

**MINUTES**  
**Approved by the Committee**  
**Healthcare Alternatives for Citizens below 100 percent of Poverty Level**  
**Tuesday, November 22, 2016**  
**9:00 A.M.**  
**Room WW17**  
**Boise, Idaho**

Co-chair Representative Loertscher called the meeting to order at 9:05 a.m.; a silent roll call was taken. Members present: Representatives Wood, Boyle, Vander Woude, and Chew; Co-chair Senator Hagedorn and Senators Lodge, Thayn, Guthrie, and Jordan; Legislative Services Office staff: Elizabeth Bowen, Jared Tatro, and Jackie Gunn.

Other Attendees: Kelli Brassfield – Idaho Association of Counties; Fred Birnbaum – Idaho Freedom Foundation; Jim Baugh – DisAbility Rights Idaho; Teresa Moliter – Foundation for Government Accountability; Yvonne Ketchum-Ward and Lee Flinn – Idaho Primary Care Association; Lupe Wissel – American Association of Retired Persons; Neva Santos – Idaho Academy of Family Physicians; Norm Varin – Pacific Source Health Plan; Sharon Hawkins – Idaho Association of Commerce & Industry; Erin Bennett – American Heart Association; Tim Olson – America's Health Insurance Plans/Pacific Source; and Marnie Packard – Select Health.

NOTE: Copies of all handouts provided by presenters are on file at the Legislative Services Office located in the State Capitol.

Co-chair Loertscher called for a motion to approve the minutes of the October 24 meeting. Senator Thayn made a motion, Senator Jordan seconded the motion, and the minutes were approved by voice vote.

Co-chair Loertscher invited Elizabeth Bowen, LSO Senior Legislative Research Analyst, to provide a final summary of the public comments received, and to discuss the draft of the final report. Ms. Bowen reported that, from July 21 through November 21, 2016, she received a total of 515 public comments: 426 favored some kind of coverage for the "gap" population and 76 opposed coverage for the "gap" population.

- Ms. Bowen provided an overview of the draft report, which included paragraphs 3 and 4, section IV: *The advantages and disadvantages of the two potential methods by which to provide health care to individuals in the coverage "gap"*:
  - 1) *Expand the state's Medicaid plan to cover individuals whose income is at or below 138% of the federal poverty level;*
  - 2) *A state-funded program that provides health care of some kind to at least some individuals in the "gap."*
- She also reviewed the four working group recommendations presented in the draft report:
  - 1) *A policy to provide health care coverage to the "gap" population should be enacted by the 2017 Legislature;*
  - 2) *Legislation to enact Medicaid expansion should include a conditional sunset clause in the event that federal matching funds will no longer be forthcoming;*
  - 3) *A state-funded program should include a direct care component for primary and preventative care; and*
  - 4) *Funds for a state program or for the state share of Medicaid expansion should come from the Millennium Fund and from the general fund as needed.*

Noting that the recent election results will have an impact on their options moving forward, Co-chair Senator Hagedorn recommended that the committee not change the federal funds piece until more is known. He stated that he is leaning toward an Idaho solution for the "gap" population.

He noted that it can't be a comprehensive solution, but we can do what we can for a part of that population by targeting primary care.

- Sen. Thayne also asked the members to consider the following recommendations for inclusion in the final report: 1) further discussion regarding federal help to deal with costs associated with mental health, a robust discussion if a federal-state partnership is needed, and, if so, what a federal-state partnership would look like; and 2) move ahead with a state program using state funds to provide access to primary care to a portion of those in the Medicaid "gap" – especially those with chronic health conditions.
- Sen. Jordan noted that states that have already expanded Medicaid, whether red states or blue states, are extremely concerned that expansion might be pulled back and are putting a tremendous amount of pressure on their delegations to make sure that they are grandfathered in. She stated that the members can't take some types of expansion completely off the table. She opined that we have an obligation to continue working and to determine what that potential may be. She advised the members not to abandon an opportunity to bring some financial assistance to this problem, without putting the entire burden on either the Millennium Fund or the general fund. She opined that there is still some investigation to be done to determine what expansion options might exist. She requested that her comments be included in the final report in some way.

Co-chair Hagedorn asked the committee to consider dealing with the "gap" population, and to start bending the cost curve now. He recognized that the issues are bigger than the "gap" population; for instance, he identified two issues that will require long-term solutions for Idahoans: 1) providing health care delivery options; and 2) good insurance options. He acknowledged Sen. Jordan's concern but he observed that what happens with the Affordable Care Act (ACA) is anyone's guess, so, because of that unknown, a lot of people in the Legislature will not want to do anything with Medicaid. Referring to the draft report, Co-chair Hagedorn asked that recommendation #2 be amended by removing: "legislation to expand Medicaid" because its removal will allow the focus to be on finding primary care solutions for the "gap" population.

Co-chair Loertscher stated that the Health and Welfare Department will come through with Medicaid expansion for those who are coming out of incarceration, so he advised that the members not focus only on primary care. Continuing, he observed that providing the primary care piece will be a giant step forward for Idahoans, but other groups must be addressed as well.

- Rep. Wood asked the members not to use the last election results to justify doing nothing. He observed that there is no indication that the "old" Medicaid will change, so the options can be put in place with the 70-30 match rate, not a 90-10 match rate. He added that we can expand populations that can be defined, so the challenge is to define the populations. Rep. Wood made the following recommendations: 1) support Director Armstrong's (Department of Health and Welfare) idea for expanding traditional Medicaid to encompass the parolee population at a 70-30 match rate, include the mentally ill populations, and put the total Millennium Fund dollars toward it in the coming years; and 2) ask Director Armstrong to move, as soon as is practicable, the entire Medicaid population, presently under all three health plans, to the director's version of managed care.

Co-chair Loertscher emphasized that they should also seriously look at including the disabled population in the expansion, and he suggested that this be mentioned in the final report.

- Sen. Guthrie agreed with Rep. Wood's remarks, adding that it does not make sense to think that any option considered by the committee can be funded solely through state dollars. Noting the benefits of the waiver and the extra layer of protection it provides, he suggested that the waiver process would afford them the time to move forward with the groundwork.

Co-chair Loertscher noted that we build constituencies for these options under consideration, and he observed that the new constituency is the 21 million people who now have insurance since

the advent of the ACA. He added that the number of people who lost their insurance due to the ACA is unknown.

- Rep. Vander Woude commented that he is not comfortable with the suggestion to include the prison population or mental health population in the final report at this time because the committee has not vetted the impact of including either population. He recommended that, at a minimum, there should be some kind of primary care support. He also suggested setting the foundation for accepting a federal block grant moving forward because it would allow for the state to have more flexibility. And he opined that working on the waiver is a waste of time because the waiver restrictions are what will be changing.

Co-chair Loertscher stated that the committee has discussed mental health and the disabled, so it should be mentioned in the report. Rep. Vander Woude agreed that they had talked about both but at a 90-10 match rate, not a 70-30 match rate.

- Rep. Boyle opined that Speaker of the U.S. House of Representatives Paul Ryan will not throw out all of the ACA, and that he had a definite plan moving forward. She advised the members to be cautious, just as Co-chair Hagedorn mentioned. She asked Ms. Bowen to read the committee's charge so they do not get too far afield.
- Ms. Bowen read the committee's charge, as recorded in the minutes of the June 17, 2016, Legislative Council meeting: ". . . the scope was how to approach the healthcare problem with those in the gap and that those over 100% of the poverty level are not part of the gap, but may become part of the gap up to 138% depending on what the solution is. He added that the working group will look at and identify alternatives." Ms. Bowen explained that this is why the recommendations are structured as they are in the draft final report; it intentionally zeroes in on the two alternatives.
- Following up on Rep. Vander Woude's remarks, Sen. Thayne stated that he didn't mind including mental health in the report as something "to be considered." He remarked that there was no committee agreement regarding what the waiver would look like. Continuing, Sen. Thayne stated that it would be unwise to sit still. He referred to his fact-finding trip to Oklahoma, and their program that deals with providing price transparency. He suggested recommendations for the report should include: 1) rebuild the primary care network, starting with the 2017 legislative session; and 2) continue the discussions regarding expanding Medicaid to include the mentally ill and disabled populations. He also suggested that the final report should include a warning to be cautious about taking federal moneys.

Co-chair Hagedorn stated that primary care is the "take care of it now" issue. He noted that testimony has been presented on the mentally ill and the disabled. He asked that the report include a recommendation that counties use some of their savings to invest in the local EMS, in order to provide the needed follow-up checks on the frequent flyers. He emphasized the necessity for the counties to be a partner in this solution.

Responding to Co-chair Hagedorn's suggestion to solicit county support for the primary care delivery system, Co-chair Loertscher recounted that he had first-hand experience attempting this sort of partnership, and he concluded that county support can only be assured through legislative directive.

- Rep. Wood encouraged the members to review the structure of the recommendations in the draft report. He emphasized the need to keep the recommendations broad, and he cautioned against adding prescriptive solutions. Rep. Wood suggested that the members take a moment to identify and discuss any changes they feel are necessary to the draft.

With the agreement of the Co-chairs, the committee members suggested edits to the recommendations in the draft report. After reaching an agreement on various edits, Co-chair Loertscher called for a 15-minute break to allow LSO staff the time to make the changes to the report and to distribute copies of the revised report to the members.

After the break, Ms. Bowen highlighted where the edits were made in the draft report. Co-chair Loertscher asked if there were further comments from the members.

- Referring to the new recommendation #3 on managed care, Sen. Thayn observed that not all managed care contracts are good contracts. He cautioned that managed care is not a silver bullet, and that it still needs to be done wisely. He added that he does not have a problem with the recommendation.
- Sen. Guthrie noted the substitution of the phrase "health care of some kind" for the original phrase "health care coverage" in several places in the report, and questioned whether that change was appropriate in each instance.
- Rep. Vander Woude noted that "health care of some kind" could include "coverage." Ms. Bowen clarified that the edits were made in the interest of consistency.
- Rep. Chew wondered if a solution to Sen. Guthrie's concern would be to apply the phrase "provide a means for health care," in order to answer the concern that the state does not provide the health care itself.

Co-chair Hagedorn observed that the task force is charged with providing the Legislature with recommendations, and he cautioned against getting bogged down by specific details of the recommendations.

Sen. Thayn made a motion to approve the [final report](#) as written and to forward the report on to the Legislature. Representative Vander Woude seconded the motion.

- Rep. Chew commented that she was encouraged by the work accomplished by the committee, and added that she was reminded of testimony submitted by the 426 people who supported some kind of coverage for the "gap" population. She hoped this was the beginning of the effort to provide care for all 78,000 Idahoans in the "gap." Additionally, she noted the greater positive effects a 90-10 match rate would have over the 70-30 match rate.

Co-chair Loertscher called for a vote on the motion. The motion passed unanimously by voice vote.

Co-chair Loertscher expressed his appreciation for the efforts put forward by the committee members and the staff.

Co-chair Hagedorn echoed Co-chair Loertscher's remarks, and he stated that their unanimous vote for the final report indicates that they have learned a lot. He emphasized that when they pass this information on to the main body, they must find solutions, and he anticipated that committee members will team up with fellow legislators to craft legislation. Co-chair Hagedorn added that he and Co-chair Loertscher plan to run a joint memorial early in the session, and asked that it be followed by various solutions.

The meeting was adjourned at 10:45 a.m.