured
- increasing affordability of plans to small businesses by aggregating small groups into larger groups
- mandating insurance coverage, which is not the answer to reform, but which businesses could support if other approaches to reforming the health care system do not work
- increasing affordability for small businesses to offer cafeteria plans
- using health savings accounts
- adopting wellness plans that don't just increase utilization, but reduce long-term health care costs

Mr. Jim Olsen, President, Utah Food Industry Association (Association), agreed with Sen. Niederhauser's summary and highlighted the following issues of importance to the Association:

- requiring consumers to have "more skin in the game"

- ensuring that as many people as possible are covered by insurance
- looking at the use of a Section 125-type defined contribution approach
- increasing portability, particularly for employees leaving self-insured employer plans
- increasing transparency
- pricing health care based on episodes of care

Mr. Lane Beattie and Ms. Chris Redgrave, Salt Lake Chamber of Commerce, discussed the need for health care reform and identified issues of importance to the Chamber, including:

- changing the status quo to ensure the state's economic competitiveness
- establishing accountability in the health care system
- increasing transparency
- defining a basic benefit
- addressing utilization
- relying on a market-based system
- creating portability of health plans

Mr. Beattie said that containing costs is the top priority of health care reform. He clarified that although he was not saying he believed there needed to be a mandate for coverage, he believed something may need to be done to make it possible for people to get coverage. (A copy of Mr. Beattie and Ms. Redgrave's prepared statement is available under "Related Materials" at <http://www.le.utah.gov/asp/interim/Commit.asp?Year=2008&Com=TSKHSR>.)

Sen. Niederhauser wrapped up the discussion by making the following points:

- Utah businesses can live with their current level of participation in the health care system but increases in cost above the rate of inflation will increase the number of businesses dropping health care coverage
- reform needs to emphasize consumerism, transparency, and getting the incentives right
- the representatives of Utah businesses that met with Senator Niederhauser tried to look at the health care system in terms of what it *could* be

### **3. Optimizing Public Programs**

Mr. Michael Hales, Director, Division of Health Care Financing, Utah Department of Health (DOH), introduced Mr. Nate Checketts, Director, Bureau of Access, DOH, and Mr. Don Beckwith, DOH.

Mr. Checketts distributed and discussed "Proposed 1115 Waiver Amendments." He discussed six proposals by the Department of Health regarding waiver amendments and the status and planned implementation date of those proposals.

Mr. Hales discussed health opportunity accounts and explained that these accounts could be a complement to Utah's Premium Partnership for Health Insurance (UPP). He also discussed medical home models for Medicaid clients and suggested creating a definition for what constitutes a medical home. He said the idea of a medical home is to have a regular place for obtaining health care. Mr. Hales also discussed efforts by Medicaid to divert clients from inappropriate emergency room use.

Mr. Lincoln Nehring, Utah Health Policy Project, distributed "Strengthening the Utah Premium Partnership Program Waiver: Recommendations" and emphasized the importance of ensuring that health care coverage under a redesigned UPP is affordable, comprehensive, and of good quality.

#### **4. Transparency and Value**

Rep. James Dunnigan reported to the Task Force on meetings he has had with the health insurance industry about health care reform. He said the industry supports increased transparency for consumers and would like to be allowed to be innovative and find solutions on its own. The industry does not support a common web portal. Insurers want to retain the ability to drive people to their own websites so that they can brand themselves and not lose their uniqueness. They do not want the state to become a super broker. Rep. Dunnigan noted that there are costs associated with providing information to a state portal and indicated that consumers wouldn't be able to wade through all of the information.

Rep. Dunnigan indicated that insurers support the idea of a system that would rank them, the concept of accepting electronic applications from their own portals, and the possibility of offering mandate-light products. He indicated that the biggest opportunity for health care reform involves creating incentives for individuals to take care of their own health.

Mr. Scott Ideson, President, Regence BlueCross BlueShield of Utah, introduced Ms. Jennifer Stark, Individual Sales Executive, Regence BlueCross BlueShield of Utah. He said Regence recognizes that it will have to change the way it does business in order to achieve good health care reform, and noted that Regence is supportive of reform.

Ms. Stark gave a presentation on two Regence websites. She demonstrated [www.regence.com](http://www.regence.com), which is a website for individuals to purchase individual and family insurance. She also demonstrated [www.myregence.com](http://www.myregence.com), which is a website to help individuals with Regence insurance manage their care. She discussed the resources that are available on the website, which include pages that show an individual's health care history, medication history, and resources for increasing health awareness. She explained that members earn points for using the website, which can be cashed in for a gift card.

Mr. Ideson reported that Regence's trend in health care spending on its own 7,000 employees has decreased for five years as those employees have used the tools available at [www.myregence.com](http://www.myregence.com).

#### **5. Personal Responsibility**

This item was postponed until the August meeting of the Task Force.

#### **6. Adjourn**

**MOTION:** Rep. Litvack moved to adjourn the meeting. The motion passed unanimously with Sen. Davis and Rep. Biskupski absent for the vote.

Chair Killpack adjourned the meeting at 11:59 a.m.