



# MINUTES

## SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE

Tuesday, February 4, 2020 | 7:59 a.m. | 30 House Building

**Members Present:**

Sen. Allen M. Christensen, Senate Chair  
Rep. Paul Ray, House Chair  
Rep. Raymond P. Ward, House Vice Chair  
Sen. Kirk A. Cullimore  
Sen. Luz Escamilla  
Sen. Todd Weiler  
Rep. Steve R. Christiansen  
Rep. Kim F. Coleman  
Rep. Jennifer Dailey-Provost  
Rep. Brad M. Daw  
Rep. Sandra Hollins  
Rep. Marsha Judkins

Rep. Norman K. Thurston

**Members Absent:**

President J. Stuart Adams  
Sen. Keith Grover  
Sen. Daniel Hemmert  
Rep. Adam Robertson

**Staff Present:**

Russell T. Frandsen, Finance Officer  
Clare Tobin Lence, Finance Manager  
Kimberly D. Madsen, Financial Analyst  
Paula Morgan, Committee 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).

1. Call to Order

Chair Ray called the meeting to order at 8:30 a.m.

2. Approval of Minutes

None

3. Unfinished Items from the Previous Agenda

Medicaid Consensus and Local Authority Behavioral Health Funding.

Clare Tobin Lence, Finance Manager, Office of the Legislative Fiscal Analyst (LFA), presented an introduction of the brief.

**1 . Federal Government's Proposed Medicaid Financing Reforms**

[11a-Administration Proposes Medicaid Financing Reforms - FFIS Issue Brief 19-36](#)

Lincoln Shurtz, Director of Government Affairs, Utah Association of Counties, reviewed the process of obtaining Medicaid funding for counties.

Brandon Hatch, Director, Davis Behavioral Health, explained a request for funding their services.

Chair Ray inquired why all fluctuation costs be born by the State. Brandon Hatch replied with continued comment from Rep. Ray and input from Lincoln Shurtz.

Rep. Ward asked staff if this request will be part of the Consensus estimate process and what that process is. Russell Frandsen, Finance Officer, LFA, clarified with continued questions from Rep. Ward and input from Lincoln Shurtz.

Rep. Judkins asked why mental health issues are not considered the same as physical health issues. Lincoln Shurtz explained.

Russell Frandsen continued to clarify. Rep. Judkins made further comment with comment from Chair Ray.

Sen. Escamilla commented further on mental health issues and made a suggestion.

Lincoln Shurtz made closing comments on funding.

Chair Ray gave closing input to the subject.

Clare Tobin Lence referred to a motion from 2/3/2020 for dedicated credits to the Utah State Hospital, requested by the Department of Human Services.

DSAMH

**MOTION:** Sen. Christensen moved to approve: in addition to the authority granted in motion #CH3 from the sheet entitled "Social Services Appropriations Subcommittee - Motions for Consideration" dated 1/27/2020, authorize an increase in dedicated credit authority of \$1.3 million one-time in FY 2020 and \$1.3 million ongoing in FY 2021 for the purpose of increased private insurance collections at the Utah State Hospital. The motion passed with a vote of 12 - 1 - 4.

Yeas-12

Sen. A. Christensen  
Rep. K. Coleman  
Sen. K. Cullimore  
Rep. J. Dailey-Provost  
Rep. B. Daw  
Sen. L. Escamilla  
Rep. S. Hollins  
Rep. M. Judkins  
Rep. P. Ray  
Rep. N. Thurston  
Rep. R. Ward  
Sen. T. Weiler

Nays-1

Rep. S. Christiansen

Absent-4

Sen. J. Adams  
Sen. K. Grover  
Sen. D. Hemmert  
Rep. A. Robertson

Rep. Judkins requested clarification on the motion. Clare Tobin Lence explained the information.

4. Public Input on Topics on Today's Agenda  
None

Rep. Christiansen asked for further clarification on the funding. Clare Tobin Lence clarified.

**2 . A Performance Audit of PEHP's Pharmacy Benefit Manager (as it relates to Medicaid)**

[5a-2019-13 Audit of PEHP's PBM - 2-4-2020](#)

[5a-PBM Basics - Utah Feb 2020 - LS EDIT](#)

Benn Buys, Audit Manager, Office of the Legislative Auditor General (OLAG), introduced the audit and explained its purpose.

Sarah Flanigan, Performance Auditor, OLAG, explained the audit.

Rep. Coleman referred to a slide and asked for clarification about data. Benn Buys gave an explanation. There was continued conversation including comment from Chair Ray.

Sarah Flanigan further addressed the question.

Rep. Thurston commented. Sarah Flanigan and Benn Buys clarified. Rep. Thurston asked another question which was answered by Benn Buys.

Lincoln Shurtz represented CVS Pharmacy to explain how the Accountable Care Organizations is involved in the Pharmacy Benefit Manager (PBM).

### **3 . A Performance Audit of PEHP's Pharmacy Benefit Manager (as it relates to Medicaid)**

#### [5b-A Performance Audit of PEHP's Pharmacy Benefit Manager](#)

Chair Ray voiced concern about the PBM program and Lincoln Shurtz responded.

Rep. Judkins voiced concern about prices not decreasing. Lincoln Shurtz explained the reason for increases. There was continued conversation to clarify rebates vs. coupons.

Chair Ray continued explanation about rebates.

Rep. Daw commented about a new program being developed to decrease drug prices.

Rep. Coleman also had a question about the amount of money being given plan sponsors and Lincoln Shurtz responded.

Rep. Christiansen asked if there is a possibility to purchase drugs from outside the typical supply chain. Lincoln Shurtz responded. Rep. Christiansen further commented.

Rep. Thurston commented on manufacturers of drugs produced by three major purchasers and manufacturers. Lincoln Shurtz responded with further comment from Rep. Thurston.

### **4 . Medically Complex Children's Waiver**

Rep. Dailey-Provost introduced Autumn McKnight.

Autumn McKnight, resident, testified in support of the services provided to her son through the Children's Waiver.

Rep. Ward requested information about how many are on the list for the waiver. Tonya Hales, Assistant Director, Medicaid replied.

Chair Ray asked for the average time of service. Tonya Hales stated she would find the information and inform the Subcommittee.

### **5 . Accountable Care Organization Rates**

Maddy Oritt, Economist, Office of the Legislative Fiscal Analyst, explained the information.

#### [8-Medicaid ACO \(Jan 2020 Update\)](#)

### **6 . Availability to Test Medicaid Individuals Under Certain Circumstances**

Mike Murano, President, Beechtree Diagnostics, explained the processes used to test individuals.

Rep. Ward requested more detailed information and to have another meeting with Mike Murano individually.

## **7 . Federal Government's Proposed Medicaid Financing Reforms**

Nate Checketts, Deputy Director, Utah Department of Health (UDOH), explained the dynamics of the financing reforms.

[11a-Administration Proposes Medicaid Financing Reforms - FFIS Issue Brief 19-36](#)

[11b-01-29-2020 Letter to Administrator Verma - Medicaid Fiscal Accountability](#)

Rep. Dailey-Provost asked for clarification on the proposed rule and the logic behind it. Nate Checketts explained the reasoning behind the decision.

Rep. Ward asked if the rule was finalized. Nate Checketts responded in the negative. There was continued discussion.

Rep. Judkins asked if this was a bad thing and Nate Checketts responded.

Russell Frandsen spoke to the question.

Budget Reduction Options

[13a-SS Report - 90 Day Supply of Prescription Drugs](#)

Russell Frandsen reviewed items on the Budget Reduction sheet including items #14, 21, and 22.

Dave Gessel, Vice President, Government Relations and Legal Affairs. Utah Hospital Association spoke in regard to rural hospitals remaining open.

Nate Checketts commented on building costs as well as being able to keep savings.

Russell Frandsen referred to the Motions for Subcommittee Consideration (blue sheet) Medicaid Services and Associated Funds, #BJ 1-4 Motions, and reviewed those motions.

Nate Checketts spoke to the remaining #BJ 5-10 and 12-13, and 15 motions

Rep. Judkins asked if BJ 4 and 2 are related. Russell Frandsen responded. There was another question on BJ 11. Nate Checketts responded that they would be glad to discuss that.

Russell Frandsen discussed this.

## **8 . Follow up on An In-Depth Budget Review of the Utah Department of Health**

[6-Issue Brief - 2020 General Session - An In-Dept Budget Review of the Utah Department of Health](#)

## **9 . Update on Opioids Prescribed**

[10-SS - Report - Medicaid - Opioid - Reductions](#)

Russell Frandsen, explained the brief information.

## **10 . Report on Recommendations for Medicaid Compensation for Caregivers**

[12-SS Report - Caregiver Compensation](#)

Russell Frandsen explained the dynamics.

**MOTION:** Sen. Christensen moved to approve all the BJ motions excluding BJ14, BJ16 and BJ17 from the sheet entitled "Social Services Subcommittee - Motions for Subcommittee Consideration" dated 1/27/2020.. The motion passed with a vote of 10 - 0 - 7.

Yeas-10

Sen. A. Christensen  
Rep. K. Coleman  
Sen. K. Cullimore  
Rep. J. Dailey-Provost  
Rep. B. Daw  
Sen. L. Escamilla  
Rep. S. Hollins  
Rep. M. Judkins  
Rep. P. Ray  
Rep. N. Thurston

Nays-0

Absent-7

Sen. J. Adams  
Rep. S. Christiansen  
Sen. K. Grover  
Sen. D. Hemmert  
Rep. A. Robertson  
Rep. R. Ward  
Sen. T. Weiler

Chair Ray reminded everyone about the meetings tomorrow.

**MOTION:** Rep. Daw moved to adjourn. The motion passed with a vote of 10 - 0 - 7.

Yeas-10

Sen. A. Christensen  
Rep. K. Coleman  
Sen. K. Cullimore  
Rep. J. Dailey-Provost  
Rep. B. Daw  
Sen. L. Escamilla  
Rep. S. Hollins  
Rep. M. Judkins  
Rep. P. Ray  
Rep. N. Thurston

Nays-0

Absent-7

Sen. J. Adams  
Rep. S. Christiansen  
Sen. K. Grover  
Sen. D. Hemmert  
Rep. A. Robertson  
Rep. R. Ward  
Sen. T. Weiler

Chair Ray adjourned the meeting at 10:52 AM.