

**MINUTES OF THE
HEALTH AND HUMAN SERVICES INTERIM COMMITTEE**
Wednesday, October 18, 2000 - 2:00 p.m. – Room 405 State Capitol

Members Present:

Sen. Robert F. Montgomery, Senate Chair
Rep. Carl R. Saunders, House Chair
Sen. D. Edgar Allen
Sen. Paula F. Julander
Sen. Steven L. Poulton
Rep. Trisha S. Beck
Rep. Jackie Biskupski
Rep. Mary Carlson
Rep. Margaret Dayton
Rep. Kory M. Holdaway
Rep. Rebecca D. Lockhart
Rep. Karen W. Morgan
Rep. Jack A. Seitz
Rep. A. Lamont Tyler
Rep. Richard L. Walsh

Members Excused:

Sen. Peter C. Knudson
Rep. Jordan Tanner

Staff Present:

Mr. Mark D. Andrews
Research Analyst
Ms. Janetha W. Hancock
Associate General Counsel
Ms. Cathy J. Dupont
Associate General Counsel
Ms. L. Kaye Clark
Secretary

Note: A list of others present and a copy of materials distributed in the meeting are on file in the Office of Legislative Research and General Counsel.

1. **Call to Order and Approval of August 16, 2000 Minutes** – Chair Montgomery called the meeting to order at 2:00 p.m. and welcomed the members of the committee.

MOTION: Representative Walsh moved to approve the minutes of the August 16, 2000 meeting. The motion passed unanimously. Senator Julander was absent for the vote.

2. **Coordination of Tobacco Programs – Report by Utah Department of Health** – Dr. Scott Williams, Deputy Director, Utah Department of Health; Ms. Rebecca Giles, Manager, Tobacco Prevention and Control Program, Utah Department of Health; and Ms. Tamara Lewis, Chair, Utah Department of Health Master Settlement Agreement Advisory Committee, discussed department efforts to focus the use of tobacco settlement monies on prevention, reduction, media, and enforcement where they will make the greatest impact. Efforts will be focused primarily at youth, pregnant women, and low income individuals. Ms. Giles reviewed efforts to ensure coordination and collaboration among service providers. See handout "Statewide Vision for Tobacco Reduction."

3. **Utah Medical Assistance Program (UMAP) – Annual Report** – Dr. Scott Williams, Deputy Director, Utah Department of Health, reviewed the history of the Utah Medical Assistance Program, including efforts by the Department to hold down costs to the state. Ms.

Jackie Stokes, Utah Department of Health, explained UMAP eligibility criteria, enrollment, the nature of services provided, utilization review, and FY 2001 policy changes. Dr. Williams suggested several options for dealing with the FY 2001 funding shortfall: (1) continue the eligibility and benefit changes adopted for FY 2001; and (2) consider long-term solutions, including exploring the use of the Medicaid waiver proposed about five years ago and looking at all public medical programs as a whole and determining whether they should be redesigned. Dr. Williams indicated that the Department of Health's budget proposal to the Governor includes a request for an additional \$1.4 million for UMAP.

Mr. Dave Gessall, Utah Hospital and Health Systems Association, told the committee that the state has responsibility for the UMAP population and that the value of uncompensated care by hospitals to UMAP now exceeds state contributions to the program. He said that the association does not have a recommendation to solve the problem but hopes the Legislature will be part of the debate to find a solution. See handout "UMAP State Appropriation and Utah Hospital Inpatient Donation."

Mr. Val Bateman, Utah Medical Association, reported that medical costs – excluding pharmaceuticals – have increased 48% since 1988 and that more people are not paying their medical bills. He said that his association supports a one-time funding increase of \$1.4 million for UMAP and evaluating how to fulfill the responsibility to this population unable to provide for their own medical needs.

Mr. Eligio White, administrator of a community health center, explained the role of community health centers in caring for the low income uninsured and how clients are charged on a sliding fee scale.

Ms. Teresa Newbold, mother of a UMAP enrollee, spoke on behalf of her daughter who has been trying to go to school full-time but lost coverage for one of her prescriptions by doing so.

Ms. Karmen Sanone, Salt Lake County Aging Services, said that her organization is particularly concerned about the elderly who do not have access to health insurance and whose incomes exceed the UMAP eligibility criteria. She asked that the committee look at funding for UMAP and other programs for the fragile aged.

MOTION: Representative Carlson moved that the committee recommend to the Executive Appropriations Committee and the Joint Health and Human Services Appropriations Subcommittee a \$1.4 million increase in funding to the Utah Medical Assistance Program for fiscal year 2002 to restore state funding to the FY 2000 level. The motion passed unanimously with Representatives Dayton, Lockhart, and Morgan absent for the vote.

4. Pharmaceutical Costs – Follow-up to August Interim Meeting – Mr. Linn Baker, Executive Director, Public Employees Health Program, discussed four factors affecting increased spending for pharmaceuticals – research and development, direct to consumer advertising, Food and Drug Administration fast track approval of drugs, and the aging of America. Mr. Baker reviewed steps taken by PEHP to control utilization and explained how public entities have combined pharmaceutical purchasing in New Mexico. He said that the result has been that New Mexico's prices are similar to those obtained in Utah by PEHP and recommended that if this approach were used in Utah, it be optional, not mandatory.

Mr. Blake Anderson, Division of Health Care Finance, Utah Department of Health said that Medicaid is prohibited by state law from using a formulary. He also explained that if the state used a pharmaceutical benefits manager to obtain better pharmaceutical prices the rebates the state currently receives from manufacturers would go to the benefits manager rather than the state. He said that to obtain a one to three percent volume purchasing discount the state would have to set up a warehousing system. He pointed out that the details of the multi-state purchasing arrangement in Vermont, Maine, and New Hampshire are still being worked out.

Ms. Susan DeSipio, Director, State Health Policy, Pharmaceutical Research and Manufacturers of America (PhRMA), discussed factors affecting spending on pharmaceuticals, possible reasons for differences in pharmaceutical pricing between the U.S. and Canada, and the status and concerns about pending federal legislation allowing for reimportation. She pointed out that drugs in Canada are subject to provincial approval and price regulation and said that a to ½ of the price difference between the U.S. and Canada may be attributable to differences in product liability law. See handouts, "Health and Human Services Joint Committee, State of Utah," "Statement of the Pharmaceutical Research and Manufacturers of America (PhRMA)," "Why the Canadian System Isn't the Answer," "The Canadian Health Care system: Delays in Access to Medicines and New Medical Technology Draw Criticism and Harm Patients," "Why Maine's Price Control Law is Unconstitutional," and "Directory of Prescription Drug Patient Assistance Programs, 1999-2000."

5. Lisa P. Settlement Agreement – Update – Ms. Karma Dixon, Office of the Attorney General, reviewed the Lisa P. settlement agreement and said that the disposition of 19 cases from the Utah State Developmental Center remains in dispute. Ms. Dixon said that her office plans to file a Motion for Declaratory Relief, regarding the Lisa P. settlement agreement within the next few days. She and Mr. Steve Mikita, Office of the Attorney General, responded to questions by the committee. Ms. Fraser Nelson, Disability Law Center, and Mr. Jerry Costley, The Arc of Utah, also responded to questions by the committee. See letter from The Arc of Utah distributed to the committee.

6. Children's Health Insurance Program (CHIP) – Annual Report – Mr. Chad Westover, Children's Health Insurance Program Administrator, presented the annual CHIP report

to the committee. He reported that there are 18,421 children currently enrolled in CHIP. He discussed enrollment outreach efforts and the results of studies of applicants and former clients. See handout "Utah's Children's Health Insurance Program (CHIP) 1999-2000 Status Update."

7. Annual Reports Mailed to Committee – Ms. Robin Arnold-Williams, Director, Department of Human Services, and Mr. Brad McGarry, Office of Services Review, responded to questions about data in the annual report, "A System Review of the Division of Child and Family Services, Department of Human Services Office of Services Review, Fiscal Year 2000 Report."

8. Obesity – Data Review – Mr. Andrews reviewed data from a recent National Conference of State Legislatures conference on adolescent health issues showing the increasing prevalence of obesity among adolescents and others and indicating that the second leading cause of death in America is physical inactivity and poor nutrition. See handouts "Actual Causes of Death in the United States, 1990" and "Risk Classification Based on BMI." See also handouts distributed by others to the committee: "Is This the Place for Healthy Kids? Results of the 1999 Utah Youth Risk Behavior and 1998 School Health Education Profile" and "Prevalence of Overweight, Obesity, and Overweight/Obesity in Utah: Adults 18 and Older, 1992-1998, Utah Department of Health Behavioral Risk Factor Surveillance System."

9. Other Business – None.

10. Adjourn

MOTION: Rep. Walsh moved to adjourn the meeting at 4:35 p.m. The motion passed unanimously.