



March 9, 2011

2009-2011 Vol. 19

GENERAL SESSION

March 2, 2011

Program Topic: Utah's Medicaid Challenges

**Presented by: Health & Human Services/
Retirement & Independent Entities**

Director: Donna Murphy

Co-Chairs: Dianne Yancey & Chris Bray

**Speakers: Dean Sanpei (R) Dist. 63, Utah County (Provo) – speaking on
SB180 Medicaid Reform**

**Sen. Allen Christensen (R) Dist. 19; Morgan, Summit,
Weber Counties – Sponsor, SB137 Medicaid Amendments**

Judi Hillman – Exec. Director; Utah Health Policy

Sen. Christensen, Chair of the Health & Human Services Committee, said he feels good about the program funding that has been accomplished in this year's session. Cuts of 7% had been proposed to Health & Human Services budgets (140 total cuts to departments and projects). But the Senator said they had managed to mitigate or "backfill" most of those cuts.

The senator then spoke of his participation on the committee overseeing preferred drug lists. This committee reviews 70 classes of drugs, one class at a time, to determine the most effective drug for a given condition. The committee then approaches the drug companies who produce these most effective drugs. In return for the designation awarded by the committee, a drug company rebates a portion of sales from that drug to the state budget. Previously, mental health drugs have been excluded; this year they

are included. Sen. Christensen said he has received over 1,000 emails from citizens concerned about their own particular drug being removed from the list of saleable drugs. His own bill regarding drug sales was defeated.

The Senator said one of the most important medical problems today is the high cost of prescription drugs. He mentioned other bills this year that addresses prescription drugs, particularly the one sponsored by Sen. Bramble, **SB202 Pharmaceutical Competitive Pricing**. The bill would amend the Medical Assistance Act to establish a competitive bidding process for drug product equivalents. It would also establish criteria for the competitive bidding process, and require the Division of Health Care Financing to re-bid the program at least once every five years. **SB202** has now passed out of committee.

The Senator said that the social services budget has been his largest project this year. Seventy-five percent of his committee turned over this year, necessitating much discussion to bring new lawmakers up to speed on these budgets.

Rep. Sanpei presented information on **SB180 Medicaid Reform**, sponsored by Sen. Liljenquist, which has passed the senate. It is sponsored by John Dougall in the house. This bill addresses the unsustainable rise in Healthcare costs. Federal law has mandated a relaxation of Medicaid Costs. Consequently, there has been a 50% increase in healthcare cost to the Utah budget. Some federal aid is available to compensate for these costs, but won't cover the increase. Projections for the next 7-10 years indicate catastrophic results. Rep. Sanpei also mentioned the lack of adequate numbers of physicians to treat patients.

An easy reform would be to cut reimbursement rates, which may result in many current Medicaid recipients' coverage being dropped. Rep. Sanpei believes this is an "incentive reform" issue, and incentives should be changed to physicians and care facilities. **SB180** would: 1) Set up a rainy day fund for Medicaid, 2) set forth Medicaid recipient caps, which would be tied to the state budget, 3) emphasize the need to provide a continuum of care, and 4) set up a time frame for evaluation and reporting of Medicaid costs.

The first two objectives of **SB180** would require federal help. An example of need for the third objective is the statistic indicating 30-40% of emergency rooms patients can be more effectively served at a lower cost Urgent Care facility or doctor's office, if properly covered.

Rep. Sanpei believes passage of **SB180** would save the state more than \$7M over seven years, with the savings increasing each year.

Judi Hillman mentioned that this is the first state legislative session since Obama's health care bill was passed. That fact has initiated several state healthcare bills. One of the directives of the federal bill is to change the eligibility requirements for Medicaid patients. Anyone earning 133% of poverty level income will be medically insured. This will greatly increase the number of Medicare recipients. However, Ms. Hillman believes it is more cost effective for the taxpayer to have the uninsured protected by Medicaid than to remain uninsured.

She said many medical programs were slated to be cut statewide this year, but the results are looking better than expected. Two of the main topics to watch are the Children's Health Insurance Program (CHIP), and Medicaid eligibility requirements. Since CHIP enrollment was left open last year, the number of uninsured children has gone down by 33%.

Other issues include the processes involved in Medicaid payment, and the delivery of life & death services. Ms. Hillman believes that changing incentives would help, but that it will take many years to reduce costs. **SB180** could help; but it would require time, and a large up-front investment. She believes full benefit dental care should also be tied to Medicaid reform. There are currently no cuts to the state breast and cervical care program.

Reported by Marilyn Simister

General Session 11

Program Topic: *Issues Updates*

**Presented by: Judiciary/Law Enforcement & Criminal Justice/
Political Subdivisions, Revenue & Taxation/
Transportation/Government Operations**

Director: Tibby Milne

Co-Chairs: Junko Shimizu & Marilyn Larsen

**Speakers: Rep. Curtis Oda (R) Dist. 14; Davis County
Sponsor – HB75 Dangerous Weapon Amendments**

**Rep. Patrice Arent (D) Dist. 36; SL County (Millcreek,
Holladay, SLC) – Sponsor, HB89 Protection of Children
Riding in Motor Vehicles**

Rep. Oda, speaking in favor of **HB75 Dangerous Weapon Amendments**, said it modifies provisions of the Utah Criminal Code regarding the definition of "on or about school premises" regarding the use of a dangerous weapon." Currently a person who is legally licensed to carry a handgun must stay without a 1,000-ft. perimeter of any school. Utah is the only state with such a law. Sen. Oda's bill would reduce the perimeter to the footprint of the school property.

Convicted criminals and child predators are properly held to the 1,000-ft. restriction. However, Sen. Oda reasons that licensed handgun owners are law-abiding citizens. As such, they should not be unfairly burdened with this constraint. **HB75** also contains sentencing enhancements for the use of a dangerous weapon, and specifies those locations where a person may not possess a weapon.

Responding to questions, Rep. Oda disclosed the information that he himself is licensed to carry a concealed weapon. He has experienced a personal incident in which he came close to needing the weapon to protect his wife as they were accosted on a Salt Lake City street. **HB75** is currently in the senate in its second reading.

Rep. Arent returned to provide an update on **HB89**, which she recently presented to membership. (WSLC has passed a Resolution supporting it **HB89**.) She said the bill has been re-assigned to the Health & Human Services Committee. **Rep. Arent** believed it should have been assigned there originally, rather than languishing in the Transportation Committee. She believes the bill has full support in the house and will pass the senate. Lobbying by private citizens would be helpful, she added.

HB89 was stalled for a time in the Rules Committee. It now contains a substitute that makes two changes. First, it provides that until July 1, 2012, an officer must only issue a warning, rather than a citation for violation of this law. Second, an officer may (though is not required to) provide an offender with information regarding the health dangers of secondhand smoke to children.

Rep. Arent underscored the fact that studies indicate secondhand or "sidestream" smoke is more dangerous to the human respiratory system than physically smoking a filtered cigarette. The Surgeon General's Report indicates sidestream smoke may be linked to Sudden Infant Death Syndrome (SIDS), as well.

Many healthcare organizations have endorsed **HB89**, including the American Lung Association, Primary Children's Medical Center,

The American Cancer Society, and the American Heart Association.

- During the Q&A period, **Rep. Eric Hutchings (R)** stepped to the microphone to alert WSLC membership to watch for a bill he is sponsoring; **HB168 Child Identity Theft Protection Amendments**. He called it a "revolutionary new program that will be a model for the nation," and said it will be rolled out for public scrutiny soon.

Reported by Pam Grange

NOTE: WSLC Candidate speeches and election of 2011-2013 Biennium Officers will be held today (March 9, 2011). Members must display their green ID cards to be eligible to vote.

Installation of Officers will take place at Cottonwood Country Club on March 16, 2011 during WSLC's wrap-up session. Details forthcoming.

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