MINUTES

SENATE HEALTH & WELFARE COMMITTEE

DATE:	Tuesday, February 28, 2017
TIME:	3:00 P.M.
PLACE:	Room WW54
MEMBERS PRESENT:	Chairman Heider, Vice Chairman Souza, Senators Martin, Lee, Harris, Agenbroad, Foreman, and Jordan
ABSENT/ EXCUSED:	Senator Anthon
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 3:14 p.m.
RS 25380	**Unanimous Consent for Referral to Senate State Affairs for Printing. Morgan Howard** introduced herself to the Committee on behalf of Senator Johnson.
UC REQUEST:	**Chairman Heider** asked for unanimous consent to send **RS 25380** to the State Affairs Committee for printing. There were no objections.
HCR 8	**Relating to Department of Health and Welfare Rules Governing the Idaho Child Care Program. Representative Kelly Packer** introduced herself to the Committee to present **HCR 8**. The concurrent resolution would reject IDAPA 16.06.12, § 750(10) of the rule. The House Health and Welfare Committee felt the section was too inclusive and was a catch-all for any offense and would limit facilities from receiving their licenses. Since there is already a long list of exclusionary items, it was too broad.
MOTION:	**Senator Martin** moved to send **HCR 8** to the floor with a **do pass** recommendation. **Senator Lee** seconded the motion.
DISCUSSION:	**Vice Chairman Souza** read aloud the wording of the rule proposed to be deleted. **Representative Packer** commented some of the offenses were listed in a previous section, but it was felt this language is too broad. **Senator Jordan** stated she will oppose the motion. She understands the concern about being too broad, but in the context of looking out for child care situations, the establishments are different and there is a broad range of danger that can exist for children, and this rule is appropriate in that context. The motion carried by **voice vote. Senator Jordan** requested she be recorded as voting nay.

H 81 **Relating to the Idaho Conrad J-1 Visa Waiver Program. Representative Caroline Nilsson Troy** introduced herself to the Committee to present **H 81**. **Representative Troy** informed the Committee Idaho ranks 48th of the 50 states for the number of practicing physicians per capita. Ninety-six percent of the State of Idaho has a shortage of primary care physicians. The J-1 program was established by the Legislature in 2004 to help address the shortage of doctors, especially within primary care. It allows qualifying Idaho health care organizations in a federally designated shortage area to apply for the placement of a foreign physician as a recruitment option of last option. The health care organization must show that for six months prior to the application, there has been a concerted effort to recruit an American citizen as a doctor. If unable to recruit an American physician, the organization can submit a waiver to the Idaho Department of Health and Welfare (Department). The Department recommends up to 40 foreign trained physicians per year to the U.S. Department of State for a J-1 visa. J-1 physicians must be medical doctors or doctors of osteopathy, either currently licensed or eligible for licensure by the Idaho Board of Medicine. They must agree to serve a minimum of three years in the qualifying location, and they must serve Medicaid, Medicare, low income, uninsured clients and offer a sliding fee scale.

Representative Troy stated while 30 slots are available each federal fiscal year, Idaho has only used 13 J-1 visa applications since 2005, and there have been no requests yet this year. The current J-1 program covers only very specific areas of pediatrics, family medicine, internal medicine, obstetrics, gynecology, general surgery, and psychiatry. **H 81** will expand access to care for the underserved by allowing up to 10 of the 30 spots to be filled by a specialist located in a federally designated shortage area. The health care organization applying to fill a specialist position must demonstrate a need for the type of specialty requested.

Representative Troy commented in her legislative district, Gritman Hospital has been attempting to recruit an oncologist for a joint cancer care center to be opened in conjunction with Pullman Regional Medical Center. The cancer care center has been built in Moscow but it has been unable to recruit an oncologist despite lengthy efforts.

Representative Troy explained the legislation also allows for a flex waiver, meaning if all applications aren't used in the first six months, then ten of the remaining J-1 visas can be applied for by Idaho health care organizations who are not located in federally designated shortage areas. For example, St. Luke's is based in Boise but operates a clinic in Riggins. Even though St. Luke's itself is not located in a shortage area, the bill would allow St. Luke's to recruit a physician to serve in another area such as Riggins. No more than five of the ten flex waiver slots could go to specialists. This legislation balances the urgent need for primary care physicians in underserved areas with the growing need for additional specialists. If the rural areas use the J-1 visa program as a recruitment option, all 30 slots could still go to primary care physicians.

Senator Martin asked if there is a provision in the bill or in Idaho Code that specifies how it is determined that a health care organization has adequately tried to find a local physician before using the J-1 visa program. **Representative Troy** answered this could be made clear through rule. **Senator Martin** further inquired whether it is correct there is currently no definition or prescribed time or process for making that determination. **Representative Troy** deferred the question to Brian Whitlock.

Brian Whitlock introduced himself as President and Chief Executive Officer of the Idaho Hospital Association to respond to the question. **Mr. Whitlock** pointed out page 5 of the bill, where current Idaho Code § 39-6107(2) specifies a six-month vacancy requirement. **Senator Martin** asked if there is any requirement tied to effort. **Mr. Whitlock** again referred to Subsection 2 that states, a waiver request application will "only be considered for health care facilities that can provide evidence of sustained active recruitment." In the past, recruitment efforts have included newspaper advertisements and outreach to medical schools. This documentation would be submitted to the Department before the application could be submitted to the U.S. Department of State.

Senator Martin inquired if there is a financial benefit to the organization to fill a position under the J-1 visa system rather than use a local doctor. **Mr. Whitlock** responded in the specific situation described by Representative Troy, the facility has been actively recruiting for more than six months. The American doctors who have applied have gone elsewhere, possibly for more money in bigger cities.

Vice Chairman Souza asked if there is a financial incentive for physicians under the J-1 visa program to come to smaller areas of the State. **Mr. Whitlock** replied J-1 visa applicants have done their residency in the U.S. and enjoyed their time here, and they typically want to contribute and give back to their communities. Specifically, the J-1 visa is a primary care, rural-focused program. Other states allow specialists to be considered for J-1 visas, and these specialists would have the opportunity to practice in larger communities in other states. There is no financial incentive to come to Idaho.

Senator Lee inquired if there are areas in Idaho that would particularly benefit from this legislation. **Representative Troy** replied the majority of Idaho is federally designated as underserved, with the exception being a few pockets of urban areas.

MOTION: **Vice Chairman Souza** moved to send **H 81** to the floor with a **do pass** recommendation. **Senator Harris** seconded the motion. The motion carried by **voice vote.**

H 128 **Relating to Medicaid. Matt Wimmer**, Administrator for the Division of Medicaid at the Department of Health and Welfare, introduced himself to the Committee. **Mr. Wimmer** stated the bill is a step to reform payment methods to promote better and more efficient patient care. The bill is consistent with the existing statute but expands on it to direct the Department to explore Idaho-based approaches to care management. As indicated in the fiscal note, it requires that the Department's approach to value-based purchasing be cost neutral or cost negative.

Mr. Wimmer explained new purchasing models pay health care providers based on demonstrated ability to provide efficient care that has a positive impact on patient health, rather than on a per-procedure or fee-for-service basis. Under a fee-for-service system, a doctor who performs a great appendectomy gets paid the same as someone who performs a poor appendectomy. If a patient must be seen multiple times, payment is made for each visit. Value-based purchasing seeks to reward providers for health systems that deliver high standard, cost-efficient care by providing higher payments for those services. The value-based payment system has been pursued in numerous other forms by other state Medicaid organizations, commercial insurers in Idaho and nationwide, and Medicare. Overall, the programs have been successful in delivering better outcomes at reduced costs.

Mr. Wimmer informed the Committee the Department has improved quality of care under the patient-centered medical home program in the past few years. That program pays primary care practices who are recognized as patient-centered medical homes by national organizations and rewards those providers for pursuing higher standards of care. This approach has resulted in fewer hospital admissions, reduced emergency room utilization, and controlled costs. **H 128** allows the Department to extend the approach beyond primary care to develop regional care networks that will reward primary care, hospital, specialist and other provider groups who work together effectively to improve patient care. The approach will include episodic payments to incentivize quality for a single episode of care like a knee replacement or birth. The bill allows the Department to pursue appropriate federal authority to enable value-based purchasing. The Department will bring specific rules back to the Committee to support future efforts. The Department has been fairly effective in controlling per member, per month Medicaid costs, and this bill provides the best option for future improvements.

Senator Foreman referred to line 35, subparagraph b, which says, "the Department is authorized to pursue waiver agreements with the federal government as needed," and asked for explanation of that language. **Mr. Wimmer** replied the language would enable a managed-care type approach. Because the federal requirements for Medicaid programs are often very restrictive, the only way to enable some programs is by a labor agreement, as with the behavioral health and dental plans. This language recognizes under the current system, the Department would have to apply for a waiver to use different approaches. More detail will be specified in rule.

Senator Harris inquired whether the federal government has certain requirements that qualify a provider to be paid for value as opposed to paid for service. **Mr. Wimmer** responded it depends on the structure. Managed care regulations provide a little more flexibility but with a labor requirement attached.

MOTION: **Senator Jordan** moved to send **H 128** to the floor with a **do pass** recommendation. **Vice Chairman Souza** seconded the motion.

DISCUSSION: **Senator Foreman** said he would like to support the motion, but the language about negotiating agreements with the federal government is too open and general.

Vice Chairman Souza referred to line 30 of the bill and stated the key word is "may" and that gives her comfort. The bill does not say the Department "must" or "shall" enter into agreements, it only provides an opportunity to save money or achieve a better outcome.

Senator Jordan mentioned it's easier to put the pieces together after having worked on this issue for a long time. The waivers are pretty specific for programs or plans. While the language may sound broad in the legislation, between the rules and the actual waiver applications, the specifics come into focus. This is a good program for Idaho.

Senator Agenbroad said his experience is that the waivers get very specific. There are guidelines for the federal and State governments as well as the provider. To move to more outcome-based medicine, it is necessary to give the Department flexibility to get there.

The motion carried by **voice vote. Senator Foreman** requested he be recorded as voting nay.

ADJOURNED: There being no further business at this time, **Chairman Heider** adjourned the meeting at 3:42 p.m.

Senator Heider
Chair

Jeanne Jackson-Heim
Secretary