

**MINUTES OF THE  
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE**

Room 30 House Building, State Capitol Complex  
Friday, February 1, 2013

MEMBERS PRESENT: Sen. Allen M. Christensen, Co-Chair  
Rep. Ronda Rudd Menlove, Co-Chair  
Rep. Daniel McCay, House Vice Chair  
Sen. Deidre M. Henderson  
Sen. Peter C. Knudson  
Sen. Luz Robles  
Sen. Brian E. Shiozawa  
Sen. Todd Weiler  
Rep. Rebecca Chavez-Houck  
Rep. Tim Cosgrove  
Rep. Paul Ray  
Rep. Marc K. Roberts  
Rep. Earl D. Tanner

MEMBERS EXCUSED: Sen. Peter Knudson  
Sen. Wayne L. Niederhauser  
Sen. Evan J. Vickers  
Rep. Brad L. Dee  
Rep. Edward H. Redd

STAFF PRESENT: Mr. Russell Frandsen, Fiscal Analyst  
Mr. Stephen Jardine, Fiscal Analyst  
Ms. Paula Winter, Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at <http://le.utah.gov>. A list of visitors and a copy of handouts are filed with the committee minutes.

Co-Chair Menlove called the meeting to order at 8:05 a.m.

There was public input today.

Dr. Ray Ward, family practice physician and member of the Utah Academy of Family Physicians. HE spoke about one of his patients. Due to aging out of her parents insurance and part-time work circumstance as well as needing to maintain her pacemaker along with the high cost, she is unable to keep up the health checkups on the pacemaker and may be incurring further damage to her heart. She is an example of someone who could be covered on Medicaid expansion. The current law incentivizes people to become disabled and he urged that it be changed.

Maude Norman spoke on behalf of Don Koller who had life-threatening issues which could have been prevented if he had been able to receive treatment prior to that happening. The treatment provided him cost hundreds of thousands of dollars at the point that his situation became so intense and could have saved much money if the Medicaid services had been available sooner. Approval of expansion was urged.

Brian Robison shared his positive experience with Medicaid. He was laid-off and lost health insurance during this period his wife who was pregnant was able to receive care she needed because of Medicaid and also was able to receive postpartum care as well as pediatric care for

the new baby. He expressed his appreciation for the program.

Brook Osterlund, government relations director for the American Cancer Society Cancer Action Network. Wanted to encourage approval of Medicaid expansion to allow families to take advantage of opportunities to have access to life-saving health care coverage by participating in Medicare expansion.

Rep. Chavez-Houck asked for information on cost savings when people are diagnosed early with cancer localized to Utah.

Matt Slonaker with the Utah Health Policy Project talked about how governors of neighboring states are initiating plans to move forward with expansion and how Utah stands to receive over \$5 billion over the next ten years with the expansion and would lose those to other states if it is not approved. He referred to a booklet entitled Utahns Speak up about Medicaid expansion.

Mary Jo McMillen, representing the Utah Support Advocates for Recovery Awareness. had coverage enabled by Medicare and was able to receive the treatment which enabled her to become a treatment counselor and begin an advocacy and support agency for individuals and families in treatment. She explained that Medicaid expansion would give others the privileges she has been afforded.

Fernando Rodriguez, Salt Lake Community Action Program advocate asked for expansion of Medicaid. He has insurance coverage and stated that he would not want to deny that to anyone else.

Jerry Costly, executive director of the Disabled Rights Action Committee and Director of an outpatient addiction program. He stated fiscal support for expansion and cited first, the multiplier effect of \$3 million dollars could be brought in from Medicaid will stimulate our state economy. He cited how early treatment could save additionally in incarceration, medical costs, and societal costs. Early treatment of health issues could also eliminate problems with costs later on.

Sen. Shiozawa wanted Mr. Costly to talk about recidivism and the financial implications of that in terms of the Medicaid expansion.

Mr. Costly spoke briefly about chemical dependency and addiction treatment and how it costs to maintain someone in prison. Treatment does prevent incarceration, numerous medical conditions, and numerous kinds of crime.

Kellie Babcock, regional coordinator for Grassroots Advocacy Partnership and for the Independent Living Center in Ogden has been insured by Medicaid and has become productive, but improvement would take her from the provisions afforded to her now. The expansion to Medicaid would broaden the income requirement and would allow opportunity for disabled to achieve a higher level of independence.

Andy Curry, executive director of Roads to Independence, formerly Tri-County Independent

Living Center emphasized how everyone needs insurance.

Bill Tibbitts, Associate Director at Crossroads Urban Center which runs a food pantry that is affected by people having to make choices between needs.

Michelle McOmber represents the Utah Medical Association. Indicated there was not absolute support for expansion unless it includes maximizing care for all.

Rep. Chavez-Houck wondered regarding reimbursement if there would be an increase in reimbursement for certain primary care physicians given under the Affordable Care Act.

Ms. McOmber stated that is already in effect as of Jan 1, 2013. Certain primary care physicians have received a bump in reimbursement for certain codes that they bill up to Medicare rates. The state has given extra funding quarterly and this will be in effect from the federal government for two years.

Louis Fazio an advocate for the Coalition for People with Disabilities and also the Statewide Independent Living Council benefited from having Medicaid as a safety net.

Andrew Riggle advocate for the Disability Law Center provided a handout and emphasized that expansion of Medicaid would allow more to have access to home health care, fewer of those with chronic conditions would go into crisis because tools to manage their care would be available.

Rep. Chavez-Houck asked how many more individuals might be covered in the disability community.

Rep. Tanner commented that the committee can encourage but the decision lies with the governor.

Mr. Frandsen responded that because there is little in statute in Utah for the Medicaid program many decisions can be made by the executive branch. He directed the committee to look at the Department of Workforce Services sheet on #5 this shows the additional costs for the expansion.

Sen. Christensen further asked about how the program will affect children.

Mr. Frandsen answered that there are several mandatory changes to the Medicaid program. It will be expanding for children up to 138 percent of the federal poverty level. More children will be covered.

Rep. Redd, Mr. Frandsen, Sen. Christensen and Rep. Menlove discussed the responsibility this committee has as far as funding the increased cost and the fact that the governor could act on his own but the committee holds the purse strings. There are a number of issues involved in the expansion which need to be considered including the added workload of Medicaid occurring from the expansion. A study is being completed and will be reported on February 19 to the committee.

Sen. Henderson wondered if there were studies being done as to the impact of not expanding Medicaid.

Mr. Frandsen along with Nate Checketts from the Utah Department of Health clarified that the consultants are looking at the opportunity costs of not expanding.

Stephen Jardine covered information on the Office of Recovery Services (ORS). He referenced the Office of Recovery Services Budget Brief and pointed out the analyst's recommendation as well as an overview of ORS's responsibilities.

Rep. Menlove asked for clarification of revenue brought in by ORS and looking at the requests being made.

Rep. McCay requested information about how much of the money from ORS being collected is not being brought into the state.

Sen. Christensen and Lisa Stockdale, acting Director of ORS conversed about the point of diminishing returns and adding another FTE and how that would affect job efficiency along with areas that may have shortfalls. Mr. Brazier and Sen. Christensen added issues of concern about avoidance and being able to have money returned to the department through another FTE.

Rep. Cosgrove inquired from Ms. Stockdale about the number of cases per FTE and how many FTEs could be added to maximize the return. The reply was 5-10 additional FTEs to help manage the load we know we will have.

Stephen Jardine presented the ORS brief on Performance Measures

John Dougall, State Auditor introduced Van Christensen, audit director defined the job and presented information on the audit of the Department of Workforce Services. He explained the difference between a financial audit and a single audit or federal compliance audit and suggested things to review in the report. The programs are designed to prevent improper payments. He addressed the question by Sen. Robles about identification issues between CHIP and Medicaid eligibility.

Rep. Redd asked for clarification about payment made to health care providers and who gets the money. Mr. Christensen answered that their focus is on the benefit recipient. Russell Frandsen further clarified that because the state said the client was eligible and the client was not eligible the client is personally responsible for the payment to the provider because the state had said they were eligible. The incorrect information could come from a number of places.

Rep. McCay asked Mr. Christensen about how the system is better at catching errors in the system and they resumed the review of the information on the audit and the error rates.

Rep. Chavez-Houck wondered if there is some causality in the way systems are evaluated for eligibility in CHIP and Medicaid and why there are significant decreases in error Medicaid and not in CHIP.

Mr. Christensen continued with error rate in the audit and energy assistance program which is in the audit online. The findings are arranged in order of significance and may also be reviewed online.

Rep. Menlove clarified with Mr. Christensen what the process would be and where it will go next.

Russell Frandsen reported on materials submitted by the Department of Workforce Services to respond. The Required Reports Issue Brief provides a summary of reports each in your binder.

Motion to adjourn by Sen. Weiler at 9:50 a.m.

Minutes were reported by Ms. Paula Winter, Senate Secretary

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Sen. Allen M. Christensen, Co-Chair  
Rep. Ronda Rudd Menlove, Co-Chair