

(Draft - Awaiting Formal Approval)

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

Wednesday, October 20, 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 9:14 a.m.

MOTION: Sen. Buttars moved to approve the minutes of the September 15, 2010 meeting. The motion passed unanimously, with Sen. Knudson and Rep. Last absent for the vote.

2. Utah Health Exchange Update

Mr. Matthew Spencer, Office of Consumer Health Services (OCHS), stated that the launch of the Utah Health Exchange (Exchange) to all small employers and the limited launch to large employers are both on target and underwriting will begin after Friday, October 22, 2010. January 1, 2011, is the effective date for small employers, but larger employer group effective dates are spread throughout the year. Five large employers will begin coverage January 1, 2011.

Mr. S. David Jackson, Utah Defined Contribution Risk Adjuster Board, said the Board's goal for Tuesday's meeting is to approve a plan of operation.

Rep. Dunnigan identified several concerns about the online application form for small employer group insurance coverage in the Exchange. Mr. Spencer indicated that the online application for coverage in the Exchange and the universal application for insurance coverage should be the same.

Chair Clark applauded the progress and efforts of the exchange. He indicated that the Exchange needs to be refocused on the consumer and that the needs of consumers should trump other competing interests.

3. Payment and Delivery Reform Demonstration Projects

Ms. Christie North, *HealthInsight*, updated the Task Force on the development and implementation of payment and delivery reform demonstration projects. She distributed "Roadmap to Success for Utah Healthcare Reform Demonstration Projects." She said that the maternity care project is close to being on schedule. She said that there are 13 to 14 small projects on diabetes or other chronic conditions and that *HealthInsight* is cataloguing them. She indicated that the diabetes project includes incentives for medical care providers to participate in the electronic Clinical Health Information Exchange (eCHIE) within the next six months.

Dr. Chuck Norlin, University of Utah pediatrician, gave a slide presentation on the use of a CHIPRA (Children's Health Insurance Program Reauthorization Act) Quality Demonstration Grant for a pediatrics project that will seek to enhance the quality of care for 66,000 to 88,000 children served by 12 pediatric practices over four years. The project will be evaluated for its impact on the quality and cost of care provided.

4. Reports from Workgroups

Rep. Daw updated the Task Force on the work of the Cost Containment Workgroup. He reported that the workgroup has concluded that a properly crafted consumer-directed health plan can—almost consistently across the board—result in savings, without sacrificing quality. At its next meeting, the workgroup will consider what is a correct consumer-directed health plan design. The Task Force asked questions and responded to Rep. Daw's report.

Rep. Dunnigan updated the Task Force on the efforts of the Implementation Oversight Workgroup. He said workgroup discussions have addressed:

- funding of the Utah Health Exchange call center;
- groups with January renewal dates who enroll in the exchange in February, and whether "anniversary" renewal premium rates should apply to the group;
- insurance carrier participation in the All Payer Claims Database;
- simplification of the data required of employers applying for coverage in the Exchange;
- National Association of Insurance Commissioners draft model legislation for health insurance exchanges; and
- medical liability demonstration projects.

Rep. Dunnigan noted the workgroup believes a blueprint should be developed for the operation of the Exchange. Speaker Clark agreed that developing a blueprint is definitely a next step that should be taken.

Rep. Dunnigan indicated that he is comfortable with how the Exchange call center has developed but that it is going to need more direction and structure, which could be addressed as part of the blueprint.

Mr. Jackson reported on the Risk Adjuster Board's consideration of whether small group employers with a January 1, 2011 renewal date should be allowed to enroll for coverage effective February 1, 2011, (and keep their renewal risk factors). He indicated that the Board did not resist that option; however, it preferred that the Office of Consumer Health Services liberalize the enrollment deadlines for January 1, 2011, coverage. Mr. Jackson indicated that he would bring the issue up again at the board's meeting the following week and anticipated that the board would make a one-time exception to enrollment deadlines for employers with a January 1, 2011, renewal date.

5. BidRx

Chair Niederhauser explained that BidRx is an online eBay-type company where consumers can shop online for prescription drugs. He said that BidRx is being used in other states.

Dr. Tom Kellenburger, BidRx, joined the meeting by telephone and demonstrated over the Internet how BidRx allows pharmacies to bid for customer prescriptions and also creates competition among pharmaceutical manufacturers by identifying alternatives to prescribed drugs. He responded to questions regarding verification of prescriptions, quality control, and what drugs and their generic equivalents are available.

6. Prescription Drug Distribution, Pricing, and Rebates 101

Ms. Marjorie Powell, Senior Assistant General Counsel, Pharmaceutical Research and Manufacturers of America (PhRMA), discussed the development, manufacturing, distribution, and health plan reimbursement of pharmaceuticals (see "Development and Distribution of Prescription Drugs," slide presentation distributed and discussed at the meeting).

7. Other Business

The Task Force had no other business to discuss.

8. Adjourn

Chair Niederhauser adjourned the meeting at 11:56 a.m.