

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

Thursday, August 21, 2008 – 8:00 a.m. – Room C250 State Capitol

Members Present:

Sen. Sheldon L. Killpack, Senate Chair
Rep. David Clark, House 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

Staff Present:

Mr. Mark D. Andrews, Policy Analyst
Ms. Catherine J. Dupont, Associate General Counsel
Mr. John T. Nielsen, Advisor to the Governor on
Health System Reform
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.

1. Task Force Business

Chair Clark called the meeting to order at 8:12 a.m.

Chair Clark read an email from a small business owner that states the business owner will be forced to stop contributing to his employees' health insurance premiums due to high cost. Chair Clark explained that he believes the work of the Task Force will be successful when quality healthcare is maintained and enhanced for every citizen of the state of Utah.

MOTION: Sen. Bell moved to approve the minutes of the June 19, 2008 meeting. The motion passed unanimously with Sen. Davis, Sen. Killpack, and Sen. Knudson absent for the vote.

2. Personal Responsibility

Ms. Dupont distributed and discussed "Wellness Programs and Federal Law." She described federal law requiring nondiscrimination in rules for eligibility for group health plans and the limited exception to the general rule against nondiscrimination for a wellness program offered by a group health plan. She also discussed federal barriers to wellness programs.

Ms. Pamela Gold, Director of Account Management, and Mr. Joseph Delisis, Account Executive, UnitedHealthcare, distributed "UnitedHealthcare - Consumer Engagement," "UTAH Snapshot," "United Health Foundation - America's Health Rankings 2007," and "UHG Guiding Principles for Health Care Reform." They explained that the purpose of their wellness program is to get consumers involved in having healthier lifestyles. They discussed the details of UnitedHealthcare's wellness program and how the program works.

Mr. Kurt Howell, CEO, UnitedHealthcare of Utah, answered Task Force questions about the benefits and results of UnitedHealthcare's wellness program.

Ms. Lara Blackwell, Regence BlueCross BlueShield of Utah, gave a presentation on Regence's wellness program. She said the purpose of the wellness program is to empower members to improve or maintain

their health, drive member engagement and participation in wellness, support members in making informed health decisions, and partner with employers to create a culture of wellness.

Mr. Darrell Moon, CEO, Ms. Shawn Stringham, COO, and Ms. Judi Harrison, Director of Sales, Health Behavior Innovations, distributed and discussed "Employer-Sponsored, Accountability-Based Wellness Programs." They discussed the results of wellness programs over the last four years and showed the overall improvement in the health status of participants.

3. Maximizing Tax Advantages

Ms. Dupont gave a presentation titled "Section 125 Cafeteria Plans - Legal Issues." She discussed Section 125 plan requirements and nondiscrimination provisions. She also explained the application of additional federal laws, including COBRA, HIPAA, and ERISA. Ms. Dupont then described the primary issues and options related the use of cafeteria plans.

Ms. Juliette Tennert, Chief Economist, Governor's Office of Planning and Budget, distributed and discussed "Section 125 Savings." She explained how Section 125 plans lower employee premiums and reduce employer costs.

4. Health Insurance Reform

Rep. Litvack gave an update on the communities working group and explained that they do not have a specific proposal at this time, but they wanted to give an explanation of the process they are working on.

Mr. Lou Swain, Davis County resident and co-chair of the communities working group, explained that the communities working group is comprised of individual citizens who pay health insurance premiums, medical providers, business representatives, and insurance representatives in an attempt to have a broad spectrum of opinions, ideas, and concerns. He said the objective of the working group is to create ideas that can be brought as recommendations to the Task Force. He noted that one consensus of the working group is that the trajectory of health costs associated with the current system is an impossible trajectory to maintain.

Ms. Elizabeth Garbe, Utah Health Policy Project, said the working group has a subcommittee that is meeting weekly to develop recommendations for the Task Force's consideration. She noted the next meeting will be broadcast to five sites around the state in order to diversify ideas and participation.

Rep. James Dunnigan, representing the insurer working group, said the working group consists of major health insurance representatives as well as smaller carriers and representatives of the broker community. He noted that a large driver of health insurance costs is individual behavior and that there is real promise in controlling costs if individuals become more involved in personal responsibility.

Rep. Dunnigan explained that the working group is developing legislation that would create a new health insurance product that allows individuals to opt out of mandates, if they choose, and which will help avoid future mandate creep. He said the new product would be available to individuals that have just left a group or employer plan and would cost one-third less than the average large group plan. Rep. Dunnigan said the new product would also lower the threshold for the amount of time an employee must be on the employer's insurance to be eligible from six months to three months.

Rep. Dunnigan indicated that the working group is developing a response to the proposal for an Internet health insurance portal.

5. Optimizing Public Programs

Mr. Nate Checketts, Director, Bureau of Access, and Mr. Michael Hales, Director, Division of Health Care Financing, Utah Department of Health (DOH), discussed "Proposed 1115 Waiver Amendments," which was included in the mailing packet. They explained that the document is an updated version of the six items that will be changed with the 1115 waiver DOH is proposing. They noted that public hearings have been held and that DOH met with advisory councils and received feedback from them regarding the 1115 Waiver changes.

Mr. Lincoln Nehring, Utah Health Policy Project, spoke in support of allowing children who otherwise become eligible for CHIP to enroll immediately rather than having to wait for a specified period of time.

Ms. Candace Daly, State Director for Utah, National Federation of Independent Business (NFIB), said that the cost of health care is the number one issue members of NFIB are concerned with, not the quality of health care. She said most small businesses want the minimum amount of health care insurance that they can afford and would like to have a bare bones product option.

Ms. Chris Fawson, Legislative Coalition for People with Disabilities, voiced concern about health insurance plans that would be exempt from most state mandates. She indicated that if a family with one of these policies had a child born with a disability and the child's conditions were not covered at birth, the family would generally not be able to get other coverage.

6. Other Business / Adjourn

The next meetings are scheduled for Thursday, September 18, 2008 and Monday, October 13, 2008.

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

Chair Clark adjourned the meeting at 11:47 a.m.