

(Draft - Awaiting Formal Approval)

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

Wednesday, August 18, 2010 – 9:00 a.m. – Room 250 State Capitol

Members Present:

Speaker David Clark, House Chair
Sen. Wayne L. Niederhauser, Senate Chair
Sen. D. Chris Buttars
Sen. Gene Davis
Sen. Peter C. Knudson
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. Wendy Bangerter, 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 Niederhauser called the meeting to order at 9:15 a.m.

MOTION: Rep. Daw moved to approve the minutes of the June 23, 2010 meeting. Rep. Newbold stated she is recognized as being present at adjournment, but that she was not. Her correction was recognized as part of the motion. The motion to approve the minutes with the noted correction passed unanimously. Speaker Clark, Sen. Knudson, and Rep. Last were absent for the vote.

2. Report on Federally Required High Risk Pool for Persons with Pre-existing Conditions

Ms. Tomi J. Ossana, Executive Director, HIPUtah (Utah Comprehensive Health Insurance Pool), distributed and reviewed "HIPUtah - Federal HIPUtah." She compared HIPUtah and federal HIPUtah. Federal HIPUtah will not be operated as part of HIPUtah, but it will rely on the same administrative structure and providers as HIPUtah. Federal HIPUtah will be capped if it looks like it will run out of money.

3. Reports from Workgroups

Sen. Knudson, Senate Chair of the Task Force's Implementation Oversight Workgroup, indicated the workgroup is not sure whether additional legislation will be needed to facilitate implementation of 2010 legislation passed by the Legislature. However, Sen. Knudson reported, the Office of Consumer Health Services (OCHS) has recommended that the definition of "small employer group" be changed to include employers with up to 100 (rather than up to 50) employees.

Rep. Dunnigan, House Chair of the Task Force's Implementation Oversight Workgroup, highlighted a report by the Commonwealth Fund, "Health Insurance Exchanges and the Affordable Care Act: Key Policy Issues," and indicated that he thought the issues in the report should be addressed. The report was received by the workgroup and mailed to the Task Force.

Rep. Daw, House Chair of the Task Force's Cost Containment Workgroup, distributed a presentation made to the workgroup by the Utah Public Employees Health Program and HealthEquity on the use of high deductible health plan/health saving accounts in Utah's and Indiana's public employees health insurance programs. He indicated that by moving to consumer-directed health care, Indiana's program has

experienced a net savings of over 10 percent. At future meetings, the workgroup will discuss how to move toward greater participation in consumer-directed care by Utah public employees.

4. Utah Health Exchange Update

Mr. John T. Nielsen, Special Advisor to the Governor on Health Care, OCHS, said that the federal government has requested information on the development of health exchanges. The information is due by October. He said that Dr. Norman Thurston, Utah Department of Health, is coordinating the effort to collect that information and that the information will be vetted with the Legislature.

Mr. Nielsen distributed a chart showing how Utah's executive branch is coordinating its response to federal health care reform legislation and emphasized that the chart illustrates a coordination effort, not a supervisory effort.

Mr. Matthew Spencer, OCHS, introduced the new OCHS staff: himself, Program Manager; Ms. Sue Watson, Program Manager; and Mr. Brandon Bowen, Compliance Manager. He reported that 660 companies have asked to be notified when the Utah Health Exchange is open again and that four carriers will provide about 60 plans in the Exchange. He said that the integration of the All Payer Database with the Exchange is at the top of his list, but that money is needed to do the integration. He discussed the Exchange's call center — its functions, how it will be funded, and the selection of HealthEquity as the contractor to run it. He noted that the call center is being set up to not create an unfair advantage over the health insurance broker community, that a broker can choose to provide service provided by the call center or split the service and the call center fee with the center, and that some brokers are choosing to set up their own call centers.

Mr. Dave Jackson, Utah Defined Contribution Risk Adjuster Board, reported that the Board has divided its work among five subcommittees and that its goal is to have as near perfect a launch of the small group market in the Exchange as possible. Notwithstanding regulatory delays created by the Affordable Care Act, the Board expects carriers to have their plans ready for the Exchange by August 31. He indicated that the actuary contract to certify plans in the Exchange has been awarded to two companies. He reported on the large employer group pilot program and said that the Board is two to three weeks behind where it would like to be; however, the goal is to be ready for the January 1, 2011, launch of the large employer group pilot program.

Mr. Nielsen spoke further about how the executive branch is coordinating its response to federal health care reform legislation.

Speaker Clark noted that there are two models for exchanges — the market-based model adopted by Utah, and the Medicaid model adopted by Massachusetts. He said that as far as he can tell, Utah will be able to keep its market-based model under federal health reform. However, he asked for people to help determine whether Utah should have a blended model. He expressed appreciation to various entities and people that have helped implement the Exchange and said that there is still much that needs to be done. He identified five needs:

- (1) the need to influence the implementation of federal health reform;
- (2) the need to stay engaged in the development of model regulations by the National Association of Insurance Commissioners;
- (3) the need to make sure the All Payer Database is providing data by the end of this summer and that the data gets published in a consumer-friendly way;

- (4) the need to ensure that the state's system for the electronic exchange of clinical health information (cHIE) goes statewide to all health care providers; and
- (5) the need to hold payment and delivery demonstration projects accountable for progress by specific dates. He emphasized the need to focus on answering the question: "How much, by when?"

In response to a question about whether workgroup meetings could be recorded, Speaker Clark asked staff to let the Task Force know in a couple of weeks the ramifications of doing so.

5. Health Information Technology Funding Opportunities

Dr. David Sundwall, Executive Director, Utah Department of Health and Health Information Technology (HIT) Coordinator for the State of Utah, updated the Committee on Utah's HIT. He distributed and reviewed "Statewide Coordination of Federal Health Information Technology Funds." He discussed how well various state agencies coordinate and get along with each other through the Utah HIT Governance Consortium, which meets quarterly. He said that Utah has received, with the approval of the Utah Legislature, over \$35 million in federal grants for HIT development. How to sustain that development, he noted, is a big challenge. He indicated that the consortium will plan to provide the Legislature, as necessary, with recommendations for legislative or regulatory changes to ensure successful HIT development.

Ms. Jan Root, CEO, Utah Health Information Network (UHIN), distributed and reviewed "August 2010 cHIE Update." She reported that all four of the major hospital systems are connected or are on the verge of being connected to the cHIE and that an agreement has been made to allow non-Veteran's Administration providers to obtain health information about veterans from the Veterans Administration. She reported that UHIN is starting to implement a sustainable business model for the cHIE.

Ms. Christie North, Vice President of Utah Programs, *HealthInsight*, pointed out that *HealthInsight* will use federal grant monies as a Regional Extension Center to help medical providers obtain additional HIT monies not included in figures distributed at the meeting. Ms. North also discussed Utah's Beacon Community Program, a program funded with federal money, and the foundation of which is HIT.

6. Demonstration Projects Update

Ms. North updated the Task Force on the status of three payment and delivery reform demonstration projects: maternity (acute care), diabetes (chronic care), and pediatric care (under the Children's Health Insurance Program Reauthorization Act). She presented a timeline for implementation of each project through the first quarter of 2011 and additional detail on implementation of the maternity project through the end of 2011. Based on the timeline, provider "share back" payments for the maternity project will be calculated by December 2011 and distributed thereafter on a quarterly basis. She indicated that *HealthInsight's* intent is to shorten the maternity project timeline as the pieces of the demonstration projects come together. She also indicated that *HealthInsight* is planning to catalogue the various one-payer and two-payer diabetes reimbursement pilot projects it believes have been started during the one-year planning phase for multi-payer projects. Ms. North also indicated that the operations plan for the pediatric care project should be developed by September.

Speaker Clark emphasized the importance of picking up the pace on the demonstration projects.

7. Other Business

There was no other business to conduct.

8. Adjourn

MOTION: Speaker Clark moved to adjourn the meeting. The motion passed unanimously. Sen. Knudson was absent for the vote.

Chair Niederhauser adjourned the meeting at 11:20 a.m.