

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

Wednesday, December 14, 2009 – 3:00 p.m. – Room 250 State Capitol

Members Present:

Speaker David Clark, House Chair
Sen. Sheldon L. Killpack, Senate Chair
Sen. Gene Davis
Sen. Peter C. Knudson
Sen. Wayne L. Niederhauser
Rep. Jackie Biskupski
Rep. Bradley M. Daw
Rep. Bradley G. Last
Rep. David Litvack

Rep. Ronda Rudd Menlove
Rep. Merlynn T. Newbold

Staff Present:

Mr. Mark D. Andrews, Policy Analyst
Ms. Catherine J. Dupont, Associate General Counsel
Ms. Chelsea Barrett, 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

Speaker Clark called the meeting to order at 3:13 p.m.

MOTION: Rep. Daw moved to approve the minutes of the November 18, 2009 meeting. The motion passed unanimously. Sen. Davis and Rep. Biskupski were absent for the vote.

2. Utah Health Exchange Update

Mr. Dan Schuyler, Governor's Office of Economic Development, and Dr. Norman Thurston, Health System Reform and Policy Coordinator for the State, discussed issues that have arisen during the launch of the Utah Health Exchange, including rates for some plans that were higher inside the Exchange than outside the Exchange. Mr. Schuyler discussed the results of a survey of employers who began but did not complete the enrollment process. He reported that many employers chose not to participate in the Exchange due to issues other than price and indicated that each of these issues can be fixed. Dr. Thurston addressed whether parallel markets should be retained. He noted that merging the markets and allowing a person to get the same plan inside or outside the Exchange seems to resolve a lot of issues. He indicated that as long as an employer is allowed to retain the option of designating one plan for the employer's employees, keeping parallel markets may not be worth the effort.

Mr. Schuyler distributed "Consumer Experience Workgroup Progress." Ms. Korey Capozza, a member of the Consumer Experience Workgroup operating under the Task Force's Oversight and Implementation Workgroup, discussed options for improving the process of selecting a plan in the Exchange.

Mr. Ray Seaver, bswift, agreed that there are issues related to users of the Exchange, including employers, brokers, and carriers, that need to be improved and are fixable. He noted that choosing from among 66 plans in the Exchange is a daunting experience. He reviewed ways in which plans in the Exchange may be filtered already and indicated that bswift is engaged in figuring out how to filter plans further.

Mr. Ernie Sweat, Utah Association of Health Underwriters, distributed "Utah Association of Health Underwriters," a document discussing the universal application for health insurance, the Utah Health

Exchange, and use of the Exchange as a single market for small group insurance. He said that being listed as an agent in the Exchange should require the affirmative effort of the agent. He indicated that he is nervous about creating a single market (merging the defined contribution and regular group markets) and said that as many options as possible should be retained for small employers.

Dr. Steve Neeleman, Health Equity, indicated that the user-experience issues that have come up during the launch of the Exchange can be fixed, but consumers must also be able to see good rates in the Exchange. He said that he didn't think a two system approach (parallel group markets in and out of the Exchange) would work. He strongly encouraged use of a process to register brokers.

Ms. Elizabeth Garbe, Health Policy Director, United Way of Salt Lake City, explained that United Way was unable to participate in the Exchange due to the higher rates the organization would have been charged in the Exchange. She reviewed the pillars of reform developed by United Way's Financial Stability Council.

Mr. Mark Brown, Utah Defined Contribution Risk Adjuster Board, said the Board is committed to coming up with solutions for the Exchange, the Board will complete the plan of operation for the Exchange by the end of the month, and the Board is in the process of replacing one member who resigned due to a change in employment.

Ms. Tanji Northrup, Utah Insurance Department, indicated that the department will work on simplifying the uniform insurance application.

3. Draft Legislation: "Health Reform - Uniform Electronic Standards - Insurance Information"

Rep. Newbold presented an amended version of "Health Reform - Uniform Electronic Standards - Insurance Information," draft legislation the Committee considered and recommended as a committee bill at its November 18 meeting.

MOTION: Rep. Newbold moved to recommend 2010 General Session draft legislation, "Health Reform - Uniform Electronic Standards - Insurance Information" (2010FL-0431/013) as a committee bill. The motion passed unanimously. Sen. Davis, Sen. Knudson, and Rep. Biskupski were absent for the vote.

4. Draft Legislation: "Amendments to Health Insurance Coverage in State Contracts"

Rep. James A. Dunnigan presented an amended version of draft legislation "Amendments to Health Insurance Coverage in State Contracts," considered by the Committee and recommended as a committee bill at its November 18 meeting.

MOTION: Rep. Daw moved to recommend 2010 General Session draft legislation, "Amendments to Health Insurance Coverage in State Contracts," (2010FL-0082/009) as a committee bill. The motion passed unanimously. Sen. Davis, Rep Biskupski, and Rep. Newbold were absent for the vote.

5. Draft Legislation: "Health Reform - Insurance Market Revisions"

Speaker Clark told the Task Force that he is sponsoring a bill, "Health System Reform Amendments" (2010FL-0349/003), that would be posted online after the meeting. The Speaker indicated the bill incorporates suggestions made by the Oversight and Implementation Workgroup, merges the two small group markets (regular and defined contribution) into the Utah Health Exchange, and modifies underwriting and rating practices in the small group market. He said that the market needs to migrate from risk avoidance to risk management.

6. Other Business

The Task Force had no additional business.

7. Adjourn

MOTION: Rep. Daw moved to adjourn the meeting. The motion passed unanimously. Sen. Davis, Rep. Biskupski, and Rep. Newbold were absent for the vote.

Chair Clark adjourned the meeting at 5:00 p.m.