

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

Wednesday, October 19, 2011 – 2:00 p.m. – Room 450 State Capitol

Members Present:

Sen. Wayne L. Niederhauser, Senate Chair
Rep. James A. Dunnigan, House Chair
Sen. Peter C. Knudson
Rep. Brian Doughty
Rep. Rebecca Chavez-Houck
Rep. Ronda Rudd Menlove
Rep. Merlynn T. Newbold
Rep. Dean Sanpei

Members Absent:

Sen. Gene Davis
Rep. Francis D. Gibson

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 Dunnigan called the meeting to order at 2:25 p.m.

MOTION: Rep. Newbold moved to approve the minutes of the September 21, 2011 meeting. The motion passed unanimously.

2. Federal Rulemaking

Dr. Norman Thurston, Governor's Health Policy Advisor, updated the Task Force on the development of the state's response to federal Patient Protection and Affordable Care Act (PPACA) rules open for public comment. He distributed "Areas for Commenting on Proposed Rules," which lists 12 areas of concern about the rules. He described efforts to get other groups and states to join with Utah to create a larger, more unified response.

Mr. Andrews reported on the Institutes of Medicine's recent recommendations to the U.S. Secretary of Health and Human Services. The recommendations outline a process for establishing and updating an essential benefits package under the PPACA. If the recommendations are adopted by the Secretary, the state, rather than the federal government, will have to administer Utah's PPACA-compliant exchange in 2014 for the state to be eligible to create its own definition of an essential benefits package as an alternative to any package defined by the Secretary.

3. Exchange Governance

Ms. Dupont gave a slide presentation, "Utah Health Exchange Governance Issues." She distributed "Utah Health Insurance Exchange—Types of Entities" and reviewed four structures in the Utah Code that could serve as alternatives for future governance of a PPACA-compliant health insurance exchange. She said she would send the Task Force examples of entities created under each of the four structures, which include state agency, independent state agency, independent public corporation, and independent quasi-public corporation.

Dr. Thurston indicated that the executive branch would like to work with the Legislature to develop a time frame for when the health exchange can become a private, rather than a state, agency. He indicated that the executive branch does not have a recommendation for when that transition should take place.

Mr. Danny Harris, AARP Utah, expressed concern that the Utah Health Insurance Exchange's decision to replace its Advisory Board with three roundtables removes consumers from the Exchange's decisionmaking process.

Ms. Kim Myers, Utah Health Policy Project, indicated that consumers feel like they have been left out of the Utah Health Insurance Exchange decisionmaking process.

Ms. Patty Conner, Director, Office of Consumer Health Services, explained the Utah Statewide Risk Adjuster Board is the Utah Health Insurance Exchange's governance board, helps with Exchange operations and the design of market-based solutions, and includes a consumer representative. She explained the problems with the former advisory board and discussed the structure and benefit of the three new advisory boards, which consist of brokers, carriers, and statutorily identified participants, respectively.

4. Facilitating Innovation

Ms. Shelly Teuscher, representing Humana, and Ms. Alexandre Koetra, representing Humana's wellness program HumanaVitality, explained HumanaVitality and its impact on insurance claims. Ms. Koetra gave a presentation using slides titled "Humana Vitality-Healthier Living." She said that Vitality includes a health assessment, education, goals, verifiable (electronic) tracking of employee wellness behaviors, and non-cash rewards. Ms. Koetra reported that one study showed use of the program resulted in a 45 percentage-point reduction in insurance claims increases over a five-year period. She said she would provide the Task Force with studies on the program's effects.

Mr. Wesley Smith, Director of Public Policy, Salt Lake Chamber of Commerce, reported that Utah businesses are focusing on what they can do without legislative action to restrain the growth of health care spending. He reported that both self-insured and commercially insured businesses are starting to create on-site health care clinics.

5. Adjourn

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

Chair Dunnigan adjourned the meeting at 4:15 p.m.