

**Representative Rebecca D. Lockhart** proposes the following substitute bill:

**MEDICAID AND HUMAN SERVICES TASK FORCE**

2006 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Sheldon L. Killpack**

House Sponsor: Rebecca D. Lockhart

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**LONG TITLE**

**General Description:**

This bill amends the Privately Owned Health Care Organization Task Force.

**Highlighted Provisions:**

This bill:

- ▶ amends the membership of the task force; and
- ▶ amends the duties of the task force.

**Monies Appropriated in this Bill:**

This bill appropriates:

- ▶ \$8,500 to the Senate for fiscal years 2005-06 and 2006-07 only;
- ▶ \$14,000 to the House of Representatives for fiscal years 2005-06 and 2006-07 only;
- ▶ \$150,000 for fiscal year 2005-06 only, to the Office of Legislative Research and

General Counsel for the purpose of providing expert services for evaluating the state

Medicaid program; and

- ▶ extends the task force one year.

**Other Special Clauses:**

This bill is repealed on November 30, 2007.

**Uncodified Material Affected:**

AMENDS UNCODIFIED MATERIAL:

**Uncodified Section 1, Chapter 255, Laws of Utah 2005**

**Uncodified Section 2, Chapter 255, Laws of Utah 2005**



28 **Uncodified Section 3, Chapter 255, Laws of Utah 2005**

29 **Uncodified Section 5, Chapter 255, Laws of Utah 2005**

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31 *Be it enacted by the Legislature of the state of Utah:*

32 Section 1. **Uncodified Section 1, Chapter 255, Laws of Utah 2005** is amended to  
33 read:

34 Section 1. **Privately Owned Health Care Organization, Medicaid and Human**  
35 **Services Task Force -- Creation -- Membership -- Interim rules followed -- Compensation**  
36 **-- Staff.**

37 (1) There is created the Privately Owned Health Care Organization, Medicaid and  
38 Human Services Task Force consisting of the following [~~15~~] 18 members, and beginning July  
39 1, 2006, the following 21 members:

40 (a) [~~six~~] seven members of the Senate appointed by the president of the Senate, no  
41 more than four of whom may be from the same political party; [~~and~~]

42 (b) [~~nine~~] 11 members of the House of Representatives appointed by the speaker of the  
43 House of Representatives, no more than [~~seven~~] eight of whom may be from the same political  
44 party[~~;~~]; and

45 (c) beginning July 1, 2006, the following nonvoting members:

46 (i) the executive director of the Department of Health, or the director's designee;

47 (ii) the executive director of the Department of Human Services, or the director's  
48 designee; and

49 (iii) the director of the Governor's Office of Planning and Budget, or the director's  
50 designee.

51 (2) (a) The president of the Senate shall designate a member of the Senate appointed  
52 under Subsection (1)(a) as a cochair of the task force.

53 (b) The speaker of the House of Representatives shall designate a member of the House  
54 of Representatives appointed under Subsection (1)(b) as a cochair of the task force.

55 (3) In conducting its business, the task force shall comply with the rules of legislative  
56 interim committees.

57 (4) (a) Salaries and expenses of the ~~[members of the]~~ legislative members of the task  
58 force shall be paid in accordance with Section 36-2-2 and Legislative Joint Rule 15.03.

59 (b) A member of the task force who is not a legislator may not receive compensation  
60 for their work associated with the task force, but may receive per diem and reimbursement for  
61 travel expenses incurred as a member of the task force at the rates established by the Division  
62 of Finance under Sections 63A-3-106 and 63A-3-107.

63 (5) (a) The Office of Legislative Research and General Counsel shall provide staff  
64 support to the task force, and may, as permitted by the availability of funds, in consultation  
65 with the task force, contract with an economist, a financial analyst, and an actuary for services  
66 to the task force.

67 (b) The Office of the Legislative Fiscal Analyst shall also provide staff support to the  
68 task force for the purpose of studying and making recommendations regarding Medicaid and  
69 the Departments of Health and Human Services

70 Section 2. **Uncodified Section 2, Chapter 255, Laws of Utah 2005** is amended to  
71 read:

72 Section 2. **Duties -- Interim report.**

73 (1) (a) The task force shall review and make recommendations on the following issues:

74 ~~[(a)]~~ (i) market penetration, geographic distribution, and contracting arrangements of  
75 integrated health care systems in the health insurance and health care markets in the state;

76 ~~[(b)]~~ (ii) the impact of divestiture of integrated health care systems in the health care  
77 market in the state;

78 ~~[(c)]~~ (iii) state policies that promote fair and appropriate competition in the health care  
79 market, including the adequacy and application of antitrust provisions to health care  
80 organizations;

81 ~~[(d)]~~ (iv) business and financial practices of health care organizations and how they  
82 may impede or enhance a fair and competitive health care market place and impact consumers;

83 ~~[(e)]~~ (v) the tax exempt status of nonprofit health care organizations;

84 ~~[(f)]~~ (vi) the statutory definition of charitable care;

85 ~~[(g)]~~ (vii) the contracting practices of health care organizations that promote  
86 cost-effective health care;

87 ~~[(h)]~~ (viii) the need for consumer protections from health care provider conflicts of

88 interest;

89 ~~[(i)]~~ (ix) the impact of proliferation of medical technology and facilities;

90 ~~[(j)]~~ (x) patient choice of, and access to, health care providers including:

91 ~~[(i)]~~ (A) the impact of any willing provider laws as applied to health maintenance

92 organizations and preferred provider organizations; and

93 ~~[(ii)]~~ (B) the use of medical non-compete provisions; ~~[and]~~

94 ~~[(k)]~~ (xi) the effect of Subsections (1)(a) through (g) on:

95 ~~[(i)]~~ (A) the state's Medicaid program;

96 ~~[(ii)]~~ (B) other government delivered health care services;

97 ~~[(iii)]~~ (C) patients of the government programs described in this Subsection (1)(k)[;];

98 and

99 ~~[(iv)]~~ (D) the health care delivery systems of the government programs described in  
100 this Subsection (1)(k).

101 (b) The task force shall review and make recommendations on the following issues  
102 with regard to the state's Medicaid program:

103 (i) the impact of the aging of Utah's population on the state's Medicaid budget;

104 (ii) the impact of past and projected Medicaid funding levels on the state budget,  
105 including the impact on other programs;

106 (iii) options for reducing the annual rate of growth in Medicaid spending;

107 (iv) the degree to which the number of Utahns without health care coverage could be  
108 reduced within current or lower state spending levels through changes in eligibility, benefits,  
109 service delivery, administration, or other program redesign; and

110 (v) any other issue the task force wishes to address that may affect the cost, quality, or  
111 availability of services provided under Medicaid or the state's capacity to fund the program.

112 (c) The task force shall review and make recommendations on the following issues  
113 with regard to programs in the Departments of Health and Human Services:

114 (i) the name of programs in each department;

115 (ii) the statutory authorization for each program;

116 (iii) the state and local entities that administer each program;

117 (iv) services provided by each program;

118 (v) eligibility requirements for each program;

- 119 (vi) the maximum length of time particular program services can be received and  
120 processes used to move people to self-sufficiency;
- 121 (vii) the current funding for each program;
- 122 (viii) whether each program or particular benefits or services within each program are  
123 mandatory or optional and any effect a change in the program might have on services, the state  
124 budget, or other state or local programs;
- 125 (ix) the performance measures used to evaluate each program and the results of those  
126 performance measures;
- 127 (x) the cost effectiveness of each program for the state; and
- 128 (xi) any other relevant information the task force wishes to address that may effect  
129 cost, quality, or availability of Health and Human Service programs in the state, or the state's  
130 capacity to fund the programs.
- 131 (2) The task force shall submit an interim report regarding the study items required by  
132 Subsections (1)(b) and (c), by November 30, 2006, and a final report by November 30, 2007,  
133 including any proposed legislation to the Health and Human Services Interim Committee, the  
134 Health and Human Services Appropriations Subcommittee, and Executive Appropriations  
135 Committee with recommendations about:
- 136 (a) statutory changes necessary to modify or eliminate a program, put the state in a  
137 more beneficial litigation posture, or meet the needs served by programs in another way;
- 138 (b) acceptable performance and accountability measures;
- 139 (c) a proposed process for regular reporting of results-based information to the  
140 legislature by each major departmental program, including information that clearly identifies  
141 what the program has accomplished for the state's citizens, not merely activities the program  
142 has undertaken;
- 143 (d) a proposed process for formal review of the quality of a program's outcome data;
- 144 (e) a mechanism by which outcome information is reviewed as part of the budget  
145 requests;
- 146 (f) cost controls or other actions that the departments will implement if appropriations  
147 or federal funds are reduced and no additional appropriation is made by the legislature or the  
148 federal government; and
- 149 (g) programs to modify or eliminate.

150           ~~[(2)]~~ (3) Notwithstanding the provisions of Section 52-4-5, the task force may close a  
151 meeting to review or discuss a record which:

- 152           (a) is a trade secret; or
- 153           (b) contains commercial information; and
- 154           (c) is classified as a protected record under Section 63-2-304.

155           ~~[(3)]~~ (4) (a) An initial report shall be made to the Business and Labor Interim  
156 Committee and Revenue and Taxation Interim Committee by November 30, 2005.

157           (b) A final report, including any proposed legislation regarding the study required by  
158 Subsection (1)(a), shall be presented to the Business and Labor Interim Committee and  
159 Revenue and Taxation Interim Committee before November 30, 2006."

160           Section 3. **Uncodified Section 3, Chapter 255, Laws of Utah 2005** is amended to  
161 read:

162           Section 3. **Appropriation.**

163           (1) There is appropriated from the General Fund for fiscal year 2004-05 only:

164           (a) \$6,000 to the Senate to pay for the compensation and expenses of senators on the  
165 task force; and

166           (b) \$9,000 to the House of Representatives to pay for the compensation and expenses  
167 of representatives on the task force.

168           (2) There is appropriated from the General Fund for fiscal year 2005-06 only:

169           (a) ~~[\$6,000]~~ \$8,500 to the Senate to pay for the compensation and expenses of senators  
170 on the task force; and

171           (b) ~~[\$9,000]~~ \$14,000 to the House of Representatives to pay for the compensation and  
172 expenses of representatives on the task force.

173           (3) There is appropriated from the General Fund for fiscal year 2006-07 only:

174           (a) \$8,500 to the Senate to pay for the compensation and expenses of senators on the  
175 task force; and

176           (b) \$14,000 to the House of Representatives to pay for the compensation and expenses  
177 of representatives on the task force.

178           ~~[(3)]~~ (4) There is appropriated from the General Fund for fiscal year 2004-05 only,  
179 \$300,000 to the Office of Legislative Research and General Counsel to pay for staffing the task  
180 force with appropriate economic, financial, and actuary services.

181           (5) There is appropriated from the General Fund for fiscal year 2005-06 only, \$150,000  
182 to the Office of Legislative Research and General Counsel to pay for staffing the task force  
183 with appropriate expert services for evaluating and making recommendations on the state's  
184 Medicaid program.

185           Section 4. **Uncodified Section 5, Chapter 255, Laws of Utah 2005** is amended to  
186 read:

187           Section 5. **Repeal date.**

188           This bill is repealed on November 30, [~~2006~~] 2007.