(Draft - Awaiting Formal Approval)

MINUTES OF THE

HEALTH SYSTEM REFORM TASK FORCE

Wednesday, June 23, 2010 – 9:00 a.m. – Room 250 State Capitol

Members Present:
Speaker David Clark, House Chair
Sen. Wayne L. Niederhauser, Senate Chair
Sen. Gene Davis
Sen. Peter C. Knudson
Rep. Jackie Biskupski
Rep. Bradley M. Daw
Rep. Bradley G. Last
Rep. David Litvack
Rep. Ronda Rudd Menlove
Rep. Merlynn T. Newbold

Members Absent:
Sen. D. Chris Buttars

Staff Present:
Mr. Mark D. Andrews, Policy Analyst
Ms. Catherine J. Dupont, Associate General Counsel
Ms. Wendy Bangerter, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Task Force Business

Chair Niederhauser called the meeting to order at 9:15 a.m.

MOTION: Sen. Knudson moved to approve the minutes of the May 19, 2010 meeting. The motion passed unanimously. Sen. Davis, Rep. Litvack, Rep. Menlove, and Rep. Newbold were absent for the vote.

2. All Payer Database

Dr. Keely Cofrin Allen, Director, Office of Healthcare Statistics, Department of Health, said that Utah's All Payer Database (APD) is the sixth APD in the nation. She said that by fall the APD will be producing specific, targeted results and that hopefully the APD will include fully integrated Medicaid data. She indicated that work to embed APD support into the Utah Health Exchange is under way and should be completed in the fall. She also indicated that she would be delivering APD data the following day to *HealthInsight* for the payment and delivery reform demonstration projects. She said that the APD could be helpful to each of the five pilot programs and 30 grants included in the federal health reform bill. She also said that in August the APD will be able to describe what has happened to a patient between initial admission and readmission to a healthcare facility. In the future, she noted, the APD will allow doctors, patients, policymakers, and others to compare provider outcomes.

Dr. Allen said she was not sure her office has the capacity to do more demonstration projects, but that with more staff she could do more.

Dr. Allen presented output from the APD and pointed out that spending variations across the state are not related to differences in individuals' burden of illness. She also pointed out that APD could be used to target public health prevention efforts.

Speaker Clark emphasized the importance of ensuring that output from the ADP is user-friendly to insurers, hospitals, and consumers and that it identifies value.

3. Workgroups

Staff distributed outlines of objectives and duties and invited participants for the Task Force's Implementation Oversight Workgroup and Cost Containment Workgroup. The Task Force discussed issues the Cost Containment Workgroup could address related to health savings accounts. Speaker Clark indicated that responding to the implementation of federal health reform legislation is part of the charge of the Implementation Oversight Workgroup.

4. Risk Adjuster Board

Mr. S. David Jackson, Chair, Utah Defined Contribution Risk Adjuster Board, reported on changes in membership and leadership of the board. He said that four subcommittees of the board are meeting monthly. He also said that Altius Health Plans and UnitedHealthcare have been added to the Utah Health Exchange.

Mr. Jackson indicated that the big deadline for the board is January 1, 2011, the date when Utah Health Exchange eligibility will be expanded to include all small employers and a limited group of large employers. He said that the biggest challenge is time—the January 1 launches have to be ready by September and there is not a lot of time to deal with contingencies.

Mr. Jackson indicated that the board is very interested in using the APD as part of the renewal process and for retrospective risk adjustment, which likely be the primary method of risk adjustment for large employers.

Ms. Judi Hilman, Utah Health Policy Project, said that by 2014 the management of small group market and individual market risk will change dramatically. Mr. Jackson said that Utah Health Exchange is already meeting probably 65–70 percent of the federal exchange requirements. Speaker Clark indicated that the board can address federal health reform legislation after it figures out the launch of the 2011 large group pilot program.

5. Federal Reform Update

Commissioner Neal Gooch, Utah Insurance Department, gave an overview on how federal health reform is and will be affecting the Insurance Department and the Utah Code. He distributed "Patient Protection and Affordable Care Act (PPACA) Provisions Affecting Sections in the Utah Insurance Code." He noted that the PPACA does not include a state waiver provision. He described those in the state that will be impacted by PPACA provisions if the current Utah Insurance Code provisions are revised to be in compliance with the act. He said that most of the provisions will be cost neutral in Utah. He also said that the consequences of not revising the Utah Code to be compliant with PPACA could result in an abdication of state regulation to the federal Department of Health and Human Services in several areas. He said that becoming compliant with PPACA gives the state the ability to continue to control and regulate health care insurance at the state level.

Ms. Tanji Northrup, Utah Insurance Department, assisted in answering questions from the Committee.

Commissioner Gooch said that responding to federal rate review requirements will probably require up to two full-time-equivalent employees. He said that a five-year federal grant is providing $1 million to each state the first year and an adjusted amount thereafter to implement the rate review process.

The Task Force discussed the status of the state's response to the federal government concerning whether the state will operate the new federally required high-risk pool (insurance for persons with pre-existing conditions). Commissioner Gooch reported that a decision by the governor is imminent. Sen. Niederhauser reported that members of the Legislature have consulted with the governor and that the governor seems to be leaning toward a state-run pool. Commissioner Gooch reported that the state is prepared to administer the pool, should that be the decision.

6. Tax Consequences of Federal Reform

Mr. David B. Lewis, Huber, Erickson & Bowman, used a slide presentation to explain tax issues related to the recently passed federal health care reform legislation. He detailed how it will affect individuals and how it will affect business owners.

7. Other Business

There was no additional business to discuss.

8. Adjourn

MOTION: Rep. Daw moved to adjourn the meeting. The motion passed unanimously. Sen. Davis, Sen. Knudson, Sen. Niederhauser, Rep. Litvack, and Rep. Menlove were absent for the vote.

Chair Clark adjourned the meeting at 12:00 p.m.