

IDAHO INDUSTRIAL COMMISSION  
**NEGOTIATED RULEMAKING**  
**1<sup>st</sup> MEETING MINUTES**  
Tuesday, June 20, 2018  
2:00 p.m.  
700 So. Clearwater Ln., Boise, Idaho  
1<sup>st</sup> Floor Conference Room

**Attendees of the Healthcare Subcommittee:**

Brad Street – Advantage Insurance  
Teresa Cirelli - IMA  
Woody Richards - Attorney Lobbyist  
Mike Haxby – State Insurance Fund  
Dr. Paul Collins- Physician

**Interested Parties:**

Stephanie Butler – State Insurance Fund  
Pati Miller- St. Al's  
Colby Cameron- Sullivan & Reberger  
Bill Cafferty- St. Al's  
Kim Snow- St. Al's  
Kim Clark

**Industrial Commission:**

Patti Vaughn, Benefits Administration Manager- Subcommittee Chairman  
Michelle Wong, Med Fee Analyst  
Chairman Tom Limbaugh  
Commissioner Aaron White  
Commissioner Tom Baskin  
Director Mindy Montgomery  
Secretary Kamerron Monroe

David Lewis- Milliman

**Welcome and Introductions**

Patti Vaughn, Benefits Administration Manager, called the meeting to order at 2:04 p.m. and led with introductions.

**The following handouts were provided to the group:**

(1) Milliman Idaho Commercial Reimbursement Benchmark (2) Milliman Exhibit 1 IIC Average Inpatient commercial Charge, Percentage of Medicare and Percentiles by DRG (3) Milliman Exhibit 2 Average Outpatient Charge, Percentage of Medicare and Percentages and Percentiles by HCPCS (4) Milliman Exhibit 3 Average Professional Commercial Charge, Percentage of Medicare and Percentiles by HCPCS (5) NCCI Medical Data Report, September 2017 (6) IC Inpatient Fee Schedule Compared to Commercial Average Allowed (7) IC Outpatient Fee Schedule Compared to Commercial Average Allowed (8) IC Professional Fee Schedule Compared to Commercial Average Allowed (9) IC Professional Fee Schedule Compared to Commercial Average Allowed; and (10) Negotiated Rulemaking Packet

**Discussion:**

Ms. Vaughn informed the group that today's meeting was the first negotiated rulemaking session on Medical Fees and encouraged interested members to look through the provided packet on negotiated rulemaking published by the Department of Administration to understand the requirements; negotiated rulemaking is an informal process.

David Lewis, a representative from Milliman, authored the Idaho Commercial Reimbursement Benchmark and was present to walk the group through the report. Mr. Lewis summarized some background on the report and listed limitations he encountered in data collection. Overall, Idaho workers' compensation rates are above what commercial rates allow. Ms. Vaughn stated that the Commission does not propose any changes to medical fees this year as Idaho workers' compensation rates are still well above commercial.

Mr. Lewis reported that something new they had done in this year's report is to look at inpatient and outpatient device implantation but they're limited in the data they could find.

Mr. Lewis went over the Exhibits attached to the Milliman report. Exhibit 1 covers inpatient claims; claims on implants could not be told specifically. Ms. Vaughn indicated that the IC charts were ones the Industrial Commission had created for our fee schedule. Exhibit 2 covered outpatient claims. Mr. Lewis went over Exhibit 2 to clarify the allowed amount with implant factored out. Exhibit 3 includes surgery, radiology, and physical medicine which can be done in a facility or non-facility.

Ms. Vaughn indicated that with this information being similar to last year's, and being above commercial rate she doesn't see a need for an increase even though it has been a while without justification. Ms. Vaughn asked for comments.

### **Comments:**

Ms. Vaughn stated that the deadline for comments would be extended for another three weeks until July 11<sup>th</sup>. Mr. Lewis indicated that one of the IIC charts was incorrect. Ms. Vaughn will have the correction posted on the website.

Representatives from St. Al's indicated that it was harder to handle workers' compensation claims. Commissioner Baskin asked if there was a way to quantify it? St. Al's indicated that they put together a letter last year. Bill Cafferty, St. Al's stated that workers' compensation involves a lot of potential litigation, additional questions, and interviews. A relationship needs to be formed. St. Al's will need to put a number on how much more workers' compensation claims cost them over commercial.

Brad Street stated he was sympathetic to the providers but we need to look at it as a "zero sum game." Brad suggested looking at other providers like MRI or radiology who do no more for a commercial patient versus a workers' compensation patient.

Ms. Vaughn presented a report by WCRI ranking all 50 states; Idaho was ranked the 3<sup>rd</sup> highest as a percent of Medicare, behind Alaska and Nevada. Ms. Vaughn stated the Commission understands it takes extra resources.

Dr. Collins states that it may be beneficial to take from other providers and give more to the physicians.

Mike Haxby, State Insurance Fund indicated that the SIF would be “quite satisfied if they stay the same for another year.”

Ms. Vaughn reiterated that any comments should be submitted to Ms. Vaughn no later than July 11<sup>th</sup>.

Woody Richards seconded the opinion at looking at which areas could be reduced.

**Next Meeting:**

None scheduled at this meeting.

There being no further discussion, Ms. Vaughn thanked attendees for sharing their views.

There being no further business, the meeting adjourned at 3:20 p.m.