

**MINUTES OF THE
HEALTH REFORM TASK FORCE**

Thursday, August 22, 2013 – 9:00 a.m. – Room 30 House Building

Members Present:

Sen. Allen Christensen, Senate Chair
Rep. James A. Dunnigan, House Chair
Sen. Gene Davis
Sen. Peter C. Knudson
Rep. Rebecca Chavez-Houck
Rep. Rebecca P. Edwards
Rep. Michael S. Kennedy
Rep. Marie H. Poulson

Members Absent:

Sen. J. Stuart Adams
Rep. Francis D. Gibson
Rep. Dean Sanpei

Staff Present:

Mr. Mark Andrews, Policy Analyst
Ms. Cathy Dupont, 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.

1. Committee Business

Chair Christensen called the meeting to order at 9:22 a.m. Rep. Sanpei was excused from the meeting.

MOTION: Sen. Knudson moved to approve the minutes of the July 18, 2013, meeting. The motion passed unanimously. Rep. Chavez-Houck was absent for the vote.

Mr. Andrews distributed and reviewed two briefing papers produced by the Office of Legislative Research and General Counsel: “Implementation of the Affordable Care Act: The Utah Model for Implementing Exchanges” and “Implementation of the Affordable Care Act: Medicaid Expansion Options and Their Impacts.”

2. Federal Regulations Update

Ms. Dupont said that four entities have been awarded grants to educate and assist consumers who may be eligible to participate in the federal government’s health insurance exchange, which will begin operating in Utah October 1, 2013. Grants have been approved for the Utah Health Policy Project (\$406,788), the Utah AIDS Foundation (126,258), Cardon Health Care Network (\$238,000), and the National Council of Urban Indian Health (\$35,000). She also explained concessions given by the U.S. Department of Health and Human Services (HHS) to Idaho and New Mexico related to the implementation of their health insurance exchanges. She indicated that the Office of Legislative Research and General Counsel plans to prepare a brochure for legislators to share with their constituents on the federal Affordable Care Act (ACA). The brochure will be completed by September 18.

3. Health Insurance Exchanges: Plans, Premiums, and Assisters

Commissioner Todd Kiser, Utah Insurance Department, said that the department has just completed its filing of information on Utah Insurance plans with HHS.

Ms. Tanji Northrup, Assistant Commissioner, Utah Insurance Department, reported that the department has completed its review of health insurance plan binder filings by carriers and that the department is ready to transfer information to the federal health insurance exchange and to Avenue H as soon as Avenue H is ready. Ms. Northrup reported that the department logged 3,000 hours in June and July completing the reviews. She said that the reviews are still subject to HHS approval, but indicated that HHS has agreed with

the department's recommendations and found no errors.

Ms. Northrup Reviewed how the department has communicated with carriers about ACA implementation issues.

Ms. Northrup distributed a preliminary analysis by the department of silver level plan rates in the federally facilitated exchange or marketplace (silver level plans are individual plans that require an insurer to pay 70% of a typical insured's medical expenses).

Ms. Northrup discussed factors that may affect rates in the individual and small group markets. She indicated that an actuarial value study would be required in order to compare rates in the exchanges with pre-ACA plan rates but she and Commissioner Kiser both indicated that the department may be able to do a simpler analysis to compare rates. Ms. Northrup also explained why rate changes will differ across states.

Ms. Northrup indicated that the ACA will require changes in coverage for maternity, mental health, and substance abuse.

Ms. Northrup also said that Regence BlueCross BlueShield of Utah will not be participating in Avenue H beginning January 1, 2014; however, Arches will be offering plans in the exchange, so consumers will still have the same choice of provider networks in the exchange.

Mr. Jason Stephenson, Utah Health Policy Project, expressed appreciation that the Insurance Department did not attempt to go further in comparing plan rates. He noted that reported rates do not take into account income-based subsidies available to 270,000 Utahns purchasing health insurance through the federal individual exchange.

4. Implementation Update

Mr. Kevin Burt, Associate Director, Programs and Training, Department of Workforce Services, reported concerns about the federal data hub's ability to send to and receive from DWS information related to the eligibility of individuals for either Medicaid or the federal exchange. Mr. Burt reported on testing planned for at the beginning of September and expressed concerns about HHS's lack of contingency plans in the event the hub is unable to transfer information as originally planned. He said that if the hub fails to work as planned, there will still be "no wrong door" for obtaining coverage, but there may be "a better door" for obtaining coverage, depending on whether a person is eligible or not for Medicaid.

Mr. Burt reported that DWS is on track to meet all of its ACA implementation requirements. He indicated that he will share with legislators a tool developed by DWS that has four or five questions to help people determine whether they are likely eligible for either federal tax credits in the individual exchange or for Medicaid. This tool is being prepared for use by exchange navigators and will be available to consumers using the online exchange application.

Mr. Nate Checketts, Health Policy and Reform Initiatives Coordinator, Utah Department of Health, said that the department is getting ready to submit a formal Medicaid state plan amendment to implement Medicaid changes required by the ACA. He said that the department will be ready for October 1.

5. State Innovation Models Initiative

Mr. Checketts distributed "State Innovation Models (SIM) Model Grant Briefing Sheet" and briefed the task force on the work of executive branch committees developing proposals under the ACA's State Innovation Models Initiative (SIM). He said that the state has received a six-month grant of just under \$1 million and could seek a testing grant later that would go through the legislative approval process for federal grants. He noted that some other states have received \$35–\$40 million for testing grants.

Ms. Deb Turner, Coordinator for the State Innovation Models, Department of Health, said that Utah is focusing its SIM grant efforts on five different areas—technology, health information, prevention and wellness services, payment reform, and quality and patient safety—and coordination among those areas. She said that the governor's workgroups in these areas have developed goals and initiatives for implementation of the ACA and that a complete implementation plan will be presented at the Governor's Summit in September. She indicated that the federal government will probably announce the availability of the SIM testing grant in February or March and that states will then have one month from that time to put together applications for testing grants.

Mr. R. Chet Loftis, Director, Public Employees Health Program, briefed the task force on the work of the Payment Reform Workgroup, one of the five SIM grant committees. He discussed reasons why payment reform may work this time and the workgroup's focus on improving the healthcare data infrastructure in the state.

Rep. Dunnigan said that the task force will be receiving periodic reports on the SIM grant and may be asked to determine whether to recommend to legislative leadership that the state apply for a SIM testing grant.

6. Other Business

Ms. Dupont reported that some of the best information at the recent National Conference of State Legislatures' Legislative Summit came from roundtable discussions with other states regarding Medicaid cost savings, payment and delivery reform, etc. and noted that ideas being discussed in Utah are similar to those being discussed in other states. Rep. Dunnigan reported that HHS Secretary Kathleen Sebelius stated at the Summit that the federal government would be ready for the October 1 launch date of health insurance exchanges. Rep. Dunnigan also reported that there are other states trying, like Utah, to achieve more cost effective outcomes in health care.

Chair Christensen announced team meetings to be held following the conclusion of the Task Force meeting and said that the Mental Health Team met yesterday and will meet again September 11 and 25.

Chair Christensen announced that the Governor's Health Innovation Summit will be held on Thursday, September 26, in Salt Lake City at the Salt Palace.

Chair Christensen announced that the next meeting of the task force has been changed to Tuesday, September 24, at 9:00 a.m.

7. Adjourn

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MOTION: Sen. Knudson moved to adjourn the meeting. The motion passed unanimously.

Chair Christensen adjourned the meeting at 10:45 a.m.