

MINUTES
SENATE STATE AFFAIRS COMMITTEE

- DATE:** Wednesday, March 04, 2020
- TIME:** 8:00 A.M.
- PLACE:** Room WW55
- MEMBERS PRESENT:** Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb.
- 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:** **Vice Chairman Harris** called the meeting of the Senate State Affairs Committee (Committee) to order at 8:00 a.m.
- RS 27898** **UNANIMOUS CONSENT REQUEST** for a Concurrent Resolution from the Resources and Environment Committee regarding flows on the Lemhi River.
- Senator Brackett**, District 23, presented **RS 27898**, which directs the Idaho Water Resources Board and the Idaho Department of Water Resources to work with local water users resolving issues related to the use of high flows on the Lemhi River.
- MOTION:** **Senator Hill** moved to send **RS 27898** to print. **Senator Anthon** seconded the motion. The motion passed by **voice vote**.
- H 413** **RELATING TO THE ELECTION OF CITY COUNCILMEN** to elect city councilmen by districts in certain cities.
- Senator Winder** stated that this legislation is relevant to all cities above 100,000 people throughout Idaho and will allow election of city councilmen by districts in certain cities. He explained that Idaho Code from 1984 allows cities to have district elections, yet that has not been acted on. He said this is an issue that the elector wanted city councils to consider and that this is a constitutional way to go forward as cities continue to grow. He declared this will affect three major cities in Idaho.
- DISCUSSION:** **Senator Stennett** said **H 413** only pertains to one city at this time and asked if it would be appropriate to wait until the next census. **Senator Winder** said he thinks there was a hope back in 1984 for cities to deal with this issue. He said that since they are in the middle of a census, it will allow for more time to set up for the next one and for the other cities to be brought in. **Senator Stennett** expressed a concern that the elections would be held every four years instead of two. **Senator Winder** said that state legislatures are voted on by districts, and asked why shouldn't city council members be voted on by districts as well.
- Senator Souza** related the discussion to school board zoning and asked if the goal was to create a more centralized voice for specific areas in larger cities. **Senator Winder** said yes, this will help sprawled communities feel less disenfranchised.
- Representative Palmer** said that in his experience, people want to know which city council seat represents them specifically.
- TESTIMONY:** **Jamy Sullivan**, Boise City Attorney, spoke in opposition and said the City of Boise is working on a local option to address the concerns heard today. She believes this takes away the local communities' ability to address a solution that is best for themselves. She argued that initiatives are a way for citizens to have their voice

heard directly. In response to Senator Stennett, she said they will poll the community and find out if more people are interested in voicing their opinion and that they need time to do that. **Lisa Sanchez**, Boise City Council (Council), spoke in opposition and said she represented herself and believed **H 413** would limit who sits on the council and promote a lack of diversity in council members.

TESTIMONY: **Richard Smith; Karen Danley; George Moses; Angie Redford; Dave Kangus; Erica Scofield;** and **Richard Welenima** testified in favor of **H 413**. They expressed their belief that the bill would improve the representation of outlying city sprawl and improve the lack of localized representation in larger cities.

DISCUSSION: **Senator Winder** stated when the census is completed, it is going to impact three cities and it will be two years before there is another election which allows time to plan ahead. He addressed Councilwoman Sanchez, stating that he thinks it would be easier for them to get elected because they can focus on their district but still help people all over the State of Idaho.

MOTION: **Vice Chairman Harris** moved to send **H 413** to the floor with a **do pass** recommendation. **Senator Vick** seconded the motion.

DISCUSSION: **Senator Stennett** said she preferred to see what the census would say and poll people who are interested. She believed time is necessary for more study and would not be supporting the motion.

VOICE VOTE: The motion carried by **voice vote**. **Senators Stennett** and **Buckner-Webb** asked to be recorded as voting nay.

H 515 **RELATING TO THE IDAHO PATIENT ACT (IPACT)** to create a new chapter to correct certain gaps in law related to the healthcare marketplace.

Senator Anthon stated **H 515** addresses a problem many Idahoans struggle with which is aggressive and unscrupulous medical debt collection. He read a letter from Dorothy Denison regarding her family's experience with medical debt collection. **Senator Anthon** said this is not an isolated incident. He said **H 515** will consolidate medical bills and make them available more quickly to patients. He asked that patients be given a fair chance to pay their bills.

Katheryn Hart, Associate General Counsel of Government Relations, Melaleuca, said that IPACT is an Idaho collections bill. The bill does not provide for oversight from state government. **H 515** is designed as a collections bill, and affects the rules of engagement from health care providers whose intent is to engage in extraordinary collection actions. This includes reporting someone to a credit bureau on adverse credit reports, or sending someone to collections within 60 days of issuing a bill.

Ms. Hart explained that the first step in the IPACT is after a visit to a health care facility (HCF) or doctor, all contractors and care providers will consolidate their bills and send them to the insurance company within 45 days. She said this does not mean the bill has to be resolved but that the process has to be started within that time. Within 60 days of leaving a hospital or HCF, providers must provide a statement called the consolidated summary of services, which is a list of all the care providers involved in the care and who will send a separate bill. She said this is important because most Idahoans do not realize there are many people involved in a patient's care that aren't employees of the hospital. She explained that independent contract providers will submit their own charges to insurance and they will send separate bills; those bills are not streamlined. She also discussed what goes on in the collection procedures and that the fee-shifting ability of what the patient pays will be limited to \$350 and \$750 for a contested case. She stated that hospitals who inform their clients have received a 27 percent increase in payables received.

DISCUSSION: **Senator Souza** shared a story of how confusing it is to receive a billing from an unknown contractor a year after a hospital visit occurs. She asked if they have gotten feedback from general providers. **Ms. Hart** said that they had very little negative feedback, and received little push back from the industry.

In response to Senator Hill, **Ms. Hart** said the fee-shifting limitation to the patient should be a \$350 default reward from the courts, and \$750 if it is a contested case. In response to Senator Vick, **Ms. Hart** said fees will be shifted over time but the amount paid is going to be factored into the agreement between the doctor, the debt collector, and the attorneys.

TESTIMONY: **Shawn Bonney; Sky Ipsen; Rich Fairbanks; and Carma Farar**, Advantage Financial, testified in opposition to **H 515**. They expressed the following arguments: this bill shifts costs of overdue medical bills back to the providers; extends the time health care providers receive payment for their services; limits the cost and fees that a medical provider can recover in a legal action; small claims courts may not be able to provide the best service because they only process one claim at a time; and the cost of filing the suit should be recoverable. In addition to the \$350 limited fee shift, which would continue to allow collection agencies access to the courts.

TESTIMONY: **Vinetta Orcutt**, Idaho Collectors Association; **Dr. Mathew Larson**, Chairman of Psychiatry, Eastern Idaho Regional Medical Center; **Carlos Hernandez; Deana Young; Alex Warner**, Idaho Medical Debt Project; and **Kim Blough** testified in favor of **H 515**. They shared their personal stories and requested the Committee consider the following: that medical debts were not consolidated for ease of payment; medical debts are abrupt and untimely; the industry is aggressive in its collection; and there are costs that collectors need to pay up-front in order to recover justly incurred debt. A trailer bill should be considered that will allow those costs to be recuperated.

DISCUSSION: **Senator Anthon** concluded that there is a problem affecting everyday Idahoans who are willing to pay their bills but are caught in a process that ends up costing them much more than the underlying debt that they dealt with primarily. He said this is a bill about transparency in the billing process, and a policy question: who will bear the burden of that collection going forward? He acknowledged that attorneys will not go to small claims court because it is not lucrative and he witnessed creditors who have used small claims courts effectively. He made the argument that it is the creditors choice whether they want to go to magistrate court or not. The question is how much cost are you going to put on the patient.

MOTION: **Vice Chairman Harris** moved to send **H 515** to the floor with a **do pass** recommendation. **Senator Buckner-Webb** seconded the motion. The motion carried by **voice vote**.

ADJOURNED: There being no further business at this time, **Chairwoman Lodge** adjourned the meeting at 10:18 a.m.

Senator Lodge, Chair

Twyla Melton, Secretary

Bryce DeLay
Assistant to the Secretary