

**MINUTES OF THE  
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE**

Room 30 West House Building, State Capitol Complex

February 11, 2015

**Members Present:** Sen. Allen M. Christensen, Co-Chair  
Rep. Paul Ray, Co-Chair  
Rep. Edward H. Redd, House Vice Chair  
Sen. Deidre M. Henderson  
Sen. Luz Escamilla  
Sen. Brian E. Shiozawa  
Sen. Alvin B. Jackson  
Sen. Todd Weiler  
Rep. Rebecca Chavez-Houck  
Sen. Mark B. Madsen  
Rep. Melvin R. Brown  
Rep. Bradley M. Daw  
Rep. Earl D. Tanner  
Rep. Sandra Hollins  
Rep. Robert Spendlove  
Rep. Raymond Ward

**Members Excused:**

**Members Absent:** President Wayne L. Niederhauser

**Staff Present:** Mr. Russell T. Frandsen, Fiscal Analyst  
Mr. Stephen C. Jardine, Fiscal Analyst  
Ms. Paula Winter, Secretary

**Note:** A copy of related materials and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**0. Call to Order/Approval of Minutes**

Rep. Ray called the meeting to order at 8:13 a.m.

**2. Public Input**

Paul Gibbs, former Medicaid patient, shared his own story; Jan Lovette, family member, shared the story about her daughter; Dan Davidson, in recovery and able to take advantage of the DORA program; Melanie Soules, advocate; Dr. Jay Jacobson, Physician, spoke about the importance of early treatment of disease; Lee Moss, family nurse practitioner; Angie Zuehlke, social worker, shared about the population she works with; Dr. Kyle Jones Utah Families Academy of Family Physicians, shared a story about a mom who could not afford health insurance; Mary Jo McMillen, Executive Director, Utah Support Advocates for Recovery Awareness (USARA), shared her background; Dave Davis, President, Utah Food Industry and Retail Merchants Association, represented business and pointed to the economic activity this

would bring to the state; Matt Poulton, Director of Operations, Utah Manufacturer Association also spoke about the cost of people needing care; Mark Compton, President, Utah Mining Association, spoke about a healthy workforce; Claudia Fruin, MD, Pediatrician, Utah Chapter American Academy of Pediatrics, gave a typical scenario for poor adults; Aileen Clyde, Representative, Utah Citizens Council, spoke about low income citizens; Andrew Riggle, Public Poverty Advocate, stated several statistics; Dr. Keith Horwood, Physician, Medical Director at Community Health Centers, gave some information about the clients they serve and spoke to the clinical implications; Rep. Redd shared that he works with the same group of people and supported what Dr. Horwood said; Lane Beattie, President and CEO Salt Lake Chamber; Joyce Dolcourt, Advocate, Legislative Coalition for People with Disabilities; The Right Reverend, Scott B. Hayashi, Bishop of Utah, Bishop of the Episcopal Diocese, spoke about who we are and who the legislature is; Wendy Hendley, consumer, shared her story of being a single mom and the story of her family; Clinton Gibson, nurse care manager, Comprehensive Care Program; Jessica Farr, Parent, introduced her son, Andrew who has several issues; and Annette Maughan, President Epilepsy Association of Utah, shared her story; each spoke in support of the Healthy Utah Plan.

Sen. Christensen commented about all the needs and wondered how they would all be funded if Healthy Utah is funded.

Steve Erickson, representing Crossroads Urban Center, spoke in support of the General Assistance Fund (GAF), and emphasized how it assists Utah's most vulnerable adults in recovery from disabilities or in obtaining other income for housing. He also stated support for Medicaid Adult Dental Services restoration.

Dave Gessel, Executive Director, Utah Hospital Association, supported the Healthy Utah proposal and H.B. 199. He stated that his board and members are willing to be part of the solution but not alone. He informed the Committee that he and Greg Bell were authorized by the Board to propose that the hospital assessment be increased by \$25 million to help pay for the Healthy Utah Program. He shared the 3 caveats before they would be willing to do that. He stated that all players need to be part of the solution

Sen. Christensen asked for clarification from Mr. Gessel. They continued to converse.

Rep. Spendlove stated he wants to be supportive and asked how we would mitigate the risks in any of the proposals and do we have a contingency plan. He also asked if the Hospital Association had taken a formal position on how to pay the \$25 million. Mr. Gessel replied that the Board authorized them to make the proposal and have taken a formal position on the Healthy Utah plan. He also stated that this scenario has happened before. He continued to share information.

Rep. Chavez-Houck cited some data about expansion states and they noted they have reductions in uncompensated care and wondered how this would impact the hospitals. Mr. Gessel replied that only 1 of 5 or 6 would be affected.

## **1. Unfinished Items from the Previous Agenda**

### **Building Block Requests - Permanent Supportive Housing (Rep. Eliason)**

#### **#5 One-time State Funds Building Block List**

Jonathan Harman, Executive Director, Pioneer Park Coalition, introduced his Co-chairs former Senator Scott Howell, Josh Romney, and former State Representative Bryson Garbett.

Josh Romney, shared observations about homeless in the last 10 years. He stated that there was a significant increase two years ago. He stated that a coalitions was formed to improve the area and to help the homeless. He shared his background in working in the area and about the complex issues involved in assisting the homeless. He also spoke about some aspects that need to be addressed for the homeless.

Bryson Garbett, builder, stated that they are asking for appropriations in the amount of \$1 million that would be savings. He informed the Committee that this amount will be part of the solution along with \$3 million from other sources. He shared more experience he had with the homeless shelter. This funding is to take the homeless into permanent housing.

Scott Howell, closed and said that the Coalition is about data metrics in finding out if there is security and accountability. He promised they would show where the funds go and the accountability for the investment.

Rep. Ray asked if the Olene Walker Trust Fund had been approached for funding. Mr. Howell stated that money will go through that board. There was continued discussion about that.

Sen. Christensen thanked them for the performance measures and data metrics.

Sen. Escamilla asked if the \$1 million is for the housing component and if there was a comprehensive component on substance abuse and mental health from the state. Mr. Romney informed the Committee that they have been working with Mayor McAdams on the collective impact study focused on mental health. Mr. Romney and Sen. Escamilla continued conversation about locating in other areas also.

Rep. Hollins commented that she works with the homeless population, substance abuse treatment, and mental health. She voiced a concern about the location of the service and stated she has not heard anything about this in their area. Mr. Romney commented that the coalition is looking around the state. There was continued explanation of the vision of the plan by the Coalition members. Rep. Hollins asked for involvement with the community councils in the process.

Mr. Howell further commented that their Committee voted in support of Healthy Utah in

conjunction with good leadership and accountability of dollars spent and also assurance that other programs are not eliminated.

## **5. Medicaid Expansion**

Russell Frandsen did some set up of the Medicaid expansion. He gave context for the numbers and language used. He spoke about the coverage gap and who, and how many that involves as far as Medicaid coverage. He reviewed some of the upcoming requests and explained the woodwork effect.

Sen. Shiozawa asked for comment on the woodwork effect in terms of the various options. Mr. Frandsen shared information including numbers and costs. Sen. Shiozawa and Mr. Frandsen continued discussing liability and responsibility under the Affordable Care Act (ACA) currently.

Sen. Christensen clarified the question and asked if we don't pass anything what would be our responsibility for the woodwork effect.

Mr. Frandsen clarified.

Rep. Redd asked for more clarification on the woodwork effect. Mr. Frandsen continued to respond and conversed further with Rep. Redd to clarify.

## **6. Request for Appropriation – SB 153 Access to Health Care (Sen. Christensen)**

#59 Ongoing State Funds Building Block List <http://le.utah.gov/interim/2015/pdf/00001159.pdf>

Sen. Christensen explained this bill for the medically frail.

Sen. Escamilla asked for explanation whether or not this proposal is considered expansion and if approval from the federal government is necessary.

Sen. Christensen clarified that it is considered an expansion and will require a waiver. They continued to converse.

Sen. Shiozawa asked Sen. Christensen about the population other than the frail within the coverage gap, below 100% of the Federal Poverty Line (FPL) and what, if any part of the plan involves Primary Care Network (PCN). Sen. Christensen and Sen. Shiozawa continued discussing and clarifying with clarification also coming from Russell Frandsen, Fiscal Analyst.

## **7. Request for Appropriation – Primary Care Grants (Sen. Christensen)**

#41 Ongoing State Funds Building Block List <http://le.utah.gov/interim/2015/pdf/00001159.pdf>

Sen. Christensen requested that Dr. Babitz testify to this request and gave explanation of this

request.

Dr. Marc Babitz, Division Director, Department of Health informed the Committee that since this proposal is not in the Governor's budget he cannot speak for or against the appropriation. He presented information from last year's appropriation which was SB 275. He highlighted some items including performance measures and accounting of expenses from the information online.

Sen. Christensen clarified what this request covers and that it is an ongoing request which expands care to the charity care cases as well as service to them. He also explained that this is for all people.

Rep. Redd asked about the number of dental patients who were served and what interventions they received. Dr. Babitz explained that there are a lot of screening exams. There were more comments between Rep. Redd and Dr. Babitz. Sen. Christensen also commented. Rep. Redd supported the program.

Rep. Tanner asked about how much the Healthy Utah Plan would impact this program. Dr. Babitz explained that there is no plan that will cover all of the 300,000 uninsured. He stated they will all help expand coverage. This program will still have a role to play as a safety net provider. The conversation continued with Sen. Christensen adding comments about those being served.

#### **8. Request for Appropriation – SB 164 Access to Health Care Amendments (Sen. Shiozawa)**

#60 Ongoing State Funds Building Block List <http://le.utah.gov/interim/2015/pdf/00001159.pdf>

Sen. Shiozawa presented the objective of his presentation and the benefits of it. He spoke about the fact that the Affordable Care Act (ACA) has been accepted and we cannot change that. He shared some options of how to handle that. He cited possible issues in determining the medically frail. He spoke in favor of Healthy Utah and the benefits, the affordability and that it emphasizes preventative care. He stated that the Healthy Utah Plan has predictability and sustainability. Sen. Shiozawa summarized the safety belts of the plan. He encouraged taking the step.

Rep. Redd commented on the plan and the advantages of it as well as the issue of being or becoming medically frail and that it allows people to become well.

Sen. Christensen commented on the fact that the population on Healthy Utah would fluctuate according to their income.

Rep. Ray asked what happens if the Healthy Utah Plan is adopted and then the ACA gets defunded. Sen. Shiozawa commented.

Rep. Tanner expressed concern of affordability and how we link passage of this bill with a plan to pay for it.

Sen. Shiozawa replied that the costs of the program need to come from the fiscal analysts and that we need to get the commitments and buy in from the stakeholders of this plan. He also commented on the importance of support from the general fund and providers along with stakeholders.

Rep. Daw commented on the amount spend per capita on health care in this country and referred to the beginning of Medicaid and Medicare and how those projections were off and wondered if we were repeating the same thing over and over again. Sen. Shiozawa gave an example and responded that if he thought that would positively impact the \$18 billion debt he would not propose it and explained that this is to maximize the amount we are already paying to the federal government and have no choice on and to get the best return to address the coverage gap.

Sen. Escamilla asked if there was a failure component. Sen. Shiozawa commented on the safety valves of funding the appropriation.

Rep. Spendlove asked if they were open to amending the bill as to cost mitigation and cost containment risks. Sen. Shiozawa answered in the affirmative and continued to explain.

#### **9. More Information About the Highest Cost Individuals on Medicaid**

(This item was not heard.)

#### **10. Request for Appropriation – H.B. 199 Pilot Program for Assistance for Children with Disabilities and Complex Medical Conditions (Rep. Redd)**

#40 Ongoing State Funds Building Block List <http://le.utah.gov/interim/2015/pdf/00001159.pdf>

Rep. Redd explained the proposal, how it would be funded including a federal match and the request for \$3.3 million.

Sen. Christensen asked if this would require a waiver and Rep. Redd answered affirmatively. Sen. Christensen and Rep. Redd continued to clarify how the waiver would function.

Rep. Redd called on Michael Hales, Deputy Director, State Medicaid Director, DOH, who explained the benefit waivers, who is served and services provided. He explained the intent of the proposal. Sen. Christensen explained being in favor of the proposal. There was further discussion.

#### **11. Medicaid Spending Statewide – Issue Brief**

(This item was not heard.)

#### **1. Unfinished Items from the Previous Agenda**

a. Fees in the Department of Human Services – Issue Brief

b. Workforce Services Fees – Issue Brief

Stephen Jardine, Fiscal Analyst and Russell Frandsen reported on the above 2 items that fees have remained the same as last year.

**MOTION:** Sen. Christensen moved to approve the following motion for the Departments of Workforce Services and Human Services from the sheet entitled “Social Services Subcommittee – Motions for Subcommittee Consideration” dated 2/7/2015 6:21 PM: #2A (approval of the fees).

The motion passed unanimously with Sen. Henderson and Sen. Madsen absent for the vote.

Mr. Jardine explained the following Building Block Requests

(1) Building Block Request – General Assistance #31 Ongoing State Funds Building Block List

(2) Building Block Request – Structural Imbalance/Budget Deficit, Department of Workforce Services - #33 Ongoing State Funds Building Block List

(3) Building Block Request - Contract Monitoring Staff, Department of Human Services #20 Ongoing State Funds Building Block List

Mr. Frandsen explained the following:

(1) Building Block Request – Backfill General Fund Deposit from Fund 1052 Victims of Domestic Violence Services Account #4 One-time State Building Block List

**3. SB 180 Update – Medicaid Reform; 4. Cost to Expand Accountable Care Organization Model in Medicaid to More Counties**

Michael Hales Deputy Director, Department of Health (DOH), gave a brief overview of the Accountable Care Organization (ACO) experience for the first two years of implementation which included a base cost reduction. He also addressed the idea of expanding services to six other counties in the state and the costs to do that. He stated that the DOH will present on the performance measures for this item in a following meeting.

Rep. Ray welcomed students from Sunset Jr. High to the Committee meeting.

**12. Other Motions for Consideration**

**MOTION:** Sen. Christensen moved to approve the following motion on the Sheet Entitled “Social Services Subcommittee - Motions for Subcommittee Consideration” dated 2/7/2015 6:21 PM: #10C.

The motion passed unanimously with Sen. Henderson and Sen. Madsen absent for the vote.

Rep. Ray reminded the Committee about the next day's meeting which begins an hour early at 6:59 a.m.

Rep. Tanner had a question about procedure for tomorrow. Both Rep. Ray and Sen. Christensen commented.

Mr. Frandsen clarified on the motions process for Rep. Tanner.

**MOTION:** Sen. Christensen moved to adjourn.

Co-chair Ray adjourned the meeting at 10:44 a.m.

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Sen. Allen M. Christensen, Co-Chair

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Rep. Paul Ray, Co-Chair