Shoring up health exchanges

Last summer, as insurers filed their individual health insurance plan rate premiums for 2017, it became clear that something was wrong. Rates in 31 states shot up by double digits (triples in Arizona), overall, the average increase in premiums was 25 percent.

In the Midwest, Minnesota was socked with a 59 percent increase that further roiled an already shaky individual health insurance market (or exchange). Legislators there responded earlier this year by first providing help to those not covered by federal subsidies and then creating a state-funded reinsurance program.

An analysis released in October by the Kaiser Family Foundation attributed the premiums rate hikes across the country to a combination of factors, including substantial losses experienced by many insurers in the individual market and the phasing out of the federal reinsurance program. Kaiser researchers also found that due to losses in the individual market, the average number of participating insurers dropped to 3.9 per state in 2017, down from 5.4 in 2016 and 5.9 in 2015.

That trend looks to continue. Wellmark Blue Cross/Blue Shield and Aetna both announced in April that they will pull out of Iowa’s exchange in 2018, leaving Medica as the only available insurer in all but five of the state’s 99 counties.

Wellmark’s president, John Forsyth, told The Des Moines Register that his company has lost $90 million over the last three years, and that the “overall problem is too few healthy, young consumers are buying health insurance,” and that the U.S. Affordable Care Act’s penalty for individuals refusing to buy insurance “hasn’t been enough to goad many young consumers into the pool.”

Iowa Insurance Commissioner Doug Ommen concurred in an April 6 statement: “This is a problem created by the Affordable Care Act and needs to be fixed in Congress.”

In early May, Medica said it, too, would withdraw from the Iowa exchange for 2018, possibly making that state the first to have no insurers in most counties.

So with some states’ individual exchanges in flux — and uncertainty over whether the U.S. Congress will repeal and replace the Affordable Care Act — what happened? And what lessons for Iowa (and other states) might there be in how Minnesota dealt earlier this year with the problems in its state exchange?

Prepared by the Midwestern Legislative Conference

What happened?

In 2014, as a central part of providing coverage through the U.S. Affordable Care Act of 2010, health insurance exchanges opened up across the country — either run by states themselves, the federal government or a combination of the two.

Because these exchanges created a new way of providing and purchasing health insurance, no one knew what to expect, says Sara Collins, vice president of The Commonwealth Fund’s health care coverage and access program. Hence the federal reinsurance program, which essentially provided insurance for the insurance companies by having the government pay some portion of claims for the first two years of implementation (from 2014 through 2016).

According to Collins, insurance carriers now have a better understanding of how the markets work and, therefore, have a more accurate sense of pricing, so the 2017 premium spikes were basically a pricing correction reflecting both that and the phasing out of federal reinsurance payments.

Gary Claxton, vice president at the Kaiser Family Foundation and director of its Healthcare Marketplace Project, agrees. “There’s reason to believe that

### Premiums for individual health insurance policies sold in state and federal exchanges skyrocketed from 2016 to 2017.

Experts say that was fueled by the planned phasing out of a federal reinsurance program and a better understanding of the makeup of exchange markets. But, what comes next?
**Criminal Justice & Public Safety**

Illinois legislation looks to reduce employment barriers for people with criminal histories

Each year in Illinois, around 30,000 adults return home from state correctional facilities, many in search of jobs. To reduce employment barriers for people with criminal records, lawmakers have changed the way Illinois’ professional licensing body reviews applications for certain occupations.

Under a law enacted last year, the state Department of Financial and Professional Regulation must now consider “mitigating factors” surrounding a criminal conviction before denying an application for eight occupations: funeral directing and embalming, barbering, cosmetology, esthetics, hair braiding, nail technology, and roofing.

The mitigating factors include whether the individual’s criminal offense would have any impact on his or her fitness for the occupation, how much time has elapsed since the conviction, and the person’s age at the time of the conviction.

Prior to the law’s passage, license applications from people with criminal histories would either be denied outright or be left pending for an indeterminate amount of time, says Rep. Marcus Evans, who sponsored the legislation (HB 5973) in 2016. He hopes the new review process will attract people who may have been deterred from applying for a license in the past.

“A lot of folks didn’t even have the courage to apply because they assumed they would be denied based on their background,” Evans says.

To track the law’s impact, the department must report annually (starting next year) on the number of applicants with criminal convictions who were granted and denied licenses in the eight occupations.

Nationwide, many state laws on occupational and business licensing exclude applicants with felony convictions. The American Bar Association documents an estimated 32,000 licensing laws that include consideration of an individual’s criminal record; of these, more than one-third automatically exclude felons, The Council of State Governments Justice Center notes in a 2015 study.

“It’s like people are serving an additional sentence outside of jail or probation,” Evans says.

This year, Evans has introduced two bills (HB 2752 and 3822) that would create a similar licensing process for more than a dozen additional occupations, including dance hall managers, landfill operators, livestock dealers and insurance agents. These measures would require the state to provide written notice to license applicants who are denied based on their criminal history.

Also under consideration are HB 3342, which would reduce licensing barriers for health care workers, and HB 3395, which would do so for emergency medical technicians, acupuncturists, athletic trainers, social workers, dietitians and nurse practitioners.

At least four other states in the Midwest (Michigan, Minnesota, North Dakota and Ohio) have adopted laws in recent years to improve licensing opportunities for people with criminal records.

**Agriculture & Natural Resources**

Minnesota tax credit provides relief to farmers, greater chance for rural schools to build

In Minnesota, the chances of a local school district getting the money it wants to build a new facility or improve existing buildings can depend greatly on where it is located. In metropolitan areas, most school construction projects get approved by local voters; in rural districts, these proposed tax increases tend to fail.

This discrepancy led to legislative action this year. As envisioned under a section of HF 4 (Minnesota’s omnibus tax bill that still needed final approval as of early May), new state tax credits would offset 40 percent of a school district’s bond debt load that is attributed to agricultural property-tax payers. Some 240,000 parcels of land would qualify for the credit.

By providing relief to farmers, lawmakers hope that this group of local taxpayers will be more likely to vote “yes” on local referenda and less burdened by the costs of approved school projects.

In some districts, farm families make up only a small percentage of the taxpayers and a local school’s students, but their land accounts for a majority of the tax base that must pay for a project. As a result, individual farms may wind up paying several hundred thousand dollars in additional taxes over the life of a 30-year construction bond. According to the Minnesota Farm Bureau, farmers in some agriculturally rich school districts are required to pay up to 10 times as much as other taxpayers in those same districts.

The AgSchool credit would apply to all current and future capital referendums. Minnesota Rep. Paul Anderson says if a farmer’s levy for a school building referendum was $25 per acre, for example, the state would provide him or her with a credit of $10 per acre (40 percent). He adds that the measure has bipartisan support, and would have become law last year if not for a “one-word error” that led to a gubernatorial veto.

According to the Minnesota Rural Education Association, about half of the state’s schools were built before 1976, and 25 percent are between 54 and 125 years old. School buildings have a 60-year life span. Over the past 20 years, Minnesota has reduced its assistance to local districts for school construction funding. In the 1990s, the state paid about 11 percent of the debt-service costs for local districts, but its share has dropped to about 3 percent today.

At the same time, Minnesota farmers have seen more than a 150 percent increase in their property tax levies since 2005. Minnesota’s main method of providing tax relief to farm producers is through Green Acres, a tax-deferral program that assesses farmland based on its agricultural value rather than its market value (the property would be valued higher for residential or commercial use). When farmland is sold for residential or commercial use, the deferred tax for the prior two years must be paid to the county.
Federal study seeks long-term framework for improving intercity rail service in Midwest

The Federal Railroad Administration has formally launched a 18-month study that is exploring the long-term development of high-performance, intercity passenger rail service for the Midwest. This project’s roots date back to the U.S. Passenger Rail Investment and Improvement Act of 2008 and that law’s call for “a long-range national rail plan.” Such a plan, in turn, relies on regional coordination.

In 2011, for example, the FRA conducted a study of the Southwest in which it developed a “toolkit” for use in regional planning efforts. At the same time, the Midwest Interstate Passenger Rail Commission (MIPRC) and the Midwest Regional Rail Initiative began talks with federal officials. These two groups proposed a series of workshops that would help identify the institutional, financial, political and regulatory structures that the Midwest needs to improve intercity passenger rail service.

On behalf of the region, MIPRC submitted a formal proposal for an FRA-led study in 2014. (CSG Midwest provides staff support to MIPRC.) What rail corridors and investment projects should be prioritized in order to strengthen intercity service? What are the funding options and strategies? What kind of governance model could states in the Midwest employ? These are among the questions law and federal officials will explore as they “produce a 40-year framework for the Midwest intercity passenger rail network.”

The regional study began in March with a workshop in Chicago, the next meeting will be held June 7 in St. Paul, Minn., and will focus in part on governance issues.

The FRAs lead stakeholders in this planning process are MIPRC and 12 state departments of transportation in the Midwest. The 18-month study also includes participation by local governments, metropolitan planning organizations, railroads, public and private passenger rail operators, transit agencies, and advocacy groups.

“MIPRC is excited to work with the FRA and the regions’ departments of transportation, and local leaders, to develop the version of our long-term strategy for intercity passenger rail in the Midwest,” says Tim Hoeffner, the chair of MIPRC and director of the Michigan Department of Transportation’s Office of Rail.

“Starting with the development of the Midwest Regional Rail Initiative plan in the ’90s, the Midwest has been leading regional intercity passenger rail planning.”

Education

Indiana lawmakers replace unpopular ISTEP+ with new statewide assessment system

At a time of general wariness across the country regarding the use of standardized tests in schools (54 percent of respondents to a 2015 national survey said they are “not helpful”), Indiana lawmakers have tried to deal with a particular problem in their state.

“It came to a point where the ISTEP had become like the Ford Edsel,” Indiana Rep. Bob Behning says. ISTEP+ is Indiana’s statewide assessment system, and over the past few years, its unpopularity grew amid reports of long delays in getting results, software glitches, scoring errors, and concerns about the amount of classroom time being spent on the test.

Last year, the Indiana General Assembly passed a bill ensuring that ISTEP+ would indeed go the way of the Edsel. This year, under a bill signed into law in April (HB 1003), lawmakers set parameters for a new assessment system, which will be known as 1-LEARN and take effect during the 2018-19 school year.

Implementation of 1-LEARN has been left to the state’s school superintendent and 11-member Board of Education, but Behning says HB 1003 reflects the priorities of legislators and an advisory panel they created in 2016.

“We needed to have an assessment that is shorter, with a single testing window,” says Behning, a sponsor of the legislation and member of the panel. “We wanted it to involve educators as much as possible, and to have something that is of high quality but less expensive.”

As required by federal law, Indiana will continue yearly assessments in math and reading for third-through eighth-graders, and students will take three statewide assessments in science during their K-12 careers. HB 1003 ends elementary-level assessments in social studies while requiring that students be assessed once on U.S. government or history. Previously, students had taken the ISTEP at different times of the year; 1-LEARN will only be administered statewide at the end of the school year.

Single testing window, along with less overall testing time, should address at least some of the concerns raised by educators, parents and students, Behning says.

At the high school level, meanwhile, 1-LEARN provides students with new pathways to graduation. Gone are the requirements that young people pass end-of-course exams in Algebra I and 10th-grade English. While these exams will remain in place, passing them will be only one way to meet graduation requirements. Other options will include achieving a certain score on the SAT or ACT or passing international baccalaureate and advanced placement exams.

Also under the new law, school districts will have more flexibility on how to use results from statewide assessments to evaluate teachers. Legislators, meanwhile, may further study this contentious topic (linking test results to teacher performance) during the interim.

Lastly, the new law prioritizes what it calls “assessment literacy skills.” For example, it calls on the Indiana Department of Education to improve parents’ and teachers’ understanding of statewide assessments, and how the results can be used to improve instruction.
Proposals to expand sales tax base stall in Nebraska and Ohio

Illinois, Nebraska and Ohio are among the states this year where legislators have considered plans to expand the reach of their sales tax systems, but as of early May, none of the measures appeared close to passing.

These proposals would capture more of the economic activity in a state’s service economy. They can be used as way to boost state revenue or as part of broader plans to cut taxes in other areas.

Ohio Gov. John Kasich has proposed reducing the state’s income tax rate. To pay for it, he wants to raise the rate of the sales tax (from 5.75 percent to 6.25 percent) and add several services to the base — for example, cable subscriptions, travel services, and cosmetic surgery that is not medically necessary. However, a budget approved by the Ohio House in early May did not include Kasich’s proposed changes, according to The (Cleveland) Plain Dealer.

Nebraska’s LB 452 calls for taxing a host of services: dry cleaning and laundry; taxi and limousine transportation; tanning, and hair, nail and skin care. The bill, which also would reduce individual and corporate income tax brackets, failed to advance out of committee this session.

In Illinois, discussions over a “grand bargain” to solve the state’s long-standing budget problems have included expanding the sales tax base to include landscaping, personal care services, cable television and building repairs, Crain’s Chicago Business reported in May.

The extent to which services are taxed varies widely among the 50 states. In its most recent nationwide analysis, the Federation of Tax Administrators found that South Dakota taxed 146 different services. That is far more than any other state in the Midwest. Iowa was taxing the second-highest number of services (94), the FTC analysis found, while Illinois was capturing the smallest number of services (17) in its sales tax base.

Two Midwest states join South Dakota with ‘Kill Quill’ laws; goal is to collect remote sales taxes

A quarter-century has passed since a U.S. Supreme Court decision limited the ability of states to collect taxes from the remote sales of out-of-state retailers.

Legislators wanting to secure that taxing authority — which they say is critical to maintaining state revenue bases and helping brick-and-mortar businesses — believe a reversal of Quill Corp. v. North Dakota may finally be on the horizon.

“I do believe Quill will get overturned; it’s just a matter of time,” North Dakota Sen. Dwight Cook says.

And one of the U.S. states most reliant on the sales tax as a revenue source, South Dakota, might bring the case that “kills Quill.”

A year ago, South Dakota law-makers passed a bill requiring most retailers without a physical presence in the state to remit the state’s sales tax. SB 106 applies to sellers with 200 or more annual transactions in South Dakota or whose gross revenue from sales in the state exceed $100,000. This year, Indiana (HB 1129) and North Dakota (SB 2294) passed “economic nexus” laws of their own.

The South Dakota law was immediately challenged and is currently in the hands of the state Supreme Court — but maybe not for long. Sen. Deb Peters, the sponsor of SB 106, hopes justices in her state will send the case to the U.S. Supreme Court, perhaps in time for Quill to be examined during its next term.

Language in the final version of SB 106 makes clear the high stakes surrounding Quill for South Dakota, a state that has no income tax and relies on sales taxes for more than half of its revenues. The measure also references the words of U.S. Supreme Court Justice Anthony Kennedy in a 2015 opinion.

“It is unwise to delay any longer a reconsideration of the court’s holding in Quill,” Kennedy wrote, noting both “the dramatic technological and social changes … in our interconnected economy” and a “startling revenue shortfall in many states.”

The U.S. Supreme Court’s newest justice, Neil Gorsuch, also has argued that the Quill decision should be revisited, The Hill reported in May.

“At this point, my bet is that the court will deal with this before the U.S. Congress does,” says Stacy Mitchell, co-director of the Institute for Local Self-Reliance. That is not only because of Congress’ busy legislative agenda this year, she adds, but because of its history of inaction on this issue.

‘Ultimate goal’ is congressional action

In its 1992 decision, the U.S. Supreme Court said Congress has the authority to decide “whether, when and to what extent” states can compel out-of-state sellers to collect sales and use taxes.

“The ultimate goal is to get Congress to act,” Peters says, because the federal legislation would provide the direction that states need to move forward with tax collections in an orderly way.

In April, bipartisan bills were once again introduced in the U.S. House (HR 2193) and Senate (SB 976). Under these proposals, states meeting one of two criteria could compel remote sellers to collect sales and use taxes: 1) The state is a member of the Streamlined Sales and Use Tax Agreement, or 2) The state has adopted minimum simplification requirements as outlined in the federal legislation.

States waiting, and acting

Ten of the 11 Midwestern states (all but Illinois) already have passed legislation conforming to the Streamlined Sales and Use Tax Agreement. By providing more administrative uniformity among states and using new software and technology, the multistate agreement simplifies sales and use tax collections for retailers, particularly those operating in multiple states.

The U.S. Senate passed a version of the Marketplace Fairness Act in 2013, but the legislation stalled in the House.

“Every year, we are constantly working with members of Congress to get this done,” Peters says.

Opposition has come from members who view the legislation as a tax increase or who prefer a different approach than that proposed in the Marketplace Fairness Act — for example, basing the sales tax on the location of the seller rather than the buyer and requiring states to have a single rate for all remote sales.

Even minus federal action, states have taken steps to improve tax collections from remote sales. One common approach has been to require sales tax collections by an online retailer who has some kind of “physical presence” in the state, including in-state sales “affiliates” who sell products via the retailer’s website.

Most recently, the Massachusetts Department of Revenue directed large, out-of-state Internet vendors to begin collecting and remitting the state’s sales or use tax. Its argument: All of these vendors have an “in-state presence” because of the very nature of how remote sales take place. These transactions involve software downloaded to the devices of Massachusetts customers and the “cookies” (data text files) stored on these in-state devices.

In the 1992 Quill case, the U.S. Supreme Court decision was based on the mail-order sales of office equipment and supplies from a Delaware company to customers North Dakota.

“The landscape is entirely different today than it was back then,” Cook says.
Michigan law reflects concerns about trends in maternal deaths

by Tim Anderson (tanderson@csg.org)

T
take a look at the longer-term trends in maternal mortality rates, and you see one of the great success stories in modern-day public health. In 1900, for every 1,000 live births, up to nine women were dying of pregnancy-related complications; a century later, that rate had declined by almost 99 percent.

But the story told by more recent data is less clear, and more troubling. According to the U.S. Centers of Disease Control and Prevention, the number of reported pregnancy-related deaths increased between 1987 and 2013 — from 7.2 deaths per 100,000 live births to 17.3 in 2013.

Better reporting (for example, the addition of a pregnancy check box on state death certificates) is one explanation for the increase. Another reason, though, may be that pregnancy-related deaths are actually on the rise. The CDC notes, for example, that more pregnant women have conditions such as hypertension, diabetes and chronic heart disease that may put them at a higher risk of complications.

Globally, the United States ranks about 50th for its maternal mortality rate, and last September, a Journal of Obstetrics and Gynecology study concluded that pregnancy-related deaths are rising across the country.

Data needed to drive better policy

Michigan is among the states where reported maternal deaths are increasing, and concerns about that trend led to this year’s passage of HB 4235. It took effect in April, and now requires physicians and hospitals to report the death of a woman who was pregnant at the time of death or within one year before her death.

“Some of the data was coming in late, and some wasn’t being reported at all,” says Amy Zaagman, executive director of the Michigan Council for Maternal and Child Health.

The new mandate, Zaagman says, will ensure that health professionals and lawmakers have the information they need to make appropriate changes in medical practice and policy.

As HB 4235 made its way through the Legislature last year, lawmakers learned not only about the rise in reported deaths from pregnancy, but about how it is disproportionately impacting certain areas and populations.

For example, African American women in Michigan are more than three times likely to die from pregnancy complications as white women (the same is true nationally), and Zaagman says rates of death are especially high in cities such as Detroit and Flint.

These racial disparities also are being highlighted by congressional sponsors of The Preventing Maternal Deaths Act. Introduced in March, the federal legislation would provide states with grants to establish maternal mortality review committees, or improve the work of these existing groups.

Michigan law reflects concerns about trends in maternal deaths

MICHIGAN LAW REVEALS CONCERNS ABOUT TREND IN MATERNAL DEATHS

With a rise in the sale of electric vehicles, states lose some of the revenue that they’ve long relied on to pay for transportation projects: taxes on motor fuels. One response by some legislatures, in the Midwest and around the country, has been to impose additional registration fees on the owners of these cars.

At the start of this year, 10 U.S. states already were imposing extra registration fees, and Indiana became the 11th in April with passage of HB 1002. Starting in 2018, the owners of electric vehicles will pay an annual registration fee of $150; the fee for hybrid vehicles is $50 a year.

HB 1002 also includes a $15 annual infrastructure fee on every vehicle and increases the state’s gas tax (for the first time in more than a dozen years) by 10 cents per gallon.

During this year’s legislative sessions, lawmakers in at least two other Midwestern states, Minnesota and Kansas, also considered new fees on electric vehicles. Minnesota’s HF 1133/SF 2029, for example, calls for a surcharge of $85. In Kansas, HB 2060 would have required an additional $150 fee on electric vehicles ($75 on hybrid vehicles); it stalled in legislative committee.

Other Midwestern states that have previously considered, but ultimately failed, to enact extra registration fees on electric vehicles include North Dakota, South Dakota and Wisconsin.

Nebraska was the first state in the Midwest to impose such a fee, with owners of these cars having to pay an additional $75 annually. Beginning this year, electric vehicle owners in Michigan are being assessed a $100 annual surcharge, along with a $35 gasoline tax, in addition to the state’s standard vehicle-registration fee (which is about $120). Michigan’s extra fees on electric vehicles were part of a 2015 legislative package that provided $1.2 billion in road construction funding and raised the state’s standard vehicle-registration fees by 20 percent.

Across the country, state fees on electric vehicles range anywhere from $50 (Colorado and Wyoming) to $200 (Georgia). Proponents of these add-on fees argue that electric vehicles contribute to the wear and tear of a state’s transportation infrastructure, and because these cars don’t use gas and their owners don’t pay taxes on motor fuel, the fees help to recoup at least some of the lost revenue.

Many states, meanwhile, also provide incentives for the purchase of environmentally friendly electric vehicles — from rebates on purchases, to access to high-occupancy-vehicle lanes, to lower electric rates for charging these cars, according to the advocacy group Plug in America. In Illinois, the owners of electric vehicles pay a lower registration fee — $18 for one year, compared to $101 for a motor-fueled car.

This story was written as part of this year’s Midwestern Legislative Conference Chair’s Initiative of Iowa Sen. Janet Peteresen. This initiative, Healthy Birth Outcomes, is examining ideas to improve the health of mothers and their babies.
rates are in the right place," so future rate hikes shouldn’t be quite as steep, he says.

There’s not a lot states can do about the 2017 rate hikes — “this is what insurance costs” — but some steps do help stabilize a state exchange for future years, Claxton says.

For example, Medicaid expansion helps because it means more chronically ill people are covered through this public health insurance program rather than through private plans offered on the exchanges.

In the Midwest, seven states — Illinois, Indiana, Iowa, Michigan, Minnesota, North Dakota and Ohio — already had adopted Medicaid expansion, agreeing to cover people up to at least 133 percent of the federal poverty level (participating states can opt to cover people above that level). The federal government funded 100 percent of expansion costs from 2014 through 2017, and will gradually reduce that to 90 percent by 2020.

Although Wisconsin did not participate in Medicaid expansion, it does cover adults up to 100 percent of the federal poverty level through its BadgerCare Plus program.

Kansas legislators approved a Medicaid expansion earlier this year, but in April, they narrowly failed to override Gov. Sam Brownback’s veto, falling three votes short of the two-thirds majority needed in the House. (This policy issue was scheduled to be revisited in May.)

But even with Medicaid expansion, some individuals who don’t qualify for public health insurance, and don’t get coverage through their employers, rely on the individual exchanges. This becomes a problem in states or counties where the choice of insurers is limited, or where there is only one insurer.

This problem is especially prevalent in rural areas because of small population sizes and a lack of extensive networks of providers (hospitals, clinics, and practitioners).

“That’s really difficult to figure out [how to fix],” Claxton says.

Reinsurance, which provides payments to insurers to help offset the costs of enrolling higher-risk individuals, has been one strategy used under the ACA and is now being tried in states such as Minnesota.

This may be one policy option for Iowa as well. If Medica leaves and Iowa is left with a single statewide insurer, people would have to buy insurance outside the exchange, which means they would be forced to do so without subsidies, says University of Iowa professor Keith Mueller, director of the Rural Policy Research Institute Center for Rural Health Policy Analysis.

Finding a solution is “the $64,000 question” for Iowa, says Abigail Barker, a researcher with the center and a professor at Washington University in St. Louis.

Given the time and legislative approval needed to create a reinsurance program, she says, that strategy “might not help much in 2018, but it might be a longer-term solution,” she says.

Although some rural areas are doing better than others, Barker says, a fundamental problem is their low population density. There just aren’t enough people to provide a robust individual market, she says.

Tim McBride, another researcher at the Center For Rural Health Policy Analysis and professor at Washington University, says possible ways around the problem of low population density include:

• Redrawing local rating areas (state-designated geographic areas that are one permissible factor insurance companies can use to set rates),

• Creating statewide or nationwide plans open to anyone, or

• Recognizing that the exchange markets as currently structured are failing for rural areas and will need better or more-targeted subsidies.

How reinsurance works

For now, some form of reinsurance appears to be one of the more viable options to shore up state health exchanges by better spreading risk. It works, roughly, like this:

When a consumer buys a $5 million insurance policy on a house, for example, the insurance company issues the policy, and then has a portion of it reinsured (usually with a company specializing in reinsurance). If the house burns down, the insurance company isn’t on the hook for the entire $5 million.

Under Minnesota’s new reinsurance law, the “attachment point model” will be used; for example, once an insurance provider has paid out $50,000 worth of coverage, reinsurance kicks in and covers 80 percent of costs up to $200,000, at which point the original insurer again bears all costs.

The states of Alaska and Minnesota have funded reinsurance in their health exchanges for different reasons. With a population of only 738,432, Alaska just doesn’t have enough people to sustain much insurer interest. By providing reinsurance for high-cost cases, the state helped reduce the 2017 rate increase sought by its only insurer, Premera, from an estimated 42 percent to 7.3 percent.

Reinsurance programs help stabilize such markets and “gives insurance companies knowledge of what their loss cap will be,” says Minnesota Sen. Gary Dahms, who is a former owner of an insurance agency.

“It’s a model that’s known and has proved to work in many different lines of insurance,” he adds.

Minnesota’s woes began in 2015 when PreferredOne pulled out of the state’s health exchange, which is known as MNsure.

PreferredOne had entered the health insurance market in 2014 with some of the lowest rates in the country, and it soon captured 59 percent of Minnesota’s exchange customers. The company’s low rates, however proved unsustainable when they didn’t bring in enough people to cover the flood of new MNsure enrollees.

Minnesota is the first Midwestern state to fund a reinsurance program to stabilize its exchange and attract insurers. Passed on March 10, HF 5 establishes a $542 million program for two years; it sets annual appropriations of $200 million from the state’s “health care access fund” and $71 million from the general fund.

Money for the state’s health care access fund comes largely from a tax on health care providers and a tax on insurance premiums.

Minnesota legislators had previously passed HF 1 in January, allocating $311.9 million from budget reserves to provide eligible residents a subsidy of 25 percent of the monthly gross premium in the state’s individual market. Those who already get the ACA’s advance premium tax credits or who are enrolled in public program coverage are not eligible.

With HF 1, the Legislature also allocated $15 million to cover transition care for people with

---

**CONTINUED FROM PAGE 1**

**How individuals in each Midwest state got their health insurance in 2015 (%-point change from 2013 in parentheses)**

<table>
<thead>
<tr>
<th>State</th>
<th>Employer</th>
<th>Non-group</th>
<th>Medicaid</th>
<th>Medicare</th>
<th>Uninsured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>54% (+3)</td>
<td>6% (+1)</td>
<td>19% (0)</td>
<td>18% (+2)</td>
<td>9% (-1)</td>
</tr>
<tr>
<td>Indiana</td>
<td>52% (+2)</td>
<td>6% (+1)</td>
<td>19% (+3)</td>
<td>14% (-1)</td>
<td>9% (-4)</td>
</tr>
<tr>
<td>Iowa</td>
<td>53% (-4)</td>
<td>6% (+1)</td>
<td>17% (+2)</td>
<td>15% (-2)</td>
<td>5% (-3)</td>
</tr>
<tr>
<td>Kansas</td>
<td>54% (+2)</td>
<td>7% (+4)</td>
<td>13% (-2)</td>
<td>13% (+1)</td>
<td>10% (0)</td>
</tr>
<tr>
<td>Michigan</td>
<td>53% (-1)</td>
<td>11% (+2)</td>
<td>19% (-2)</td>
<td>18% (+2)</td>
<td>6% (-5)</td>
</tr>
<tr>
<td>Minnesota</td>
<td>56% (-3)</td>
<td>7% (+1)</td>
<td>14% (-1)</td>
<td>11% (+2)</td>
<td>6% (-3)</td>
</tr>
<tr>
<td>Nebraska</td>
<td>55% (-2)</td>
<td>7% (-2)</td>
<td>13% (+1)</td>
<td>12% (-2)</td>
<td>8% (-3)</td>
</tr>
<tr>
<td>Ohio</td>
<td>52% (-3)</td>
<td>13% (+2)</td>
<td>21% (-5)</td>
<td>18% (0)</td>
<td>6% (-4)</td>
</tr>
<tr>
<td>North Dakota</td>
<td>57% (-1)</td>
<td>8% (+1)</td>
<td>16% (-4)</td>
<td>14% (+1)</td>
<td>8% (-3)</td>
</tr>
<tr>
<td>South Dakota</td>
<td>53% (0)</td>
<td>9% (+1)</td>
<td>16% (+2)</td>
<td>14% (+1)</td>
<td>9% (0)</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>55% (-2)</td>
<td>7% (+1)</td>
<td>15% (-1)</td>
<td>19% (-1)</td>
<td>7% (-2)</td>
</tr>
</tbody>
</table>

Note: This table does not include other public insurance programs such as military or veterans Administration coverage, so state totals may not add up to 100 percent.

This group coverage is offered to individuals and families that bought or are covered as dependents by a group plan.

Source: Kaiser Family Foundation (from U.S. Census Bureau’s Current Population Survey)

**State/line Midwest** May 2017
Big decisions for states starting in 2020, states could apply for waivers to redefine essential health benefits for health insurance coverage offered in the individual and small group markets. Such state waivers could alter the limits on essential health benefits, which in turn could affect the prohibition on lifetime and annual dollar limits.

A “Patient and State Stability Fund” would be created for states to give financial help to high-risk individuals, stabilize private insurance premiums, promote access to preventive services and provide cost-sharing subsidies. The fund could also be used for maternity coverage and newborn care, mental health and substance use disorder services, and other purposes. In states that do not successfully apply for grants, funds would be used for a default reinsurance program, administered by the U.S. Centers for Medicare and Medicaid Services, that would cover 75 percent of claims between $50,000 and $350,000 (starting in 2020; the CMS could establish different reinsurance thresholds).

As part of the Patient and State Stability Fund, a new “Federal Invisible Risk Sharing Program”—essentially a reinsurance program for patients who insurers think will be high risk—is funded at $15 billion over nine years, plus any other unallocated funds under the Patient and State Stability Fund.

Moreover, Blewett says insurers still can’t get a good grasp of the individual exchange market’s risk profile because it keeps changing; the state’s high-risk pool was folded into it, and now, some large employers in Minnesota are moving their pre-retirement employees into the market (and providing them with money to purchase policies on the exchange). Having the state act as the reinsurer does cost some money, “but it gives stability to the market and draws insurers back [to it],” Blewett says.

If other states want to follow Minnesota’s lead, Sen. Daines recommends laying the groundwork via close cooperation among legislatures, the governor’s office, and state and federal officials to ensure everyone is on the same page.

According to the U.S. Department of Health and Human Services’ website, if a state can demonstrate savings via a reinsurance program, a successful application for a Section 1332 waiver could allow the state to get federal “pass-through” funding to offset part of that program’s costs.

Section 1332 authorizes the secretaries of Health and Human Services and Treasury to waive provisions under their respective jurisdictions related to premium tax credits and cost-sharing reductions for plans offered within the marketplaces.

### The American Health Care Act: Its potential impact on health consumers, states

On May 3, the U.S. House of Representatives passed the American Health Care Act (AHCA) to replace the Affordable Care Act (ACA). Here is a partial summary of the Kaiser Family Foundation’s analysis of the AHCA’s provisions and its potential impacts.

**Basic provisions of the AHCA**

The AHCA’s individual mandate and taxes would be immediately eliminated/repealed; under the AHCA, a 30 percent surcharge would be assessed to individuals who do not maintain continuous coverage, starting with special enrollment periods in 2018 and all other enrollments in 2019. The ACA’s age rating limit of 3:1 would change to 5:1, unless states adopt different ratios, beginning in 2018. This provision limits the premiums assessed to older enrollees compared to the premiums of younger enrollees in the same plan.

For 2018-19, premium tax credits would increase for young adults, but decrease for adults age 50 and older with incomes above 150 percent of the federal poverty level.

The ACA’s cost-sharing subsidies would then be repealed as of 2020. Also that year, income-based tax credits would be replaced with flat, age-based credits: $2,000 per person up to age 29, $2,500 per person for ages 30-39; $3,000 per person for ages 40-49, $3,500 per person for ages 50-59, and $4,000 per person for age 60 and older.

### State matching funding does not appear to be required for FIRSP

States using Patient Stability Fund grants for high-risk pools or reinsurance, or participating in the Federal Invisible Risk Sharing Program, can apply to waive the community rating factor for individual market participants who do not maintain continuous coverage. Instead, they can permit health status as a factor for rating variations. FIRSP funds cannot be used to pay for any abortion or to assist in the purchase, in whole or in part, of health benefit coverage that includes coverage of abortion (except if the abortion is needed to save the life of the mother or if the pregnancy resulted from rape or incest).

### Future of Medicaid

The ACA’s state option to cover above 133 percent of the federal poverty level is eliminated after Dec. 31, 2017. Federal payment for Medicaid expansion is limited to the 133 percent level to states that adopted expansion by March 1, 2017, and is eliminated as of Jan. 1, 2020.

Medicaid eligibility for children ages 6-19, up to 138 percent of the federal poverty level, is repealed as of Dec. 31, 2019.

Medicaid funding could be continued from guaranteed payments made per person per a cap per capita cap starting in 2020; states could opt for a block grant instead, for 10 years, starting in fiscal year 2020. States could require work as a condition for Medicaid coverage for enrollees who are not disabled, elderly or pregnant (although pregnant women are exempted only through 60 days’ post-partum) as of Oct. 1, 2017.

---

[1] HHS, “Number of people who chose plans in state exchanges (as of Jan. 31).”

] American Health Care Act (AHCA) to replace the Affordable Care Act (ACA). Here is a partial summary of the Kaiser Family Foundation’s analysis of the AHCA’s provisions and its potential impacts.

**Basic provisions of the AHCA**

The AHCA’s individual mandate and taxes would be immediately eliminated/repealed; under the AHCA, a 30 percent surcharge would be assessed to individuals who do not maintain continuous coverage, starting with special enrollment periods in 2018 and all other enrollments in 2019. The ACA’s age rating limit of 3:1 would change to 5:1, unless states adopt different ratios, beginning in 2018. This provision limits the premiums assessed to older enrollees compared to the premiums of younger enrollees in the same plan.

For 2018-19, premium tax credits would increase for young adults, but decrease for adults age 50 and older with incomes above 150 percent of the federal poverty level.

The ACA’s cost-sharing subsidies would then be repealed as of 2020. Also that year, income-based tax credits would be replaced with flat, age-based credits: $2,000 per person up to age 29, $2,500 per person for ages 30-39; $3,000 per person for ages 40-49, $3,500 per person for ages 50-59, and $4,000 per person for age 60 and older.

### Big decisions for states

Starting in 2020, states could apply for waivers to redefine essential health benefits for health insurance coverage offered in the individual and small group markets. Such state waivers could alter the limits on essential health benefits, which in turn could affect the prohibition on lifetime and annual dollar limits.

A “Patient and State Stability Fund” would be created for states to give financial help to high-risk individuals, stabilize private insurance premiums, promote access to preventive services and provide cost-sharing subsidies. The fund could also be used for maternity coverage and newborn care, mental health and substance use disorder services, and other purposes. In states that do not successfully apply for grants, funds would be used for a default reinsurance program, administered by the U.S. Centers for Medicare and Medicaid Services, that would pay 75 percent of claims between $50,000 and $350,000 (starting in 2020; the CMS could establish different reinsurance thresholds).

As part of the Patient and State Stability Fund, a new “Federal Invisible Risk Sharing Program”—essentially a reinsurance program for patients who insurers think will be high risk—is funded at $15 billion over nine years, plus any other unallocated funds under the Patient and State Stability Fund.

Moreover, Blewett says insurers still can’t get a good grasp of the individual exchange market’s risk profile because it keeps changing; the state’s high-risk pool was folded into it, and now, some large employers in Minnesota are moving their pre-retirement employees into the market (and providing them with money to purchase policies on the exchange). Having the state act as the reinsurer does cost some money, “but it gives stability to the market and draws insurers back [to it],” Blewett says.

If other states want to follow Minnesota’s lead, Sen. Daines recommends laying the groundwork via close cooperation among legislatures, the governor’s office, and state and federal officials to ensure everyone is on the same page.

According to the U.S. Department of Health and Human Services’ website, if a state can demonstrate savings via a reinsurance program, a successful application for a Section 1332 waiver could allow the state to get federal “pass-through” funding to offset part of that program’s costs.

Section 1332 authorizes the secretaries of Health and Human Services and Treasury to waive provisions under their respective jurisdictions related to premium tax credits and cost-sharing reductions for plans offered within the marketplaces.
After rare opportunity to serve alongside his father, lifelong Kansan now making his mark in top leadership position

by Laura Kliewer (lkliewer@csg.org)

Kansas House Speaker Ron Ryckman never had to look far to find inspiration for getting involved in his community and, ultimately, running for political office.

“My dad has been my role model my entire life, as far as someone who is dedicated to helping others,” Speaker Ryckman says.

In the small, rural town of Meade in southwest Kansas, his father, Ronald Ryckman, was well-known as a schoolteacher, coach and Sunday school teacher.

“He became a legislator later, after his retirement,” Speaker Ryckman says. “I was kind of watching what he was doing, and the opportunity arose for me to be there.”

He eventually found himself in the unique position of not only following in his father’s footsteps, but serving alongside him in the Kansas House of Representatives. His father left the Legislature at the end of 2016, while he stepped into one of the state’s top leadership positions — speaker of the House.

Though raised in southwest Kansas, Speaker Ryckman has lived in the northeast part of the state ever since attending MidAmerica Nazarene University on a basketball scholarship.

“I fell in love with the community, the schools there and the family values — it is just a great place to live,” Ryckman says of Olathe, the fourth-largest city in Kansas.

He and his wife, Kim, are raising their three children in Olathe, and in 2009, Ryckman deepened his community involvement by joining the City Council. (He remains on the council today.)

Three years later, he ran unopposed for a seat in the Kansas House.

“Originally, it was to substantively spend more time with my father,” he says about running for a legislative seat, “and to help build a better Kansas and future for my kids.”

What followed was a quick rise in leadership, including as chair of the House Appropriations Committee. After only two terms in office, Ryckman was elected House speaker.

The influence of his father — particularly the collaborative style and the commitment to helping others — remains an important part of Speaker Ryckman’s approach to leadership and legislating.

But his own experience as a father and as a small-business owner (Ryckman is the CEO of a local roofing company) helps inform his work in Topeka as well.

“Lots of times it is just a matter of sitting around a table and hearing each other, and it can go a long way to finding your common goals.”

In a recent interview with CSG Midwest, Speaker Ryckman reflected on his legislative career and priorities, as well as his leadership style. Here are excerpts.

Q: How have your legislative priorities deepened and expanded over your two-plus terms since joining the Legislature?
A: I think the state is in a different place from a fiscal standpoint than it was four years ago. The commitment I have now to be fiscally responsible and balance the books is greater. I have more responsibility for that to happen. It’s much more about being pragmatic. Finding coalitions and working with people to solve our fiscal issues is much heavier on my mind right now than it was four years ago.

Q: What have you enjoyed most about serving in the Kansas Legislature?
A: Bringing people together to find political unifiers and build a voting bloc from there.

Q: What has been the biggest challenge, especially now as speaker?
A: Bringing people together to find consensus can be challenging. We try to remove emotions as much as we can and try to make our decisions based on data. We encourage people not to make up their minds until they get all the information from both sides and get information back from their district.

Q: What are your legislative priorities for this year and beyond?
A: To stabilize our budget so we can fund core services and create a school finance formula that is data-driven and reasonably calculated.

Q: Is that how you would describe your legislative leadership style — straightforward and honest?
A: We are also very dedicated to process. If you trust the process, you trust the results. That doesn’t mean you always agree with the results. We understand that everyone takes away from family or business to be here, and they spend a lot of time talking to their voters back home. Everybody’s voice should be heard. That doesn’t mean we necessarily need to agree with each other, but you need to be able to represent your district — to be able to have the voices of Kansas heard and do it in safe environments where you can have a civil discussion.

Q: So when you talk about being “dedicated to the process,” are you referring to listening to constituents, and then coming back to Topeka and talking to fellow legislators and making sure everyone has a voice?
A: That, and the way committees are set up, making sure there is a balance of ideology and expertise.

Q: What are your legislative priorities for this year and beyond?
A: To stabilize our budget so we can fund core services and create a school finance formula that is data-driven and reasonably calculated.

Q: How do you explain that quick rise in leadership?
A: I had the opportunity to be appropriations chair, where we looked at data and tried to make data-based decisions. And more people had buy-in because more people were part of the process; it was straightforward and honest. I believe that was what a lot of my colleagues were looking to when they elected me speaker. Being speaker also provided the opportunity to talk to a lot of folks and to find common ground, and to make our state a better place. It’s not only about problem-solving, but about creating opportunities for others.

Q: What are your legislative priorities for this year and beyond?
A: We try to remove emotions as much as we can and try to make our decisions based on data. We encourage people not to make up their minds until they get all the information from both sides and get information back from their district.

Q: How have your legislative priorities deepened and expanded over your two-plus terms since joining the Legislature?
A: I think the state is in a different place from a fiscal standpoint than it was four years ago. The commitment I have now to be fiscally responsible and balance the books is greater. I have more responsibility for that to happen. It’s much more about being pragmatic. Finding coalitions and working with people to solve our fiscal issues is much heavier on my mind right now than it was four years ago.

Q: What have you enjoyed most about serving in the Kansas Legislature?
A: Bringing people together to find political unifiers and build a voting bloc from there.

Q: What has been the biggest challenge, especially now as speaker?
A: Bringing people together to find consensus can be challenging. We try to remove emotions as much as we can and try to make our decisions based on data, and that is difficult to do. We encourage people not to make up their minds until they get all the information from both sides and get information back from their district.

Q: What are your legislative priorities for this year and beyond?
A: To stabilize our budget so we can fund core services and create a school finance formula that is data-driven and reasonably calculated.
A healthy collaboration

Health care stakeholders’ input key as South Dakota addresses physician shortage by allowing expanded role for specialty nurses

by South Dakota Sen. Deb Soholt (Deb.Soholt@sdlegislature.gov)

There is no dispute that health care is undergoing an incredible transformation nationwide. Into the foreseeable future, states will be challenged to quickly innovate and remove unnecessary barriers to providing quality care at an affordable price.

This year, the South Dakota Legislature tackled one such barrier with the passage of SB 61, which will update, revise and repeal certain provisions relating to nurse practitioners and nurse midwives. Since 1979, our state’s certified nurse practitioners and midwives have been jointly licensed by South Dakota’s Board of Nursing and Board of Medicine. That changes with enactment of SB 61, which modernizes our Nurse Practice Act by adopting national standards for the regulation of these health professionals.

By removing this requirement for joint licensure, nurse practitioners and midwives will no longer need to maintain a career-long collaborative agreement with physicians in order to practice. As a result of this new law, South Dakota is now aligned with its neighboring states that already allow these certified health professionals to practice without contractual restrictions.

The new law gives our state’s Board of Nursing the sole authority to license and regulate certified nurse practitioners and midwives.

At one time, our state’s policy of requiring linked licensure and physician-nurse collaborative agreements was a prudent one. We wanted to ensure that quality care continued with a new profession of non-physician providers.

But over time, as care and quality health outcomes became firmly established, the collaborative agreement became merely "a piece of paper" that interfered with the natural flow of practice. Problems arose, such as having to close a clinic when a physician did not have a current license — even though the certified nurse practitioners and midwives did — or having a collaborating physician hundreds of miles away in a specialty that did not match the practice.

In South Dakota, one in five citizens lives in designated primary-care shortage areas and 43 percent live in rural areas. By 2030, the state will need to increase its primary-care workforce by 27 percent to meet demands; at the same time, 45 percent of our practicing physicians are older than 50.

Certified nurse practitioners and midwives are now employed in 57 of South Dakota’s 66 counties, and they are often the only primary-care provider for miles around. For our state’s high percentage of rural, isolated communities, there would literally be no health care access without nurse practitioners: in rural, isolated communities, there would literally be no health care access without nurse practitioners:

Helping address mental health needs

With 61 of the state’s 66 counties designated as a shortage area for mental health professionals, our state needs a robust strategy to educate and retain as much talent as possible. In other words, it’s going to take everyone we can get to meet the demands of mental health.

Meeting this workforce challenge is not only critical to having a robust health care system, but it also will be a key part of implementing our recent criminal justice reforms, which put a greater emphasis on community-based rehabilitation and treatment.

But our joint-licensure requirement proved to be a significant barrier in recruiting talented, experienced psychiatric faculty for South Dakota State University, where certified nurse practitioners are educated. Recently, after a nationwide search, a candidate who accepted the opportunity ultimately declined upon learning of joint licensure. She was unwilling to come to a state that tied her professional livelihood to another entity.

The health needs of South Dakota and the licensure barrier for recruitment/retention of certified nurse practitioners and midwives set the stage for SB 61.

A coalition that represented the “house of nursing” — education, regulation and practice — shepherded the bill through the legislative process. During eight months of preparatory work, supportive data were crafted and major stakeholders were engaged.

Because this bill untied the license of the nurse practitioner or nurse midwife from that of the physician, it was critical to reach out to formal physician groups as well as individual doctors. Ongoing communication was a key strategy, and the draft legislation changed considerably based on input before the bill was filed.

Once introduced, SB 61 did face opposition. One concern was that it would diminish quality of care. However, multiple studies do not support this claim. A 2010 report from the Institute of Medicine points to 50 years of evidence that primary care by certified nurse practitioners and midwives is safe and effective.

Under the new law, too, these health professionals will not be practicing alone. The reality is that tying licenses with physicians does not make the role of nurse practitioners and midwives independent from the health care continuum. Within SB 61, the statutory requirement to be collaborative (including an operational definition) was clearly defined. In addition, in states that already don’t mandate collaborative agreements, referrals and physician-nurse partnerships remain the norm.

In the end, the facts supported the merits of SB 61: Nurse practitioners and midwives are vital to the state’s health care workforce, and removing barriers to their licensure will help address our state’s primary-care workforce shortages while sustaining quality of care.

Eighteen different organizations testified in support of the bill, and though opposition was strong, SB 61 ultimately passed the 105-member Legislature with only six “nay” votes.

Making statutory changes to the standing of one profession often can pit one group against another, and this conflict leads to difficult choices among legislators. But with SB 61, the entire process remained respectful and was focused on the health needs of the state and the ability to recruit qualified providers in all regions.

The passage of SB 61 is an example of the benefits of taking time to craft good policy and to build relationships along the way. It was my distinct honor to be prime sponsor of this win for the people of South Dakota. 

Sen. Deb Soholt, a Republican from Sioux Falls, was first elected to the South Dakota Senate in 2012.

Submissions welcome

This page is designed to be a forum for legislators and constitutional officers. The opinions expressed on this page do not reflect those of the Council of State Governments or the Midwest Legislative Conference. Responses to any FirstPerson article are welcome, as are pieces written on other topics. For more information, contact Tim Anderson at 618.925.1922 or tanderson@csg.org.
### Bipartisan mix of legislators chosen to lead interstate policy committees

**Six committees will meet in July as part of Midwestern Legislative Conference Annual Meeting**

A bipartisan, diverse group of legislators from the region has been selected to lead the Midwestern Legislative Conference’s policy committees. Photos of the committee chairs and vice chairs can be found below.

These six policy committees cover a broad range of key issues in state government and help the MLC fulfill one of its core missions — to give legislators the chance to work with and learn from one another.

Iowa Sen. Janet Petersen, 2017 chair of the MLC, chose the chairs and vice chairs. Appointing authorities in the Midwest’s legislative chambers choose up to three members to serve on the MLC committees. Full committee rosters are available at csgmidwest.org.

Each committee will meet on July 9 and host a policy session on July 10 as part of the MLC Annual Meeting in Des Moines. MLC committees also pass policy resolutions, host legislative exchanges and offer webinars on select topics. Committee members will develop and approve work plans for the bennium at this summer’s meeting.

**Edward D. Black, Jr., MLC executive director**

---

### EDUCATION

**Committee chairs**

- North Dakota Sen. Kyle Davison
- Kansas Rep. Melissa Rooola
- Wisconsin Rep. Eric Gersich
- Michigan Sen. Ken Horn
- Minnesota Rep. Paul Anderson
- Illinois Sen. Kevin Kinney

**Vice chair**

- South Dakota Rep. Kevin Killer
- Iowa Sen. Joni Ernst
- Illinois Rep. Simone Karr

**Vice chair**

- Indiana Sen. Ed Charbonneau
- Manitoba Minister Kevin Goulet
- Ontario Speaker Dave Levac
- Michigan Sen. Jim Stamas

---

### HEALTH & HUMAN SERVICES

**Committee chairs**

- Kansas Rep. Susan Concannon
- Illinois Rep. Robin Gabel
- Nebraska Sen. Sue Crawford
- Manitoba Health Minister Theresa Oswald
- Ontario Minister Kevin Lee
- Michigan Health Director Nick Lyon

**Vice chair**

- Iowa Rep. Mary Ann Ruediger
- Illinois Rep. Mark Lami Sawyer
- Wisconsin Rep. James Steineke

---

### ECONOMIC DEVELOPMENT

**Committee chairs**

- North Dakota Sen. John Hidder
- Kansas Rep. Tom Phillips
- Wisconsin Rep. Mark Born
- Michigan Sen. Mattie Hunter
- Illinois Rep. Nathan Manning
- South Dakota Rep. Charlene Kacskovak

**Vice chair**

- Michigan Rep. Rob Wittenberg
- Illinois Rep. Stephon Clark
- Indiana Sen. Tim Burchett
- North Dakota Rep. Cannon Brasfield

---

### AGRICULTURE & NATURAL RESOURCES

**Committee chairs**

- Iowa Rep. Janet Yandle
- South Dakota Rep. Tim Goodale
- Wisconsin Rep. Scott Allen
- Michigan Rep. Pete Lucido

**Vice chair**

- Iowa Rep. Cliff Armes
- South Dakota Rep. Kevin Kenney
- Wisconsin Rep. Mark Born

---

### CRIMINAL JUSTICE & PUBLIC SAFETY

**Committee chairs**

- South Dakota Sen. Stacee Evans
- Wisconsin Rep. Jim Stearns
- Iowa Rep. Matt Braun
- Illinois Rep. Matthew Hall
- South Dakota Rep. Debra Kolpack

**Vice chair**

- Iowa Rep. Bob Dorr
- South Dakota Rep. Jim Hightower
- Wisconsin Rep. Glenn Henson

---

### MIDWEST-CANADA RELATIONS

**Committee chairs**

- Michigan Sen. Jim Ananich
- Minnesota Sen. Jon K. Klobuchar
- Manitoba Minister Jim Carr

**Vice chair**

- Iowa Rep. Matt Bloemers
- South Dakota Rep. Kevin Kenney

---

The Midwestern Office of The Council of State Governments provides staff support for these groups. Here is a list of the CSG MidWest staff liaisons and their contact information:

- **Agriculture & Natural Resources** — Carolyn Orr, corre@csg.org
- **Criminal Justice & Public Safety** — Katelyn Tye, ktye@csg.org
- **Economic Development** — Laura Tomaka, ltomaka@csg.org
- **Education** — Tim Anderson, tanderson@csg.org
- **Health & Human Services** — Jon Davis, jdavis@csg.org
- **Midwest-Canada Relations** — Ilene Grossman, igrossman@csg.org

CSG also supports national policy committees on education and workforce development, energy and environment, budgets and economic development, health, and transportation and infrastructure. More information on these committees is available at csg.org.

---

### June 5 is deadline to register for MLC Annual Meeting

The deadline to register for this year’s MLC Annual Meeting in Des Moines, Iowa, is June 5. The MLC is a bipartisan group of all legislators from 11 Midwestern states and four Canadian provinces. The group’s Annual Meeting, now in its 72nd year, is the only event designed by and for the Midwest’s legislators.

Meeting registration can be completed at www.csgmidwest.org.

### MLC Annual Meeting highlights

During various sessions at this year’s meeting, attendees will:

- explore how technology can improve state government;
- examine the Midwest’s demographic and economic future;
- review key trends in health care, public safety, agriculture, education, economic development and state budgets.

This year’s featured speakers include:

- Isabel Wilkerson, author of the best-selling, award-winning “The Warmth of Other Suns”;
- Kenneth M. Quinn, former U.S. ambassador and president of the World Food Prize Foundation;
- Demis Hassabis, co-founder of DeepMind Technologies, best seller “Superintelligence.”

### Evening events, activities for guests

Throughout the MLC Annual Meeting, too, attendees will have the chance to meet, learn from and collaborate with fellow state and provincial legislators from the Midwest.

**Evening events will be held at three premier Des Moines-area venues:**

- **Opening Night Reception** at the World Food Prize Hall of Laureates; **Family Night at Living History Farms**; and the State Dinner at the Iowa Capitol. Separate daytime activities will be available for the adult guests and children of attendees.

---

The Council of State Governments was founded in 1933 as a national, bipartisan organization to assist and advance state government. The headquarters office, in Lexington, Ky., is responsible for a variety of national programs and services, including research, reference publications, innovations transfer, suggested state-legislation and interstate consulting services. The Midwestern Office supports several groups of state officials, including the Midwestern Legislative Conference, an association of all legislators in 11 states: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. The Canadian provinces of Alberta, Manitoba, Ontario and Saskatchewan are MLC affiliate members.
Midwest legislators chosen by peers to take part in summer leadership institute

Thirty-nine legislators from 11 Midwestern states will be part of the 23rd class of the Bowhay Institute for Legislative Leadership Development.

A bipartisan committee of the region’s legislators met in early May to make the selections. BILLD is the premier leadership program for newer legislators in the Midwest. This year, nearly 100 lawmakers applied for a BILLD fellowship.

The institute will take place on Aug. 11-15 in Minneapolis. It will include a mix of sessions on public policy, professional development and leadership training. Sessions are led by policy experts from the University of Minnesota’s Humphrey School of Public Affairs; legislative leaders from the Midwest; and specialists in areas such as media training, consensus building and time management.

The highly interactive curriculum also gives participants the chance to meet, learn from and work with lawmakers from across the region.

Along with the state representatives and senators selected by the Midwestern Legislative Conference BILLD Steering Committee, a handful of provincial lawmakers will participate in this year’s institute. (The Canadian provinces are affiliate members of the MLC.)

CSG Midwest provides staff support to the MLC and its BILLD program. The BILLD Steering Committee is led by three state legislators: Indiana Rep. Ed Clere and Ohio Sen. Cliff Hite, the committee co-chairs; and Iowa Rep. Rob Taylor, vice chair.

Here is a list of this year’s BILLD Fellows.

**Illinois**
- Sen. Dale Fowler
- Rep. Sonya Harper
- Rep. Anna Moeller

**Indiana**
- Sen. Elizabeth Brown
- Rep. Joe Taylor

**Iowa**
- Sen. Jeff L. Edler
- Rep. Ashley Hinson
- Rep. Charlie McConkey

**Kansas**
- Rep. Erin Davis
- Rep. Linda Gallagher
- Sen. Pat Pettry
- Sen. Dinah Sykes

**Michigan**
- Rep. John Bizon
- Rep. Beth Griffin
- Rep. Abdullah Hammoud

**Minnesota**
- Rep. Jeff Backer
- Rep. Barb Haley
- Rep. Dave Pinto

**Nebraska**
- Sen. Brett Lindstrom
- Sen. Tony Vargas
- Sen. Anna Wishart

**North Dakota**
- Sen. Brad Beckedahl
- Rep. Brandy Pyle
- Rep. Shannon M. Roers Jones

**Ohio**
- Rep. Theresa Gavareone
- Rep. Nathan Manning
- Rep. Kent Smith

**South Dakota**
- Rep. Thomas Holmes
- Rep. Tim Reed
- Rep. James Robert Smith

**Wisconsin**
- Rep. David Bowen
- Rep. Rob Brooks
- Rep. Mark Spreitzer
- Rep. Nancy VanderMeer

**Alberta**
- MLA Chris Nielsen

**Manitoba**
- MLA Nahanni Fontaine

**Ontario**
- To be determined

**Saskatchewan**
- MLA Steven Bonk

About the BILLD program
- Only leadership program designed exclusively for newer state legislators from the Midwest (in their first four years of service)
- A signature program of CSG Midwest’s Midwestern Legislative Conference
- The program’s academic partner is the University of Minnesota’s Humphrey School of Public Affairs
- There are more than 750 BILLD graduates, including current members of the U.S. Congress and several of the Midwest’s top legislative leaders
- Contact Laura Tomaka at CSG Midwest for more information: ltomaka@csg.org or 651.925.1922

contact Laura Tomaka at CSG Midwest for more information: ltomaka@csg.org or 651.925.1922

Contact: Laura Tomaka (ltomaka@csg.org) 651.925.1922
csgmidwest.org

Contact: Laura Kliewer (lkliewer@csg.org) 859.244.8000
csg.org

Contact: Gail Meyer (gmeyer@csg.org) 630.925.1922
csgmidwest.org

Contact: Kelley Arnold (karnold@csg.org) 722.388.1910
csg.org/leadershipcenter/tollfellows.aspx

Contact: Lisa Janairo (ljjanairo@csg.org) 920.458.5910
greatlakeslegislators.org

Contact: Laura Kliewer (lkliewer@csg.org) 859.244.8000
csg.org

Contact: Kelley Arnold (karnold@csg.org) 859.244.8000
csg.org

72ND ANNUAL MEETING OF THE MIDWESTERN LEGISLATIVE CONFERENCE
July 9-12, 2017
Des Moines, Iowa
Contact: Gail Meyer (gmeyer@csg.org) 630.925.1922
csgmidwest.org

23RD ANNUAL BOWHAY INSTITUTE FOR LEGISLATIVE LEADERSHIP DEVELOPMENT (BILLD)
August 11-15, 2017
Minneapolis, Minnesota
Contact: Laura Tomaka (ltomaka@csg.org) 651.925.1922
csgmidwest.org

CSG HENRY TOLL FELLOWSHIP PROGRAM
August 25-30, 2017
Lexington, Kentucky
Contact: Kelley Arnold (karnold@csg.org) 800.800.1910
csg.org/leadershipcenter/tollfellows.aspx

GREAT LAKES LEGISLATIVE CAUCUS MEETING
September 22-23, 2017
Toronto, Ontario
Contact: Lisa Janairo (ljjanairo@csg.org) 920.458.5910
greatlakeslegislators.org

MIDWEST INTERSTATE PASSENGER RAIL COMMISSION MEETING
October 9-11, 2017
Wichita, Kansas
Contact: Laura Kliewer (lkliewer@csg.org) 630.935.1922
miprc.org

CSG NATIONAL CONFERENCE
December 14-16, 2017
Las Vegas, Nevada
Contact: Kelley Arnold (karnold@csg.org) 859.244.8000
csg.org

11
Indiana becomes fifth Midwest state since 2015 to raise gas tax

Indiana has become the latest state in the Midwest to raise the gas tax and user-based fees to generate more revenue for its transportation infrastructure.

The 10-cent increase on motor fuels takes effect on July 1; it will result in Hoosier motorists paying a total of 28 cents per gallon of gasoline. In subsequent years, through 2024, Indiana’s gas tax will be indexed to inflation, though annual increases will be limited to 1 cent per gallon.

In 2015, legislatures in Iowa, Michigan, Nebraska and South Dakota raised taxes on motor fuels to invest more in their transportation infrastructures.

Under Indiana’s HB 1002, which was signed into law in April, an estimated $1.2 billion will be generated annually for the state’s existing registration fee). The owners of hybrid and electric vehicles will be subject to a separate fee as well — $50 and $150, respectively. Indiana lawmakers also direct fees to generate more revenue for its transportation infrastructure.

Wisconsin wants to be first state to require Medicaid drug screening

Some Medicaid recipients in Wisconsin will have to submit to drug screenings and tests if federal officials give the OK to a demonstration waiver submitted by the state in April.

This new requirement would apply to childless adults who are eligible for health insurance through the BadgerCare Plus program. As a condition of eligibility, individuals would have to complete a state-administered questionnaire. If the answers indicate possible abuse of a controlled substance, a drug test would be required. For anyone who tests positive, Medicaid eligibility would be contingent on completing a substance-abuse treatment program.

According to The Washington Post, Wisconsin would be the first U.S. state to mandate drug screening for Medicaid enrollees. Its waiver also calls for a 48-month time limit for childless adults who are not working or not in a job training program. In addition, Wisconsin wants to establish monthly premiums (between $0 and $10, based on income) and increase co-payments for multiple trips to the emergency room.

For the state’s entire Medicaid population, Wisconsin is looking to fully cover residential treatment for substance abuse disorders.

Nebraska joins states requiring dense breast tissue notification

Nebraska Gov. Pete Ricketts in April signed LB 195, also known as “Cheri’s Law,” requiring that women be notified of breast tissue density following mammograms. It had passed the states’ Unicameral Legislature by a vote of 48-0.

The law requires that written notice be given to women if a mammogram reveals heterogeneous or extremely dense breast tissue. Such tissue can make breast cancer more difficult to detect. Under the new law, mammography patients must be told that a finding of dense breast tissue is normal, and that notice is being given to raise awareness and so patients can further discuss risk factors and detection methods with their doctor.

According to the Nebraska Radio Network, the law was named for Cheri Rauth, an Omaha, Nebraska resident who died of breast cancer within 16 months of a mammogram due, her family believes, to dense breast tissue.

Nebraska is now among 12 states with breast density reporting laws, including Michigan, Minnesota, North Dakota and Ohio. Illinois and Indiana have public education efforts, but do not require reporting, according to Dense-Breast-info.org.

Breast cancer is the second leading cause of cancer death among women.

Iowa sends message with stiffer penalties: Don’t text and drive

In 2016, drivers distracted by their phones or other devices caused 1,230 crashes on Iowa roads, nearly double the number from a decade ago, state statistics show.

This year, the state’s lawmakers passed two bills to crack down on these motorists. Under SF 444, an individual’s use of a “hand-held electronic communication device to write, send or view an electronic message” while driving is considered “reckless.” If this activity results in the unintentional death of another person, the driver would be charged with a Class C felony, punishable by up to 10 years in prison.

A second bill signed into law, SF 234, makes texting while driving a primary offense, The Des Moines Register reports. This will allow police officers to pull over a motorist whom they suspect of texting while driving.

According to the Governors Highway Safety Administration, Iowa had been one of four Midwestern states (Nebraska, Ohio and South Dakota are the others) where texting while driving was a secondary offense. Illinois is the only state in the Midwest that bans all drivers from using hand-held cell phones; other states in the region only restrict young or “novice” drivers.