

**MINUTES OF THE  
HEALTH SYSTEM REFORM TASK FORCE**  
Tuesday, July 10, 2012 – 9:00 a.m. – Room 30 House Building

**Members Present:**

Sen. Wayne L. Niederhauser, Senate Chair  
Rep. James A. Dunnigan, House Chair  
Sen. Allen M. Christensen  
Sen. Gene Davis  
Sen. Peter C. Knudson  
Rep. Rebecca Chavez-Houck  
Rep. Brian Doughty  
Rep. Francis D. Gibson  
Rep. Merlynn T. Newbold  
Rep. Dean Sanpei

**Members Absent:**

Rep. Ronda Rudd Menlove

**Staff Present:**

Mr. Mark D. Andrews, Policy Analyst  
Ms. Cathy Dupont, Associate General Counsel  
Ms. RuthAnne Frost, Associate General Counsel  
Ms. Lori Rammell, 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. Task Force Business**

Chair Niederhauser called the meeting to order at 9:12 a.m.

**MOTION:** Sen. Christensen moved to approve the minutes of the May 17, 2012 meeting. Voting in favor was unanimous with Rep. Newbold absent for the vote.

**2. U.S. Supreme Court Decision on the Affordable Care Act**

Ms. Dupont gave a presentation, "Utah's Options After the SCOTUS Decision," reviewing the Supreme Court's decision on the Affordable Care Act (ACA) and its implications. She discussed the state's options in establishing an exchange, expanding Medicaid eligibility, and selecting an essential benefits plan. She said that there is still great uncertainty regarding the future of the ACA and the deadlines for some aspects of implementation. As she discussed the option to choose not to expand Medicaid, she pointed out the implications not only for hospitals and doctors, but also for the population who are below 100 percent of the federal poverty level. She suggested that the task force's already established workgroups be continued, regardless of the state's decision on the implementation of the ACA, including the Medicaid expansion. Ms. Dupont then took questions from the committee.

Mr. Andrews addressed the question of the cost to the state for the Medicaid expansion to 138 percent.

Mr. Michael Hales, Director, Division of Health Care Financing, Utah Department of Health, distributed and discussed, "Income Limits for Medicaid and CHIP Eligibility." This was a series of graphs illustrating eligibility for Medicaid and ACA tax subsidies with and without expanding Medicaid as allowed, but not required (following the SCOTUS decision), by the ACA. Mr. Hales also provided 10-year estimates of the costs of expanding Medicaid to 138 percent of the federal poverty level. The costs were broken down by newly eligible enrollees and the enrollment of persons previously eligible but not enrolled. Mr. Hales took questions from the committee.

**3. Workgroups—Reports**

The task force received reports from the four workgroups it organized at its May meeting.

On behalf of the Insurance Market Issues Workgroup, Mr. Andrews gave a presentation, "Determination of an Essential Health Benefits Package Under the Federal Affordable Care." He outlined the 10 categories of coverage required to be included in an essential benefits package and the 10 plan options from which a benchmark may be chosen. He reminded the task force that some variation within and among the 10 categories of the selected plan is allowed. He addressed the time lines for determining an essential benefits package and the responsibilities of the task force and the Utah State Insurance Commissioner. Rep. Dunnigan reviewed the input received at (and since) the workgroup's June 19, 2012, statewide hearing regarding which benefits an essential benefits package should include. A breakdown of these responses and their content was distributed and discussed, and a bound copy of all of the written responses was made available.

Rep. Dunnigan and Mr. Andrews took several questions from the committee.

On behalf of the Reinsurance and Risk Adjustment Workgroup, Mr. Andrews gave a presentation, "Reinsurance and Risk Adjustment Workgroup." He addressed the question of why the state would choose to run or not run the Affordable Care Act reinsurance program. He also outlined issues related to the state's decision of whether or not to operate the Affordable Care Act risk adjustment program. Chair Niederhauser indicated that the task force's chairs would like the workgroup to focus on reinsurance and make a decision on that issue, and then address risk adjustment as time permits.

On behalf of the Utah Health Care Compact Workgroup, Sen. J. Stuart Adams indicated that the purpose of the Utah Health Care Compact is to bring like-minded states together to negotiate with the federal government. He reported that the workgroup discussed whether Utah would be bound by other compact states' decisions and whether Medicare and Medicaid should be included in the compact. He said that Georgia, Oklahoma, Missouri, Texas, South Carolina, Indiana, and Utah have joined the compact and that he anticipates increased interest from other states as a result of the recent U.S. Supreme Court decision on the Affordable Care Act.

On behalf of the Medicaid Mental and Behavioral Health Payment and Delivery Reform Workgroup, Rep. Sanpei gave a presentation, "Behavioral Health Sub Committee, July 2012," outlining:

- the reasons for the workgroup, including the poor quality and high costs of Medicaid;
- guiding principles and objectives for the workgroup, including doing no harm, long term solutions, and improvement of access;
- the current systems of care for behavioral health, medical, and substance use disorder;
- alternative systems of care;
- key pilot projects in Utah, including those by Intermountain Healthcare, Midtown, and the University of Utah Medical Center, each of which deals with a different population; and
- the workgroup's next steps, including recommendations for change.

#### **4. Wrap-up**

Chair Neiderhauser thanked the workgroup leaders for their time and efforts, then reviewed the schedule for next week's task force and workgroups meetings.

#### **5. Adjourn**

**MOTION:** Sen. Davis moved to adjourn the meeting. The motion passed unanimously. Sen. Christensen and Sen. Knudson were absent for the vote.

Chair Neiderhauser adjourned the meeting at 11:55 a.m.