

**REVISED MINUTES OF THE  
HEALTH AND HUMAN SERVICES INTERIM COMMITTEE**  
Wednesday, May 21, 2003 – 9:00 a.m. – Room 129 State Capitol

**Members Present:**

Sen. David H. Steele, Senate Chair  
Rep. Mike Thompson, House Chair  
Sen. James M. Evans  
Sen. Scott K. Jenkins  
Sen. Paula F. Julander  
Rep. Calvin G. Bird  
Rep. Judy Ann Buffmire  
Rep. Marda Dillree  
Rep. Patricia W. Jones  
Rep. Brad Last  
Rep. David Litvack  
Rep. Rebecca Lockhart  
Rep. Steven R. Mascaro  
Rep. Darin G. Peterson  
Rep. Jack A. Seitz

**Members Absent:**

Sen. David L. Thomas  
Rep. J. Morgan Philpot

**Staff Present:**

Mark D. Andrews, Policy Analyst  
Catherine J. Dupont, Associate General Counsel  
Stacey M. Snyder, Associate General Counsel  
Joy L. Miller, Legislative Secretary

**Note:** A list of others present and a copy of materials can be found at <http://www.image.le.state.ut.us/imaging/history.asp> or by contacting the committee secretary, Joy Miller, at 538-1032.

**1. Committee Business**

Chair Steele called the meeting to order at 9:00 a.m.

**MOTION:** Sen. Julander moved to approve the minutes of the April 16, 2003 meeting. The motion passed unanimously.

**2. Medicaid Pharmaceutical Costs**

Ms. Mary Kay Owens, Southeastern Consultants, Inc., distributed copies of her slide presentation on "Understanding and Managing Medicaid Populations: Expenditure Trends and Solutions." In Utah, 76 percent of Medicaid drug expenditures are for blind, disabled, aged, and medically needy. She discussed preferred drug lists and outlined what states should consider in developing such a list. A booklet "State Medicaid Resource Kit" was distributed to the members.

Mr. Michael Deily, Director, Division of Health Care Finance, stated any attempt to establish a preferred drug list will be done in a measured, careful way.

**3. Ensuring a Vibrant Future for Utah's Healthcare System**

Ms. Becky Richards, Utah Nurses Association, distributed a handout "Utah Nurses Association-Government Relations." Utah ranks 3<sup>rd</sup> in the country in the severity of the nursing shortage crisis. Applicants are being turned away because of a shortage of nurse educators. She said her organization's focus is to hire more faculty in order to expand the programs. The Utah Nurses Association supports the

proposal made last year to increase funding for Utah nursing programs by \$6.5 million.

Ms. Jan Jones-Schenk, RN, discussed the Magnet Hospital program outlined in the handout distributed by Ms. Richards. The program was first identified as a method of organizing hospitals in the early 1980s during a particularly difficult nursing shortage. The Magnet program has resulted in better patient outcomes, improved nurse satisfaction, and improved financial outcomes for hospitals.

Mr. Deily distributed a handout showing where Medicaid is used to support other state and local programs and initiatives. Nationally, Medicaid has more enrollees and expenditures than the Medicare program. He distributed and discussed a chart of Utah Medicaid eligibility groups by percent of poverty as of July 2003. Mr. Deily noted that Medicaid is the major payor for long-term care services.

Mr. Brent Scott, UHIA (Utah Health Insurance Association), stated the UHIA member companies represent 98 percent of the healthcare marketplace. UHIA's primary concerns are to maintain a competitive marketplace and to maintain and preserve freedom of choice for individuals and employers regarding health insurance plans and carriers.

Mr. Kelly Atkinson, UHIA, pointed out that Utah has seen an increase in regulatory activity in the last several years due to increased mandates and rules. He said the state faces the choice of either continuing toward more regulation, more interference, more mandates, and socialized medicine or going the other direction. He urged the Legislature to repeal health insurance mandates.

Mr. Mickey Braun, Utah Department of Insurance, expressed concern about cost shifting, young "invincibles" who don't insure, and the limited flexibility of small employers to customize health insurance coverage. He noted that the Department will request additional funding for the Utah Comprehensive Health Insurance Pool in order to continue beyond FY 04. Mr. Braun indicated that the Department is planning to do studies of the age 26 and inborn metabolic errors health insurance coverage provisions in 2004.

Ms. Judi Hilman, Utah Issues, gave a brief slide presentation. She outlined how state legislators can help contribute to a vibrant healthcare system. She stressed the need for a plan to cover all the uninsured and to help maximize private market approaches and build on the tools that work. Ms. Hilman distributed a "Policy Brief" and a handout entitled "Laying the Groundwork for Universal Health Care Coverage."

#### **4. Tobacco Settlement Revenue**

Ms. Dupont discussed "Tobacco Settlement Restricted Account and Cigarette Tax Restricted Account Reporting Requirements" contained on page 11 of the mailing packet. She reviewed the reporting requirements that have been placed in statute for various entities that receive state tobacco monies. Ms. Dupont distributed information concerning Utah Drug Courts.

Mr. Spencer Pratt, Office of the Legislative Fiscal Analyst, reviewed the tables depicting the income streams from the Master Settlement Agreement that were included in the mailing packet. Due to the budget crisis, the Legislature has appropriated approximately \$44.5 million from the Permanent Trust

Fund and has transferred \$9.8 million to the General Fund from the Restricted Tobacco Settlement Account.

Mr. Joel Ferre, Attorney General's Office, briefly discussed the recent ruling in an Illinois lawsuit brought against Philip Morris. He expressed concern with a group of tobacco product manufacturers that have recently entered the market but are not subject to the requirements of the Master Settlement Agreement. He said mail order and Internet sales present a problem concerning sales tax.

#### **5. Measuring the Strength of the Safety Net**

Chair Steele indicated there are many issues to be addressed by the Committee during the interim. He asked the members to consider the many health care needs in the state and what safety nets are available to address them. He indicated that the committee will look at ways of strengthening the safety nets.

#### **6. Other Items / Adjourn**

**MOTION:** Rep. Seitz moved to adjourn the meeting. The motion passed unanimously. Chair Steele adjourned the meeting at 11:55 a.m.