

MINUTES  
**SENATE HEALTH & WELFARE COMMITTEE**

**DATE:** Thursday, March 24, 2016

**TIME:** 8:15 A.M.

**PLACE:** Room WW54

**MEMBERS PRESENT:** Chairman Heider, Vice Chairman Nuxoll, Senators Lodge, Hagedorn, Martin, Lee, Harris, Schmidt and Jordan

**ABSENT/ EXCUSED:** None

**NOTE:** The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

**CONVENED:** **Chairman Heider** called the meeting of the Senate Health and Welfare Committee (Committee) to order at 8:15 a.m.

**HCR 63** **Relating to Committee to Prepare Medicaid Waiver Application.**  
**Representative Luker** presented this House concurrent resolution.

**Representative Luker** stated that the gap population in Idaho does not receive sufficient medical services to meet all of their needs. He stated that the current system of care for these individuals through community health centers, rural health clinics and the Catastrophic Health Care program (CAT Fund) is inefficient and not very cost effective. Although Medicaid expansion does provide an option for coverage, **Representative Luker** noted that expansion in other states has resulted in significant cost overruns for those states. He said Idaho is interested in a State-driven policy. This legislation (i) sets up an interim committee to undertake and prepare a Medicaid waiver application for a State-driven plan for delivering health care to the gap population, (ii) directs the interim committee to work with the Department of Health and Welfare (Department) to prepare the waiver and (iii) articulates important policy issues to be considered when drafting the waiver. Additionally, the interim committee would consider the elimination of the county indigent program and CAT Fund. **Representative Luker** stated that the interim committee would report back with a recommendation during the next legislative session.

**Chairman Heider** asked the Committee members if they had any questions.

**Chairman Heider** asked how this interim committee would differ from the interim committee two sessions earlier. **Representative Luker** indicated that this interim committee is specifically charged with preparing the waiver application.

Referencing the provision that states that traditional Medicaid is not acceptable to the Legislature due to cost, service and outcome inefficiencies, **Senator Jordan** asked when the Legislature voted to make this decision. **Representative Luker** responded that the policy statement would be made in this resolution.

**TESTIMONY:** **Chairman Heider** invited testimony.

**Brian Whitlock**, representing the Idaho Hospital Association (Association), testified in opposition to this House concurrent resolution. **Mr. Whitlock** stated that the Association does support exploration of a Medicaid waiver, but it does not feel the procedure set out in this resolution is appropriate. He noted that the executive branch should be responsible for developing the waiver.

**MOTION:**

There being no more questions, **Senator Martin** moved to hold **HCR 63** in Committee. **Senator Jordan** seconded the motion.

**Senator Hagedorn** expressed his support for the motion because he doesn't think the Committee can state for the record that it has explored all options. Additionally, he noted that this legislation would limit action by the State until 2018; he would like the Legislature to take action on this issue before that time.

**Senator Lodge** expressed her concern that the Legislature has not done enough to identify the needs of the gap population. Additionally, she thinks it is problematic to ask the Department to prepare a waiver, only to have the Legislature possibly reject the waiver in the next session.

**Senator Lee** expressed her support for the motion. She indicated that she understands which people in her district are in the gap population; they are the working poor. She said they are stuck in a gap of policy that has been created in this State. Although she doesn't yet know the solution, she believes the Legislature needs to act on the compelling information that it has already received.

The motion carried by **voice vote**.

**H 644**

**Relating to Health Care. Representative Vander Woude** presented this bill.

**Representative Vander Woude** stated that this bill will grant \$5 million to federally qualified health clinics and some rural health clinics to provide health care services to the gap population while the Legislature considers various plans for providing long-term health care to individuals in the gap population. **Representative Vander Woude** clarified that this bill sets up a grant program under which health clinics would apply for grant funds. However, he was uncertain whether clinics would apply for the grant funds if **HCR 63** was not also enacted.

**Chairman Heider** asked the Committee members if they had any questions.

**Chairman Heider** asked how the total amount of grant funds was determined.

**Representative Vander Woude** responded that it was the amount he felt would be able to pass the House.

**Vice Chairman Nuxoll** asked Representative Vander Woude to clarify the procedures required for health clinics to obtain grant funding. **Representative Vander Woude** responded that the health clinics would request the grant, and they must report how the grant funds are used. He noted that this bill gives the health clinics flexibility to provide the services they determine are necessary. **Vice Chairman Nuxoll** asked Representative Vander Woude to confirm that this bill does not eliminate or reduce the funding for the CAT Fund. Additionally, she asked how this funding would help cut costs to Idaho's welfare programs. **Representative Vander Woude** responded that primary care and follow-up care would reduce the need for costly catastrophic care in the future. **Chairman Heider** noted that the community health centers do a great job caring for those in need.

**Senator Hagedorn** asked Representative Vander Woude if he felt any more funds could be allocated under this bill. **Representative Vander Woude** stated in his opinion \$5 million is the maximum amount that could pass the House.

Noting that this bill requires grant recipients to report specified data to the State, **Senator Schmidt** asked whether the requested data was currently available and already being reported to the State. **Representative Vander Woude** answered that the clinics currently submit similar data to the federal government, but this report would require data specifically needed by the State to obtain future bids from service providers. **Senator Schmidt** asked Representative Vander Woude if he had reviewed the Leavitt Partners' 2013 report regarding Idaho's gap population. **Representative Vander Woude** indicated that he had not read the Leavitt report. **Senator Schmidt** noted that some health care entities, such as Heritage Health, operate multiple health clinics. Requesting clarification on funding procedures, **Senator Schmidt** asked whether the main health care entity or each individual clinic would apply for the grant funding. **Representative Vander Woude** responded that the main health care entity would apply for the grant funding and then the network would distribute funds to the individual clinics. **Senator Schmidt** asked if the federally qualified health clinics have estimated the impact of this funding. **Representative Vander Woude** stated that the clinics did not provide estimates on services that could be provided with the available funds. He noted his belief that the clinics would use the funds to the best benefit of the populations they are serving.

**Senator Jordan** asked what criteria have been established to determine what amount of funds must be used for the provision of care and what amount of funds may be used for administrative costs. **Representative Vander Woude** answered that the bill does not set percentages for usage. He said he believes that clinics would work as efficiently as possible. **Senator Jordan** commented that this bill does not require health clinics to report when individuals are diagnosed with uncovered illnesses and she asked how, without this information, would the State be able to determine what coverage is needed for this population. **Representative Vander Woude** responded that the bill did not contain onerous reporting requirements because he wanted most of the grant funds to be used for patient care.

**MOTION:** There being no more questions, **Senator Hagedorn** moved to send **H 644** to the 14th Order of Business for possible amendment. **Senator Schmidt** seconded the motion.

**Senator Schmidt** commented that he supported sending the bill to the 14th Order of Business because he sees opportunities to make this bill better.

The motion carried by **voice vote**. Senator Hagedorn will carry the bill on the floor of the Senate.

**ADJOURNED:** There being no further business, **Chairman Heider** adjourned the meeting at 8:45 a.m.

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Senator Heider  
Chair

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Karen R. Westbrook  
Secretary