

CORRECTED
MINUTES OF THE
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE
Thursday, January 29, 2004, 2:00 p.m.
Room 131 State Capitol

Members Present: Sen. Sheldon L. Killpack, Committee Co-Chair
Rep. Jack A. Seitz, Committee Co-Chair
Sen. Paula Julander
Rep. J. Stuart Adam
Rep. David Litvack
Rep. Rebecca Lockhart
Rep. Mike Thompson

Members Excused: Sen. Leonard Blackham
Rep. Roz McGee

Members Absent: Rep. Calvin G. Bird

Staff Present: Spencer C. Pratt, Legislative Fiscal Analyst
Thor Nilsen, Legislative Fiscal Analyst
Norda Shepard, Secretary

Public Speakers Present: Deb Burcombe, Utah Health Care Association
Tina Johnson, Legislative Coalition for People with Disabilities
Glee Ann Clayton
Emily Tanner
Terry Pomeroy
Shiela Walsh-McDonald
Craig Olson, Utah Oral Health Coalition
Mike Miescier, M.D, Pediatrician
Gerald Bowsman, President, Utah Dental Association
Dave Gessel, Utah Hospital Association
Kirk Olsen, CEO, Molina Health Care Utah
Pamela Silberman, Coalition for Medicaid Consumers
Penny Vann, Coalition for Medicaid Consumers
Faina Raik, Coalition for Medicaid Consumers
Judi Hilman, Utah Issues
Luz Robles, Coalition for Medicaid Consumers
Karen Crompton, Voices for Utah Children
Val Bateman, Utah Medical Association
Barbara Boner, Novartis
Brian Moss, President, Utah Life Science Association
Reed Barker, Executive Director, Utah Pharmaceutical Association
Gordon Peterson, Pharmacist
Randy Smoot, Institute for Clinical Outcomes Research
Nina Ferrell, Mental Health Association
Faye Lincoln, Vice President, Avalon Health Care
Tamers Lewis
Deborah Cox, Executive Director, Utah American Health Association
Sylvia Rickard, Breast Cancer Network
Patty Hafer
Trudy Despain

Alissa Rudy
Robert Huffner, Vice Chairman, Utah Health Date Committee
John Adams
Tom Brownlee
Bill Cosgrove
Mike Perry, Alliance House
Irene Leishman, Alliance House
Tammy Ann Burton
Dustin Burton
Douglas Cotant
Lopeti Penimani
Rikki Landers

A list of visitors and a copy of handouts are filed with the committee minutes.

The meeting was called to order by Co-Chair Killpack at 2:05 p.m.

Co-Chair Killpack welcomed everyone and announced that public testimony would be taken in this meeting. He said that since there were many who wished to speak, each individual would be allowed five minutes and a 30 second indicator would be shown when time was up.

Deb Burcombe, Utah Health Care Association, stated that the long term health profession is facing significant problems. She stated that the average cost per day per patient is \$120.85, with Medicaid paying \$105.58, for a daily loss of \$15.27 a day per patient. She asked for support for S.B. 128 Long-Term Care Facilities Amendments (Sen. L. Blackham). She indicated the association is asking for funds to remain intact to draw down federal dollars.

Tina Johnson, Legislative Coalition for People With Disabilities, distributed a fact sheet and a packet of stories . She stated the coalition has two great concerns, access to health care and the restoration of dental and vision care to the Medicaid program. She said many patients are ending up in emergency rooms because they can't get care from a physician, costing much more. She indicated many of these emergencies are a result of no dental care.

Glee Ann Clayton introduced her daughter Harmony who has cerebral palsy. She indicated that their primary care doctor would not treat Harmony because of low reimbursement rates from Medicaid. She said how thankful her family is for the Early Intervention program and how much it had helped her daughter.

Emily Tanner expressed thanks for the Early Intervention Program. She said prior to her two year old son entering the program he was totally unresponsive and she had no idea how to handle the situation. She said he has been helped so much and has blossomed. She said the Early Intervention Program not only helps children while they are young but gives them tools to help them throughout their entire lives.

Terry Pomeroy stated she was here to talk about dental care for Medicaid patients. He said people should be considered as important as roads, and lack of good dental care is important for overall health. She indicated she had been helped with her teeth problems by Vocational Rehabilitation, but not everyone has that option.

Shiela Walsh-McDonald, stated she is a health care advocate for families who are living in or near poverty. She stated that with Utah's poverty rate rising to 10.2%, demands for food assistance, housing and health care increase dramatically. She said Utah's poverty rate increased from 9.4% to 10.2% from 2001 to 2002, adding 24,000 additional people who can't afford basic necessities. She said 334,000 people in Utah don't have health insurance or dental coverage. She indicated dental disease is a health epidemic and recommended a restoration of adult dental and vision to Medicaid and an increase in reimbursement rates to insure access.

Sen. Killpack stated that if anyone had written material but was not speaking, they could bring it forward and copies would be made and distributed to committee members or they could send it to his e-mail address and he would forward them to the committee. His e-mail address is *skillpack@utahsentate.org*.

Craig Olson, Utah Oral Health Coalition, distributed an information packet which addressed access to oral health care services for children and adults enrolled in Medicaid and comparison of mountain region and the nation for reimbursement rates for dental providers. He said Utah is the last in the nation. He stated that currently Medicaid's only coverage for dental is when teeth need extraction, and this does not save money because of emergency room costs. He said his association would ask for reimbursement at PHP provider levels. He stated reimbursement should provide enough that dentists are not losing money.

Mike Miescier, M.D, distributed two letters and stated he was here to speak on behalf of increased funding for Medicaid dental reimbursement. He said he is not a dentist but a pediatrician who sees children admitted to the hospital. He says many of these children are there due to complications from dental abscesses resulting from lack of access to proper dental care. He stated many health problems could be prevented with good dental care. He stated he knows there is a tight budget but by investing in increased dental reimbursements it would increase access to dental care and save Utah money by avoiding the cost shifting to more costly emergency room care and hospitalization.

Gerald Bowsman, President, Utah Dental Association, stated he was here to speak as a practicing dentist and a small businessman. He stated dentists in Utah many times do work free of charge or at reduced fees and also volunteer their time at free dental clinics. He said a problem in running a small business, as most dentist do, is you can't continue to cut fees and do free work and stay in business. He asked the committee to increase reimbursement rates and restore adult dental coverage.

Dave Gessel, Utah Hospital Association, distributed a handout on inflation adjustments and discussed the chart showing 5-year reimbursement inflation trends, which showed outpatient hospitals being in third place and inpatient hospitals being fourth. He said they are asking for a 5% increase which would be about \$3 million of new money. He stated hospitals are unique as they are the back bone of the Medicaid program and must treat every patient, no one can be turned away. He said hospitals give about \$80 million in pure charity services and write off about \$140 million in bad debts. He said hospitals are critical to the Medicaid program and need appropriate reimbursements.

Kirk Olsen, is the CEO of Molina Health Care of Utah, a managed care organization which serves the Medicaid/CHIP population. He said they have approximately 37,000 Medicaid enrollees and 7,000 CHIP children in Utah. He stated when their company first came to Utah about eight years ago, it was not difficult to contract with physicians but as reimbursement to physicians have not kept pace with the industry of today, there is a crisis in physicians terminating contracts. He stated the reason for the terminations is because of the low reimbursement rates. He said if this trend continues it will be impossible to take care of the Medicaid enrollees.

Pamela Silberman, Coalition for Medicaid Consumers, distributed a handout listing the 69 members of the coalition and the Medicaid budget priorities for FY2005. She drew attention to the recommended budget on the handout. She said the top priority should be the restoration of services to vision and dental for adults and provider increases for a variety of health care providers, especially hospitals and physicians who have not seen increases in a number of years.

Penny Vann, stated she needs glasses in order to have the ability to work. She stated her eyes are permanently damaged due to encephalitis and without glasses she is unable to work. She said there are many people who cannot afford to buy glasses and she was here today to ask that vision be restored. She said it involves people's livelihood and the reason some people are not able to work is because of vision problems.

Faina Raik, stated she hasn't been to the dentist for many years which has result in teeth problems. She said she cannot chew properly and this has led to gastric and indigestion problems, also. She asked for restoration of the Medicaid dental coverage. She said she knows it is difficult when the economy is not doing well and thanked the

committee for their work in this difficult time.

Judi Hilman, Utah Issues, distributed and discussed a variety of handouts. She said she knows the committee will hear many compelling needs and thanked the committee for their responsiveness to these issues. She said there were many suggestions on the handouts to help Medicaid that do not involve raising taxes. She urged the committee to strongly eliminate the Medicaid asset testing and improve health access for children and to move forward with the Preferred Drug List.

Luz Robles, Coalition for Medicaid Consumers, distributed a handout concerning S.B. 135 Center for Multicultural Health (*Sen. J. Evans*). She asked for support of this bill which will open a Center for Multicultural Health. She said the center will help to bring federal funds to Utah. She said she understands this is a tough budget year but the committee needs to understand that Utah has the fastest growing diverse population in the country.

Karen Crompton, Voices for Utah Children, thanked the committee for allowing the public to comment today. She commended the committee members for serving on this difficult committee. She said as tough as it is to sit on the committee and listen to these stories, these people who tell them have to live with these conditions daily. She distributed two handouts, one concerning H.B. 244 Amendments to Asset Testing for Medicaid (*Rep. D. Hogue*) and a booklet on Children's Health Insurance. She asked for support of HB 244. She said that all but five states have eliminated the asset testing. She said the booklet outlines several policy alternatives that could be considered to further reduce the number of uninsured children in our state.

Val Bateman, Utah Medical Association, stated he would like to give the committee a couple of facts that will help them in their deliberations. He said that from 1997 to 2001 there were no across the board increases for physicians in the state of Utah. He stated the health director said they would talk when it became critical and Mr. Bateman said it is now critical. There was a 7.5% increase in 2002 and in 2003 a 3% increase, making 10% in 17 years and this does not keep up with the cost of running a medical practice. He stated access is becoming a problem as more and more physicians cannot afford to take new Medicaid patients.

Barbara Boner, Novartis, stated she would defer her time to others.

Brian Moss, President of the Utah Life Science, distributed copies and discussed a letter written by the North Carolina Biosciences Organization. He said two Utah companies have invested \$1 billion in research to develop lifesaving products and efforts by the state to develop a PDL sends chilling affects to this industry. He said there was needed clarification of the numbers of PDL savings. He said he did not feel having a PDL in Utah is the right approach.

Reed Barker, Executive Director, Utah Pharmaceutical Association, stated that pharmacists are extremely committed to delivering quality care to the Medicaid patients of Utah. However, he stated they have great concerns over establishing a PDL program in the state because of several issues concerning prior authorizations. He said this will have hidden costs, it will cause delays in getting prescription drugs to the patients, as well as increased work loads, especially to rural pharmacies. He stated they are dissatisfied with this proposal.

Gordon Peterson, a pharmacist, asked who is the preferred drug list preferred by? He said he would submit that it is not preferred by the pharmacists. He stated that one of the most frustrating things they have is having a crying child in a mother's arms and having to tell her that we have to get prior approval in order to fill the prescription and then being put on hold trying to get that approval. He stated he was not asking for an increase but asking not to incur a decrease by adding to the work load.

Randy Smoot from the Institute for Clinical Outcomes Research in Salt Lake City stated he has been involved in clinical outreach for seven years. He said his message today was that multiple studies show that when you limit access to medications, it actually brings up the cost of health care instead of driving it down. He said the right medications contribute to better productivity for a healthier life for many Medicaid patients.

Nina Ferrell, Mental Health Association, distributed a handout addressing access to prescription medicines for Utah Medicaid patients. She said it is important to take a creative approach to the PDL issue. She said there are other avenues to explore. She stated that certain medications make a big difference in treatment. She pointed out that the Worker's Compensation management program is a good example. She said we need better action than just limiting medications. She also pointed out that some states have experienced litigations when adopting a PDL program.

Fay Lincoln, Vice President, Avalon Health Care, said her organization is very supportive of S.B. 128. She explained that they are opposed to syphoning off funds from the nursing home assessment. She said she would like to highlight one aspect for long term industry here in Utah. She stated that studies show that adequate payment levels for long term care providers should be covering about 75% of the providers in the state. However, 75% of providers are losing money and not receiving adequate reimbursement of their costs. She said that is extremely significant.

Tamera Lewis stated that several years ago funds from the master settlement agreement was assigned by the Legislature for the purpose of tobacco prevention, as well as serving important health care needs of the Utah population. She said that purpose has been followed and asked for continuation of funding. She said there will be a shortfall for the next two years and she requested changing the current 60/40 ration to a 70/30 ration to fund programs that are currently funded by this restricted account. These are critical health programs, immunization, cancer programs, and cardiovascular and stroke programs.

Deborah Cox, Executive Director, Utah American Health Association, distributed two handouts on heart disease and stroke preventions programs. She stated that heart disease is the number one killer in the nation, killing more people than all forms of cancer combined. She stated the program provides for strong physical activity and nutrition components in schools, communities and work sites. It funds the Gold Medal School Health Initiative for over 60,000 elementary school aged children. She stated these are vital programs and urged that funding be maintained.

Sylvia Rickard spoke about the breast and cervical screening program. She said it is vital to have these programs so that women can have the screening for breast and cervical cancer. She asked for continued funding for these programs and to keep it intact as much as possible. She says the programs brings in a four to one federal match.

Patty Hafer stated she is a breast cancer survivor and displayed a survivor's quilt. She said the screening program saves lives and it is very important to continue funding or lives will be lost.

Trudy Despain stated that the tobacco prevention programs are working. She reported that from 1999 through 2002 adult tobacco use declined by 9% and high school age showed a 26% decline. She distributed a booklet about the programs. The funding supports local programs, effective anti-tobacco media campaigns, quitting services, the Utah Tobacco Quit Line and Utah QuitNet.

Alissa Rudy stated she is a teen graduate from the End Program. She said the End Program helps teens to find out the effects of smoking to their health. She said she started smoking when she was 11 years old and now that she has quit her health is much better and now she can run and do the things she wants to do.

Robert Huffner distributed a letter and stated that the health care industry is a very important part of our whole economy. He stated it is a very complicated situation and one where we must learn from experience. He said good decisions are made when qualified data is available. The Department of Health relies on its Center for Health Data to collect and analyze data on health events. He asked for continued support.

John Adams stated he was here on behalf of many people and asking support for dental and vision restoration. He stated he will soon graduate from school and will need dental work in order to be able to go to interviews for jobs. He said he has a lot of friends at Alliance House who have lost teeth because of no preventive dental care.

Tom Brownlee stated he is a self advocate for people with disabilities. He said that it is very difficult for many disabled people to obtain eye care and dental care and it is very vital. He said he hoped a solution can be found to

restore these service for people with disabilities.

Bill Crosgrove, a practicing physician, said he would like to speak in favor of maintaining the state vaccine funds. He said we have done a great job in preventing communicable illnesses in Utah but it is tempting to be complacent when things work and feel that the threat isn't there. He reminded everyone that the world is only 18 hours away by air. He said it is important to maintain this vaccination funding for those children who are under insured or without insurance at all. He said vaccines do not just protect the child but all children and the community as a whole.

Mike Perry said he is a concerned citizen and thanked the committee for the support shown by them in the last Legislative session. He said he was thankful for getting medications each month so he could continue working. He said he recently had four cavities filled and because of a "windfall" he was able to pay the \$400 cost out of pocket. He said others would not have been able to do this. He said teeth and vision are not luxuries and asked for restoration of vision and dental funding.

Irene Leishman asked that eye care and dental be restored to Medicaid. She said lots of people who are disabled have a difficult time affording these services.

Tammy Ann Burton distributed a letter and had her husband, Dustin, read it to the committee. The letter said she joined others urging restoration of optometry and dental to Medicaid. She indicated she is pregnant and has not had a dental check-up or cleaning in four years and her pregnancy puts her at risk for dental problems.

Douglas Cotant stated he represented a group called Ahab. He said he is a Medicaid recipient and without it he would not be able get medical care. He said he has broken teeth and needs dental care but has no means to pay for it. He said he would very much appreciate restoration of vision and dental to the Medicaid budget.

Lopete Penimani stated he has lost three teeth since last year and had difficulty getting his teeth repaired. He said no one will take him on regular insurance. He said there are hundreds in the same or worse shape than him and asked for continued funding.

Rikki Landers said she appreciated the opportunity to speak and said she appreciated all the hard work of the committee. She said sometimes she feels like the people with disabilities and the elderly get overlooked in favor of other programs. She said people really need dental and vision coverage. She showed the committee examples of the soft food she must now eat because of her dental problems.

MOTION: Rep. Lockhart moved to adjourn. The motion passed unanimously.

Co-Chair Killpack adjourned the meeting at 4:45 p.m.

Minutes reported by Norda Shepard, Secretary.

Sen. Sheldon L. Killpack
Committee Co-Chair

Rep. Jack A. Seitz
Committee Co-Chair.