WOMEN'S STATE LEGISLATIVE COUNCIL OF UTAH

WSLC

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GENERAL SESSION

March 4, 2015

Program Topic I: Contact Lens Consumer Protection

Presented by: Business and Labor Committee
Director: Suzanne Mulet
Chair: Brandy Farmer

Speakers: Brittany Griffith – Intern to Sen. Diedre Henderson

Sen. Deidre Henderson (R) Dist. 7 (Utah County)
Sponsor, SB169 Contact Lens Consumer Protection Act Amendments

Brittany Griffith said this past year brought significant price increases in contact lenses. Optometrists typically offer specific brands of contacts to their patients. Some contact manufacturing companies have a fixed price and have refused to supply their products to retailers that sell below that price.

Although Johnson & Johnson, which offers the top four brands of contacts, opposes this bill, Ms. Griffith said it is not just about one company. Sen. Henderson's bill ***SB169 Contact Lens Consumer Protection Act Amendments*** is meant to restore free market competition to the selling of contact lenses in Utah. The practice of "floor pricing" has forced many competitors of the largest contact lens manufacturing companies to raise their prices.

Responding to questions Mr. Griffith said floor pricing is imposing a price control or limit on how low a price can be charged for a product. The establishment of a price floor is a situation when the price charged is more than (or less than) the price determined by market forces of demand and supply. The law doesn't require customers to buy contacts from their optometrists, but wherever they buy, the price will be no lower than the floor price. Interestingly, China has already tried floor pricing, but has abandoned it as harmful to their market economy.

Sen. Henderson, arriving late to the meeting due to a conflicting press conference, added a footnote to her intern's remarks. She said even though Johnson & Johnson strongly opposes her bill, she has great hopes for the passage of her bill ***SB169***. It has now passed out of the Senate and appears to have more support from legislators on the third reading than it did on the first.

PROGRAM TOPIC II: Access to Health Care Legislation

Presented by: Health and Human Services Committee
Director: Kitty Kaplan
Chair: Marci Curran

Speakers: **Sen. Brian Shiozawa (R) Dist. 8 (Salt Lake County)**
Sponsor, SB164 Access to Health Care Amendments
Sen. Gene Davis (D) Dist. 3 (Salt Lake County)
Sponsor, SB83 Medicaid Expansion Proposal
Sen. Allen Christensen (R) Dist. 19 (Morgan, Summit, Weber Counties)
Sponsor, SB153 Access to Health Care
Rep. Robert Spendlove (R) Dist. 49 (Salt Lake County)
Sponsor, HB307 Medicaid Expansion Provisions

Sen. Shiozawa said his bill ***SB164 Access to Health Care Amendments*** deals with the issue of Medicaid expansion in what he believes is a most straightforward and sensible way. It authorizes the state Medicaid program to expand access to health care to a certain segment of the state population that does not qualify for the traditional Medicaid program. Under its provisions, the expansion will have its first two years covered. The full federal match goes down after that. Of the several health care legislation options making their way through the legislature this year, **SB164** is probably closest to Gov. Herbert's Healthy Utah plan.

The senator said he crafted his bill to cover those underinsured who are currently "under the woodwork" or in the "Medicaid gap." Medicaid gap refers to the position of low-income Utahns who live just above the poverty line. Their incomes are slightly too high to qualify for Medicaid, but too low to afford private health insurance. He estimated there could be 60,000–95,000 people who fall into that gap. **SB164** has a very sizeable coalition of supporting groups.

Responding to questions, Sen. Shiozawa said he also views the state's increasing entitlement spending as a legitimate concern. However, the federal healthcare mandate is now in place. We need to act on it in the most fiscally responsible way. He believes his bill will most effectively utilize the $800M - $900M in federal funds that could be brought back to Utah. When we send tax dollars to Washington to fund the Affordable Health Care Act (AHCA), it is reasonable to accept the available federal funding back in return. If we refuse to do that, he continued, we will essentially choose to be double-taxed by paying for our own uninsured, plus the AHCA mandate. **SB164** would require $25M one time funding.

The senator said the fiscal note calculations for his bill are sound. Provisions of the bill provide for the possibility of the federal government not delivering their promised funding down the road. His bill would at least guarantee two years of health insurance for those in the Medicaid gap. With options on the table, he said, we should not "choose to do nothing."

(Sen. Shiozawa also fielded a question about Sen. Henderson's bill ***SB169*** regarding contact lens pricing. He said he doesn't consider himself an expert in that area. But he opposes it at the moment based on the opinion of other doctors weighing in on the subject.)

Sen. Davis said his bill ***SB83 Medicaid Expansion Proposal*** has been referred to as "Robust Utah," as opposed to Gov. Herbert's Healthy Utah plan. As the Robust nickname suggests, his bill features wider coverage for those earning too much to qualify for traditional Medicaid than does the governor's proposal. It also does not set requirements for a participant's being either employed or medically unable. Also, unlike his own, the Healthy Utah plan would sunset in two years. The senator believes full implementation of Medicaid expansion is morally the right thing to do.

Access to healthcare, he explained is more than simply access to insurance. In theory, the AHCA is assumed to give full access to healthcare; whereas, in reality, it is only health insurance. He feels we all should have full access to any needed medical tests, medication, procedures and surgeries. Access should not be based on income but, rather, on need. Healthcare should be a right; not a privilege.

Sen. Davis offered the example of a woman who recently who lost her job. Consequently, she lost her health insurance. Now her only access to healthcare is the Emergency Room. While access to ER services is available to all, it is no guarantee of any deeper access to into the healthcare system.

Responding to questions, Sen. Davis said it isn't too late to choose full participation in Obamacare. The deadline hasn't passed. Medicaid expansion will start costing us our own state's money by 2017. Healthy Utah would insure 155,000 more people than are currently covered. His own ***SB83*** would coverer 195,000 more people. The difference in cost would depend on how many people actually enroll. Under his bill, there would be no "asset test." Just as in Obamacare, that would go away and anyone would be eligible. Contact the senator at gdavis@le.utah.gov.

Sen. Christensen said is bill ***SB153 Access to Health Care***, sometimes called "Frail Utah," would have covered those with the most serious medical needs who earn less than the federal poverty level, or about $11,700 a year for an individual. Conceding it has now been voted down in the Senate, he called it "officially dead."

His job on the Appropriations Committee tasks him with the unenviable job of stretching the available state money across as many requests from competing programs as possible. He must often reject some worthwhile programs in order to fund others. It is always a juggling act. Regarding Medicare expansion, the easiest and least expensive thing is to do nothing at all.

The senator believes the governor's Healthy Utah plan would expand Medicaid beyond the state's capacity to sustain it for long. His own plan would have expanded Medicaid to only the critically ill. That option, he acknowledged, has not been a popular one. However, he feels balancing the state budget and keeping necessary programs afloat compels him to his position on this difficult issue.

Responding to questions, Sen. Christensen said he believes Utah cannot count on healthcare funds continuing from the federal government after 2016. We need to look beyond that time while laying out plans to fund any ongoing state Medicaid program. He said the Robust Utah plan, unfortunately, relies on the uncertain promises made by Washington.

Rep. Spendlove, describing his bill ***HB307 Medicaid Expansion Provisions***, said it is a good compromise option to other plans. At the moment, it is bottled up in the Rules Committee. Most of the healthcare bills have originated in the Senate. This is Rep. Spendlove's second legislative session. He served the previous 15 years in the governor's office. One of the jobs assigned to

him by former Gov. Huntsman was to coordinate healthcare issues between the governor and the legislature. The three components to healthcare are the same now as they were then. First, how to reduce cost. Second, how to increase quality. Third, how to increase access.

He stated that effecting good healthcare reform is even more complicated than tax reform. Obamacare focused on access to insurance. The federal government tried to write it in such a way that there would be an overlap between the state exchanges and federal programs. The Supreme Court subsequently ruled that states were not required to expand the exchanges. This amounted to a flaw in the original design of the AHCA. Attempting to fix the flaw threatens to unwind the whole program.

Although some states opted out of exchanges, the governor's Healthy Utah plan at least attempts to work with the AHCA by expanding Medicaid to a certain degree. Sen. Shiozawa's bill is similar. Unfortunately, Healthy Utah has already run into money problems. It was originally drafted with figures from one actuarial firm; figures coming from a new firm are more troubling.

Explaining the "crowd out" principle in a nutshell, Rep. Spendlove said it refers to when government must finance its spending with taxes and/or with deficit spending, leaving businesses with less money and effectively "crowding them out." As it applies to the issue of subsidized health insurance, it would mean the more government subsidies offered, the more private users would opt out of their own insurance.

Responding to questions, he said the Primary Care Network (PCN) is a bare bones safety net level of coverage that offers almost nothing. At least basic mental health care should be built into it. He fears the state will automatically look to education when trying to fund any Medicaid expansion. Time will tell. The state needs to find a long-term pathway to cover the most people in the most fiscally responsible way. The Business and Labor Committee will hear ***HB307 Medicaid Expansion Provisions*** tonight (March 4) at 6 PM. Rep. Spendlove urged constituents to contact their legislators to make their voices heard. It does, he emphasized, make a difference.

Reported by Pam Grange

NOTE: A Resolution to Bring *SB164 Access to Health Care Amendments* to the House Floor for Debate and Vote was presented to WSLC membership for consideration.

The Resolution passed.

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