

**MINUTES OF THE  
HEALTH AND HUMAN SERVICES INTERIM COMMITTEE**  
Wednesday, October 20, 2010 – 2:00 p.m. – Room 250 State Capitol

**Members Present:**

Sen. D. Chris Buttars, Senate Chair  
Rep. Paul Ray, House Chair  
Sen. J. Stuart Adams  
Sen. Allen M. Christensen  
Sen. David P. Hinkins  
Sen. Patricia W. Jones  
Sen. Luz Robles  
Rep. Trisha S. Beck  
Rep. Joel K. Briscoe  
Rep. Tim M. Cosgrove  
Rep. Bradley M. Daw  
Rep. Kay L. McIff

Rep. Ronda Rudd Menlove  
Rep. Phil Riesen  
Rep. Stephen E. Sandstrom  
Rep. Dean Sanpei  
Rep. Evan J. Vickers

**Members Absent:**

Rep. Eric K. Hutchings

**Staff Present:**

Mr. Mark D. Andrews, Policy Analyst  
Ms. Cathy 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](http://www.le.utah.gov).

**1. Committee Business**

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

**MOTION:** Rep. Daw moved to approve the minutes of the September 15, 2010 meeting. The motion passed unanimously. Sen. Robles, Rep. McIff, Rep. Ray, Rep. Riesen, and Rep. Vickers were absent for the vote.

**2. Medicaid Autism Waiver Report**

Rep. Ray distributed 2010 General Session Enrolled Copy H.B. 184, "Medicaid Autism Waiver." He explained that the bill required the Division of Health Care Financing (DHCF) to analyze the cost of a Medicaid waiver.

Mr. Michael Hales, Director, DHCF, gave a presentation "H.B. 184 Medicaid Autism Waiver Service Options Report." He explained that stakeholders met with Utah Department of Health staff on a monthly basis from April through August 2010 and considered three options for a waiver. He indicated that the group recommends Option 1, which would provide intensive individual support to children ages two through six years with autism spectrum disorders. He said that the group also recommends requiring parental/family involvement, which are crucial to achieving positive outcomes for a child and for the successful utilization of home and community based program services.

Mr. Hales responded to questions from the Committee. He pointed out that the Committee needs to determine by December 1, 2010, if it wants to pursue legislation on the issue.

**3. State Employees Health Insurance**

Mr. Don Ruzicka, insurance agent, distributed and discussed "MEREBOB - Medical Reimbursement Bonus Plan." He contrasted traditional health insurance with the use of a high deductible health plan

coupled with a medical reimbursement fund (MRF) authorized under Section 105 of the Internal Revenue Code. He proposed that if the HDHP/MRF arrangement reduced state employee health insurance costs by 10 percent each year, the state would save \$25 million and employees would enjoy better insurance benefits. He said that this type of insurance arrangement would, among other things, eliminate unnecessary overutilization, which is the number one driver of premium inflation, and would further reduce costs over time. He responded to questions from the Committee.

#### **4. Sunset Review: Licensing of Non-Medicaid Nursing Care Facility Beds**

Chair Buttars turned the chair over to Sen. Christensen.

Mr. Andrews discussed "Guidelines for Conduct of Sunset Review" and referred the Committee to Utah Code Section 26-21-23, Licensing of non-Medicaid nursing care facility beds, which was included in the mailing packet.

Mr. Hales explained the state's moratorium on approving nursing care facility beds for Medicaid reimbursement.

Mr. Joel Hoffman, Director, Bureau of Health Facility Licensing, Certification and Resident Assessment, Department of Health, discussed the results of 2007 legislation limiting the licensing of new nursing care facilities that serve Medicare patients. He contrasted Medicare and Medicaid reimbursement rates. Mr. Hoffman recommended that U.C.A. Section 26-21-23 be reauthorized for three-five years.

Mr. Dirk Anjewierden, Utah Health Care Association, distributed and reviewed "Medicare Only Moratorium." He explained that Medicare is very profitable for nursing homes and helps to offset Medicaid losses. He expressed support for extending the Medicare moratorium.

**MOTION:** Sen. Jones moved to extend the moratorium on Medicare beds for five years. The motion passed unanimously. Sen. Adams, Sen. Hinkins, Sen. Robles, Sen. Buttars, Rep. McIff, Rep. Ray, and Rep. Riesen were absent for the vote.

#### **5. Pharmacy Benefits Manager Act**

Staff distributed 2011 General Session draft legislation, "Pharmacy Benefits Manager Act," (FL-0118/012), which is an updated version of what was previously sent to the Committee.

Rep. Vickers stated that since the legislation was last discussed he has worked closely with agencies affected by it. He said that he would like the Committee to consider the legislation once more in November and indicated that he believes he can reach agreement with Medco by then.

Ms. Cindy Laubacher, Medco Health Solutions, said that Medco still has serious concerns about the bill and is committed to work with Rep. Vickers to reach agreement.

#### **6. Medigap 101**

Mr. Tomasz Serbinowski, Actuary, Utah Insurance Department, distributed a copy of his presentation "Medicare Supplement Insurance - Regulatory Framework." He explained that Medigap, Medicare

supplemental insurance, is sold by private insurance companies to help pay some of the costs not covered by Medicare. He discussed the setting of rates and limits imposed by the federal Patient Protection and Affordable Care Act on medical loss ratios.

#### **7. Controlled Substance Database — Interstate Compact for Data Sharing**

Rep. Daw briefly discussed "Controlled Substance Database – Interstate Compact for Data Sharing," which was included in the mailing packet.

Mr. Mark Steinagel, Director, Division of Occupational and Professional Licensure, reported that two sets of states—California and Nevada, and Kentucky and Ohio—have pursued memorandums of understanding (MOU) for interstate data sharing and that neither of the MOUs are fully functional. He discussed the provisions of the proposed compact and identified three issues that need to be resolved—funding for the interstate commission, authentication of those obtaining records, and immunity and liability. He stated it would be beneficial to have agreements with surrounding states; however, none of them are in the group most likely to adopt the compact this year.

Mr. Vaughn pointed out that funding and the one-year waiting period to withdraw from the compact are issues that should be addressed.

Rep. Daw requested that staff further research the issue so that the Committee can be fully informed before taking action.

#### **8. Other Items / Adjourn**

**MOTION:** Rep. Daw moved to adjourn. The motion passed unanimously.

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