

MINUTES OF THE
HEALTH AND HUMAN SERVICES INTERIM COMMITTEE
Wednesday, October 15, 2003 – 9:00 a.m. – Room 129 State Capitol

Members Present:

Rep. Mike Thompson, House Chair
Sen. Sheldon L. Killpack, Senate 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. Craig Frank
Rep. Patricia W. Jones
Rep. Brad Last
Rep. Rebecca Lockhart
Rep. Steven R. Mascaro

Rep. Darin G. Peterson
Rep. J. Morgan Philpot

Members Absent:

Rep. David Litvack
Rep. Jack A. Seitz
Sen. David L. Thomas

Staff Present:

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

Note: A list of others present and a copy of materials can be found at www.le.utah.gov or by contacting the committee secretary, Joy Miller, at 538-1032.

1. Committee Business

Sen. Killpack called the meeting to order at 9:10 a.m. Rep. Seitz was excused from the meeting.

MOTION: Rep. Last moved to approve the minutes of the September 17, 2003 meeting. The motion passed unanimously. Sen. Julander, Rep. Jones, and Rep. Philpot were absent for the vote.

Sen. Killpack stated that Dr. Scott Williams has been nominated to replace Mr. Rod Betit as Executive Director of the Department of Health.

2. Insurance Code Exemption

Sen. Greg Bell discussed draft legislation, "Insurance Code Exemption," which provides an exemption from the insurance code for death, accident, health, and disability benefits provided by a charitable, educational, social, or religious organization to its volunteers under specified circumstances.

Mr. Michael J. Stapley, Deseret Mutual, distributed and reviewed "Insurance Code Exemption for Charitable Organizations to Provide Medical Coverage to Their Volunteers." He noted that the legislation is narrow in scope and only applies to volunteers performing substantial uncompensated volunteer services for a bonafide charitable-type institution. Without a sponsoring organization that is willing to underwrite the excessive risk, the program would not be offered.

Mr. Neal Gooch, Deputy Insurance Commissioner, explained that the program can't qualify as self-insurance because it is not an employment relationship which is exempt from insurance regulation. He pointed out that the underwriting organization may have to deal with insurance departments from other states.

The presenters answered questions from the Committee regarding the proposed exemption and whether the legislation would apply to all charitable organizations. Concerns were raised that an up-front process be established that ensures the necessary assets or a bond are available.

Ms. Dupont commented that the language in the bill is fairly broad and does not single out any particular organization.

MOTION: Rep. Mascaro moved to adopt draft legislation, "Insurance Code Exemption," and asked that the concerns raised be addressed when the bill is brought before the Health and Human Services Standing Committee during the 2004 General Session.

SUBSTITUTE MOTION: Sen. Evans moved to request that the presenters take into consideration the concerns expressed and come back before the Committee in November with any changes included in the legislation. The motion passed with Sen. Jenkins, Rep. Last, and Rep. Thompson voting in opposition. Rep. Philpot was absent for the vote.

3. Medicaid Drug Program

Rep. Lockhart briefly reviewed H.B. 126, "Medicaid Benefit Amendments," which was passed during the 2003 General Session. The bill requires that if changes are to be made to Medicaid benefits, the Legislature is to be involved.

Mr. Michael Deily, Director, Division of Health Care Financing, distributed and reviewed "Utah Medicaid Drug Program." He noted that prescription drugs are the fastest growing health expenditure. Medicaid prescription drug spending is predicted to rise 13.9 percent per year between 2002-2007. Mr. Deily discussed the comparison of prescription costs to other state expenditures.

Rep. Mascaro asked if research had been done about what other countries are doing, such as buying drugs in bulk, to help save the consumer money.

Rep. Jones requested data on the true cost savings from other states that have established a PDL (preferred drug list). She also requested information on what impact a Medicaid PDL would have on individuals who are covered by the program.

Sen. Killpack requested information on litigation pending in PDL states and its impact on any savings.

Ms. Tina Johnson, Legislative Coalition for People with Disabilities, pointed out that education of clients is important. Ms. Johnson indicated she is very reliant on Medicaid for many of her needs, including prescription drugs. She said the use of generic drugs needs to be encouraged.

4. Access to Pharmaceuticals Ad Hoc Advisory Committee

Rep. Hogue briefly reviewed draft legislation "Utah Pharmaceutical Insurance Program." He explained

that the legislation does not appropriate any money. The bill addresses the significant population in the state that does not have access to pharmaceuticals and provides for a \$100 annual premium from enrollees. At any given time there would be approximately 35,000 individuals eligible for the program which would cost \$22 million to fund. The proposed \$100 premium would provide some startup funds.

Mr. Deily said the bill was constructed to provide people the option of using what is currently available in free pharmaceuticals but also being able to utilize the program if necessary.

Rep. Last expressed concern that employers may take pharmaceuticals totally out of their plans and employees would end up coming to the state to obtain them. He suggested that the language regarding who is eligible for the program be strengthened.

Ms. Dupont pointed out that the legislation is limited to those who have a gross family income of 200 percent of the poverty level or lower.

Rep. Dillree raised concerns with the potential for abuse. She questioned what kind of monitoring would take place to make sure there is no drug interaction.

Sen. Evans asked if the possibility of shifting the responsibility of implementing the program from the state to an insurance carrier had been considered.

Rep. Hogue said he would have to obtain that information from the insurance companies to determine what it would cost and if it would be cost effective. He encouraged members of the Committee to review the bill and provide him with any changes they would propose.

Mr. Ken Brown, Chairman, State Board for Adult and Aging Services, supported the concept proposed by Rep. Hogue. He said the number one concern raised in their board meetings around the state is prescription drugs.

Ms. Karmen Sanone, Salt Lake County Aging Services, distributed a summary of "Prescription Cost Assistance Resources." Her office receives 150-200 calls per month from seniors asking for prescription drug relief. She supported the concept of the legislation.

5. Other Items / Adjourn

MOTION: Rep. Dillree moved to adjourn the meeting. The motion passed unanimously. Chair Killpack adjourned the meeting at 11:30 a.m.