

Approved: 1-17-96
Date

MINUTES OF THE SENATE COMMITTEE ON PUBLIC HEALTH AND WELFARE.

The meeting was called to order by Chair Sandy Praeger at 10:00 a.m. on January 10, 1996 in Room 526-S of the Capitol.

All members were present except:

Committee staff present: Emalene Correll, Legislative Research Department
Bill Wolff, Legislative Research Department
Jo Ann Bunten, Committee Secretary

Conferees appearing before the committee:

Pam Scott, Kansas Funeral Directors and Embalmers Association, Inc.
Rochelle Chronister, Secretary, Kansas Department of Social and Rehabilitation Services

Others attending: See attached list

Introduction of Bills

Pam Scott, Executive Director, Kansas Funeral Directors and Embalmers Association, Inc., requested introduction of a bill that would allow a bank, savings and loan association, or credit union to pay funds in a pre-arranged funeral account upon receiving any proof of death acceptance to them as fiduciary or trustee of the account. (Attachment 1) Senator Jones made a motion the Committee recommend introduction of the proposed legislation, seconded by Senator Hardenburger. The motion carried.

Testimony on Managed Care, MediGrants and Privatization

Rochelle Chronister, Secretary of the Department of Social and Rehabilitation Services, introduced SRS Commissioners and briefed the Committee on Medicaid Managed Care, MediGrants and Privatization. (Attachment 2)

Secretary Chronister noted that the state's primary Medicaid health reform initiative has been implemented in five counties with additional counties' implementation planned throughout the next year. Three different managed care programs are underway or planned for Medicaid consumers in Kansas. Two of these programs, HealthConnect and PrimeCare Kansas are already on-line in Ellis, Ness, Saline, Ottawa and Wyandotte counties. A third managed care program, Community Care of Kansas, is a research and demonstration program using a special non-profit provider organization and will serve beneficiaries in Sedgwick, Finney, Bourbon and Montgomery counties. By July 1997, 80 percent of the state's 200,000 Medicaid recipients will be part of the state's managed care program.

Committee discussion related to choice of physicians by Medicaid consumers, contracts with out-of-state providers, CCK program beneficiaries under age 6, proposed grants to states, financial assistance to nursing home residents, Foster Care Debt Recovery Effort and electronic transfer. Because of numerous questions from the Committee and lack of time, the Chair suggested that members submit questions in writing to her or the Committee Secretary. Such questions would be answered at a later Committee meeting by the appropriate SRS Commissioner or Secretary Chronister.

Adjournment

The meeting was adjourned at 11:00 a.m.

The next meeting is scheduled for January 11, 1995.

SENATE PUBLIC HEALTH AND WELFARE COMMITTEE
GUEST LIST

DATE: 1-10-96

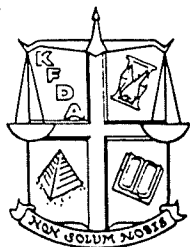
NAME	REPRESENTING
Blonna J. Kidd	K4A Directors (AAAs)
Bob Harder	SELF
Kathy Kirk	OJA
Janet Schalamsky	SRS
Mike Huttles	SRS
Rochelle Chronister	SRS
Ann Hocij	SRS
Tracy W. Gith	SRS
John Bedger	SRS
Mary S. Hoover	SRS
TK Shively	KU
Melissa Wangemann	Hein, Ebert & Weir
Julie Hein	"
Jeon Kahn	KS Gship Prog.
D. B. Dallan	DOB
Joe Furganic	KCA
Tom Bruno	Allen Assoc.
Rich Attwile	Health Midwest
Genny Nicholas	Children's mercy Hosp.

SENATE PUBLIC HEALTH AND WELFARE COMMITTEE GUEST LIST

DATE: 1-10-96

NAME	REPRESENTING
Joann Wiley	Speaker - Ks. Silver Haird Legislature
David Hanzlick	KS Dental Ass'n
Taylor Markle	KS Dental Ass.
Bill Sneed	KFDA
Pat Scott	KFDA
Bda Williams	Ks Pharmacist Assoc.
Meegan Griggs	Steve Keeney & Assoc.
Shannon Jones	SILCK
JASON PITSCHBORGER	BRAD SMOOT
Ellen Puckelthun	Assoc. of Cm HCS
Josie Torres	Families Together
<i>[Signature]</i>	<i>[Signature]</i>
Quiba Judicial	Resource Center for Judges

Being



THE KANSAS FUNERAL DIRECTORS AND EMBALMERS ASSOCIATION, INC.

EXECUTIVE OFFICE — 1200 KANSAS AVENUE, P.O. BOX 1904
TOPEKA, KANSAS 66601

PHONE 913-232-7789 FAX 913-232-7791

AFFILIATED WITH N.F.D.A.

January 10, 1996

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Executive Director
PAMELA SCOTT
Topeka

To: Senate Public Health & Welfare Committee
From: Pam Scott, Executive Director
Re: Amendment to K.S.A. 16-304

On behalf of the Kansas Funeral Directors and Embalmers Association (KFDA), I am asking this committee to introduce a bill containing the attached amendment to K.S.A. 16-304.

BOARD OF DIRECTORS

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Manhattan

DANE SCHERLING
Smith Center

STEPHEN PRICE
Leoti

LARRY ENFIELD
Norton

The proposed amendment would allow a bank, savings and loan association, or credit union to pay funds in a pre-arranged funeral account upon receiving any proof of death acceptable to them as fiduciary or trustee of the account. Current law provides that a certified copy of a death certificate is the only form of proof of death they can accept.

Thank you for your consideration.

Senate Public Health & Welfare
Date: 1-10-96
Attachment No. 1

"Together — Stronger Than Ever"

16-304. PAYMENTS UPON DEATH, CONDITIONS; BALANCES. If any balance remains in the account upon the death of the person for whose services the funds were paid, the same shall not be paid by such bank, credit union or savings and loan association to the person, association, partnership, firm or corporation until the expiration of at least five days after the date of death of the person for whose services such funds were paid. The funds shall not be paid by the bank, credit union or savings and loan association until a certified copy of the death certificate of such person, a verification of death form, or other acceptable proof of death shall have been furnished to the bank, credit union or savings and loan association, together with a verified statement setting forth that all of the terms and conditions of such agreement have been fully performed by the person, association, partnership, firm or corporation. If any balance remains in the fund after disposition of the fund in accordance with the terms of the agreement, contract or plan such balance shall inure to the benefit of the estate of the purchaser of the agreement, contract or plan.

HISTORY: L. 1953, ch. 54, & 4; L. 1973, ch. 86, & 5; L. 1976, ch. 97, & 4; L. 1983, ch. 76, & 4; L. 1989, ch. 48, & 73; July 1.

**Kansas Department of Social and Rehabilitation Services
Rochelle Chronister, Secretary**

**Senate Committee on Public Health and Welfare
Testimony on Managed Care, Medigrants and Privatization**

January 10, 1996

Madam Chairman and Members of the Committee, thank you for the opportunity to testify today concerning Long Term Care Transition, Managed Care, Medigrants and Privatization.

Managed Care

After more than two and one-half years of planning, Medicaid managed care -- the state's primary Medicaid health reform initiative -- has been implemented in five counties with additional counties' implementation planned throughout the next year. The hard work of scores of consumers, physicians, pharmacists, nurses, ancillary providers, hospitals, state staff, and consumer advocates is coming to fruition as managed care comes on line.

SRS was mandated by the Kansas Legislature to implement Medicaid managed care programs statewide for the Aid to Families with Dependent Children (AFDC) and poverty level pregnant women and children populations by July 1, 1997. To meet this goal, SRS established a statewide implementation committee, as well as local community workgroups, to solicit input and recommendations from the community, medical providers and Medicaid beneficiaries and advocates. The enclosed Fact Sheets give the background and history of the managed care project.

With managed care, SRS is completely revamping the way medical services are provided to vulnerable Kansans. Under the new system, Medicaid consumers -- primarily women, children, and the disabled -- designate a primary care provider for their health care needs. The primary care provider supplies all preventive and primary medical services and refers patients to specialists when needed.

The goals of managed care are five-fold:

- increase access to medical care for the population served by Medicaid;
- improve the quality of medical services;
- contain cost increases;
- preserve individual rights and dignity; and
- communicate better with health care providers.

Three different managed care programs are either under way or planned for Medicaid consumers in Kansas. Two of these programs, HealthConnect and PrimeCare Kansas, are already on line in five counties: Ellis, Ness, Saline, Ottawa, and Wyandotte counties. By July 1997, 80 percent of the state's 200,000 Medicaid recipients will be part of the state's managed care program.

Senate Public Health & Welfare
Date: 1-10-96
Attachment No. 2

- **HealthConnect**, already operating in Ellis, Ness, Saline, Ottawa, and Wyandotte counties, is a primary care case management program where consumers designate a primary care provider for all their health care needs. The primary care provider, which could be a doctor, an advanced registered nurse practitioner, or health care provider within a clinic, will supply all preventive and primary medical services and refer patients to specialists when necessary. With HealthConnect, health care providers annually pick a caseload size they want from the Medicaid population, whether it be ten or 1,800. Medicaid recipients choose from among those providers who have agreed to see a certain number of Medicaid recipients.

**Current number of providers who have approved HealthConnect Contracts
as of January 3, 1996**

County	Number of Case Managers with Approved HealthConnect Contracts*	Total Number of HealthConnect Slots** Available	Number of Slots** Needed in County (as of 11/21/95)
Ellis	14	14,832	1,406
Ness	3	225	92
Saline	25	2,868	3,108
Ottawa	3	300	209
Wyandotte	114	97,955	18,326
Johnson	60	17,625	5,826
Leavenworth	16	9,300	2,899
Douglas	19	6,046	3,478
Shawnee	30	13,866	10,810
Sedgwick	140	59,833	32,413
Total	424	204,925	78,567

*(Some contracts have been returned to providers for additional information)

**Slot = an opening in a provider's practice reserved for a Medicaid beneficiary

- **PrimeCare Kansas**, already operating in Wyandotte county, is a managed care program using health maintenance organizations (HMOs) under contract with the state where consumers can choose to enroll in an HMO and will choose a primary care provider within

the HMO. The HMO is then responsible for acting as an insurance company and providing most of the Medicaid beneficiaries' care. PrimeCare Kansas is a capitated managed care program. A set monthly fee is paid in advance to HMOs to provide medical services.

- A third managed care program for Medicaid consumers, **Community Care of Kansas (CCK)**, is a research and demonstration program using a special non-profit provider organization under contract with the state. It will serve beneficiaries in Sedgwick, Finney, Bourbon and Montgomery counties. CCK is designed to demonstrate a community-wide approach to Medicaid managed care that will enhance the choice of health care providers. Mental Health is included in the benefit package. Under the demonstration project, beneficiaries will be guaranteed enrollment in CCK for a minimum of 6 months. Beneficiaries under age 6 who were formerly eligible for Medicaid and their families' income remains under 200% of the federal poverty level will remain enrolled in CCK until they reach the age of 6.

The collaboration between SRS staff, medical community representatives, and Medicaid consumers has been instrumental in the development of the new managed care programs. As the new managed care programs come on-line, there is bound to be an adjustment period for consumers and providers. Toll-free numbers have been established by all HMOs to field consumer and provider inquiries. SRS has also established toll-free hot lines for consumers and providers to ask questions and to raise their concerns.

MediGrants

The Reconciliation Bill (HR 2491) included a new health care program for low income individuals, persons with disabilities, and the elderly called "MediGrant". It replaces the current Medicaid program under Title XIX, proposes an entitlement to states and operates as a shared state and federal program. The President vetoed HR 2491 and submitted his own proposal which maintains individual entitlements, establishes a per capita cap, increases flexibility for states and reduces and retargets disproportionate share hospital spending. Both proposals mandate specific groups of persons to be served through the Medicaid program. The Reconciliation Bill mandates immunizations and family planning services only while the President's bill maintains the existing mandated services.

The future of the federal Medicaid program is, of course, part of the negotiations between the President and Congress. Discussion is very high level with the key issues being: per capita cap versus an aggregate cap, mandatory groups, and the level of federal participation. It is difficult to predict the outcome of the debate on federal health care entitlements and thus we are unable to define which statutes may need to be changed.

Privatization

SRS is pursuing privatization on both operational and service levels seeking improved services, flexibility, and efficiency. Privatization may involve an entire operation or a subset. Following are the areas where privatization is currently being pursued and implemented, as well as those areas being explored.

Children and Family Services

- Family Preservation: involves five regions statewide; implemented July 1, 1996; a Request For Proposal (RFP) has been issued.
- Adoption: one region statewide, implemented August 1, 1996.
- Foster/Group Care: five regions statewide; implemented September 1, 1996.

Income Maintenance and Employment Preparation Services

- Kanwork Training Agreements: initiated January 1, 1996; \$750,000 is available for five training components for January to June; services include client job assessments, job search, job development and job placement.
- Child Care: in the discussion and information-gathering stages.
- Electronic transfer of AFDC and Food Stamp Benefits; contract awarded to Deluxe Data Systems of Milwaukee, Wisconsin; implementation phased-in over nine months starting July 1, 1996.

Rehabilitation Services

- Kansas Industries for the Blind: implemented July 1, 1996; RFP to be issued in early February.
- Kansas Quality Assurance Screening: a screening program for certification of sign language interpreters operated by the Kansas Commission for the Deaf and Hard of Hearing; implemented July 1, 1996.

Child Support Enforcement

- Foster Care Debt Recovery Effort: RFP will be issued after February 1, 1996.
- Enforcement of child support enforcement orders: RFP will be issued after February 1, 1996.

Mental Health and Developmental Disabilities

- Medical Services at Topeka State Hospital: implemented October 1, 1995; operation of Ancillary Services (laboratory, X-ray, pharmacy and others).
- Medical Services at Osawatomie State Hospital: the hospital is discussing a similar arrangement with the University of Kansas Medical Center.
- Community Developmental Disabilities Organization staff training: to train CDDO staff and organize the annual Kansas Conference on Developmental Disabilities; estimated FY 96 expenditures total \$118,000.
- Food Service: in collaboration with the Department of Corrections, an RFP was issued the week of January 2, food service operations in state hospitals, youth centers and correctional facilities.

Adult and Medical Services

- Pharmacy Rate Setting: ongoing.
- Hospital Utilization Review: ongoing.
- Hospital Rate Setting: ongoing.
- Third Party Liability Collection: ongoing.
- Capitated Managed Care: over time.
- Contracts with Information Technology Vendors: ongoing.
- Direct Delivery Services in Home and Community Based Services: completion by July 1, 1997.
- Case Management: completion by July 1, 1997.

01/08/96

2-6

SRS MEDICAID MANAGED CARE

FACT SHEET #1

Kansas Department of Social and Rehabilitation Services
Rochelle Chronister, Secretary

SRS MEDICAID MANAGED CARE MISSION STATEMENT

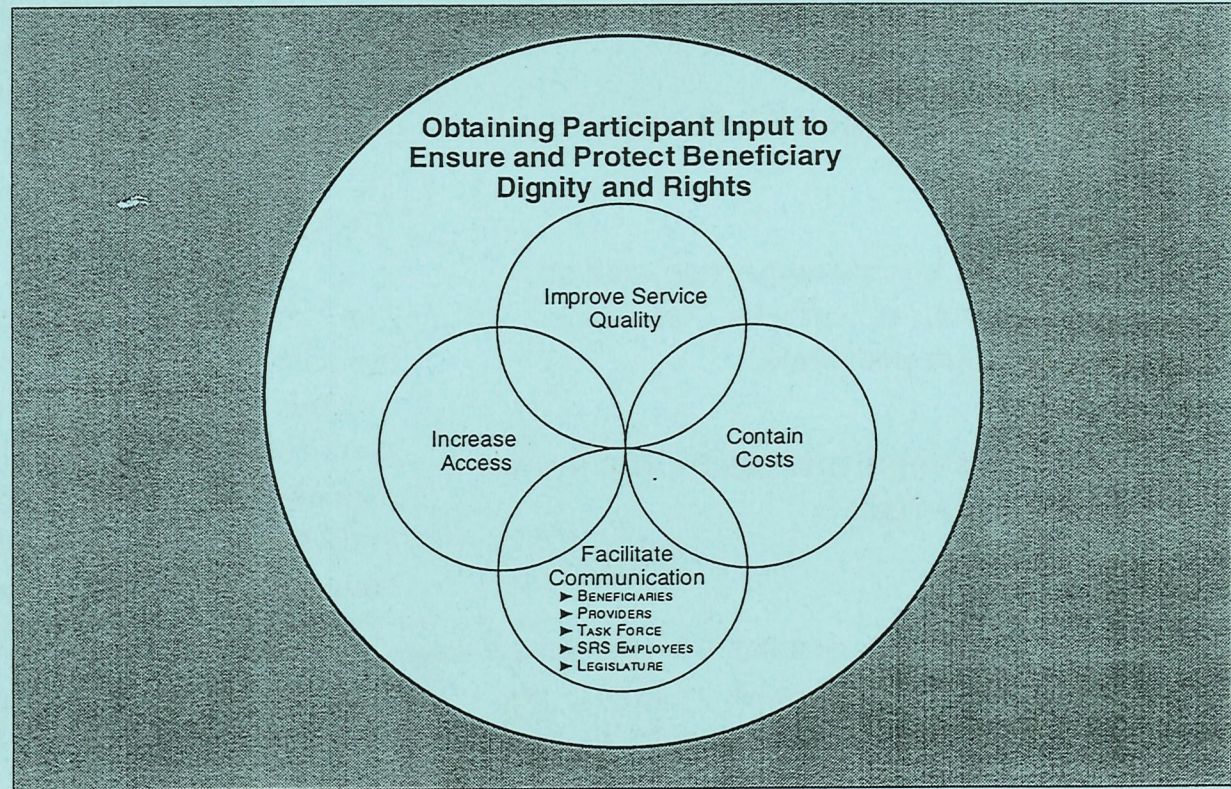
SRS seeks to improve the quality, access and cost effectiveness of health care provided to eligible persons through managed health care solutions, while recognizing and preserving individuals' rights and dignity.

WHAT IS MANAGED CARE?

Managed care is a form of health plan (i.e., fully prepaid, partially pre-paid, or case management with post-paid services) providing health care services to patients using a single doctor or organization to emphasize preventive health care and a reduction in unnecessary care and high costs.

GOALS OF KANSAS MANAGED CARE

- IMPROVE SERVICE QUALITY
- INCREASE ACCESS
- CONTAIN COST INCREASES
- COMMUNICATE WITH INTERESTED PARTIES
- ENSURE AND PROTECT BENEFICIARIES DIGNITY AND RIGHTS



OVER

GOALS OF THE SRS MEDICAID MANAGED CARE PROJECT

GOAL 1

To improve the quality of services provided to the Medicaid population.

GOAL 2

To improve Medicaid beneficiaries' access to health care through managed care.

GOAL 3

To contain the increases in state Medicaid costs through managed care.

GOAL 4

To communicate with interested parties such as beneficiaries, the Legislature, citizens, task force members and health care providers.

GOAL 5

To receive beneficiary input and ensure and protect beneficiaries dignity and rights.

MANAGED CARE IN KANSAS

The two types of managed care that will be established in the Kansas Medicaid program are:

- **Kansas Prepayment for All Health Care Services.** This type of fully capitated care works best in urban areas with several existing Health Maintenance Organizations (HMOs). HMOs will contract with the State in the PrimeCare Kansas project. A similar model is being proposed in Wichita with the Community Care of Kansas (CCK) project.
- **Primary Care Case Management (PCCM).** Providers are reimbursed on a fee-for-service basis in addition to a monthly case management fee. This type of managed care works best in rural and urban areas with no other managed care plans or for high cost patients. Kansas Medicaid presently has a PCCM program, called HealthConnect, in 7 counties.

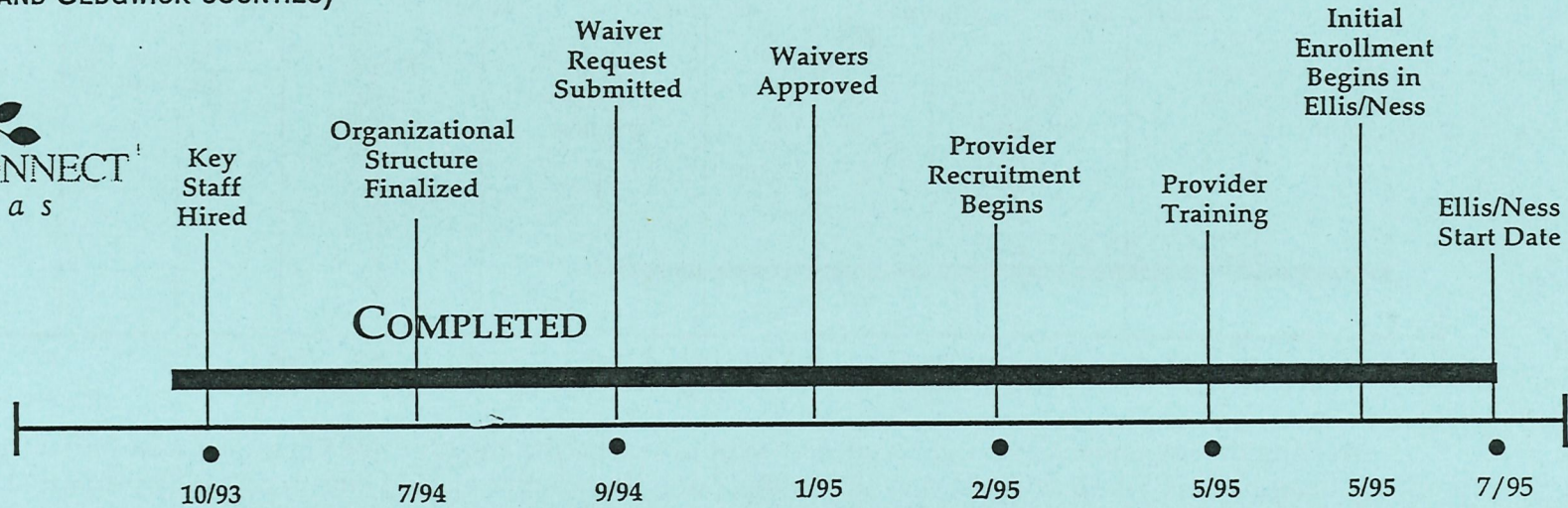
SRS was mandated by the Kansas Legislature to implement managed care programs statewide by July 1, 1997. To meet this goal, the Secretary of SRS established a statewide Implementation Committee, as well as local community workgroups, to solicit input and recommendations from the community, medical providers and Medicaid beneficiaries and advocates.

2-7

2-8

SRS MEDICAID MANAGED CARE FACT SHEET #2

PRIMARY CARE CASE MANAGEMENT / HEALTHCONNECT (ELLIS/NESS, WYANDOTTE, JOHNSON, DOUGLAS, LEAVENWORTH, SHAWNEE, SALINE AND SEDGWICK COUNTIES)



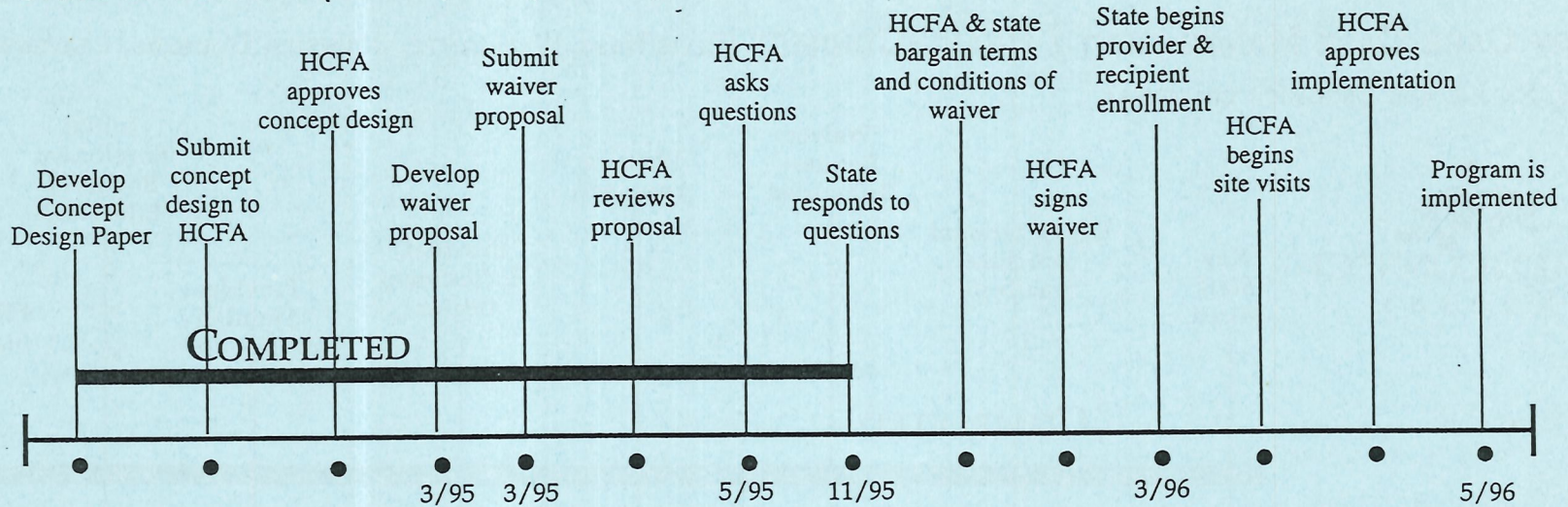
*Remaining counties phased in by 7/1/97.

***COUNTY TIMELINE**

	Ottawa/ Saline	Wyandotte	Leavenworth/ Johnson	Douglas/ Shawnee	Sedgwick
Enrollment Date	September	September	December	Jan./1996	March
Start Date	November	December	Feb./1996	March	May
Status	Completed	Completed	In progress		

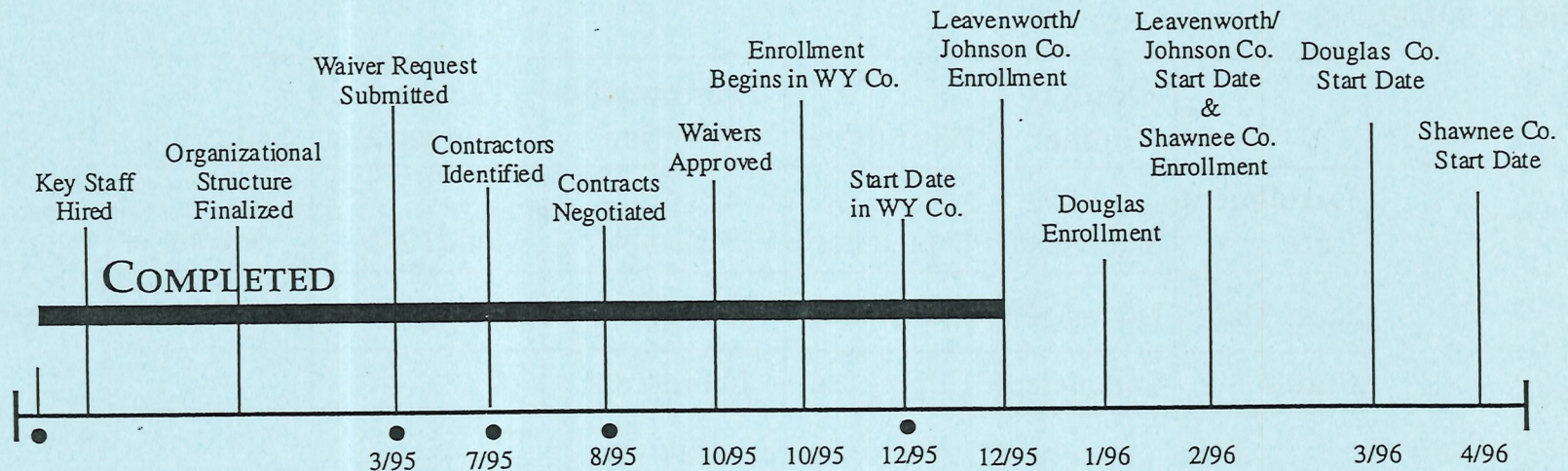
**SRS MEDICAID MANAGED CARE
FACT SHEET #2**

COMMUNITY CARE OF KANSAS (SEDGWICK, FINNEY, BOURBON, MONTGOMERY COUNTIES)



Meeting the implementation date is subject to approval by the Health Care Financing Administration.
Length of HCFA review will vary depending upon the number of 1115 waivers already submitted.

HMO / PRIMECARE KANSAS (WYANDOTTE, JOHNSON, DOUGLAS, LEAVENWORTH, SHAWNEE COUNTIES)



6-6

SRS MEDICAID MANAGED CARE

FACT SHEET #3

2-10

PLAN FOR THE STATEWIDE PHASE-IN FOR MEDICAID MANAGED CARE

Prog. Start Date	Program	Populations	Counties
1984	PCN (now HealthConnect)	AFDC/PLE/SSI/GA	Saline, Sedgwick, Douglas, Wyandotte, Leavenworth, Johnson, Shawnee
July 1995	HealthConnect	AFDC/PLE/SSI/GA	Ellis, Ness
November 1995	HealthConnect	AFDC/PLE/SSI/GA	Ottawa
December 1995	PrimeCare Kansas (HMO)	AFDC/PLE	Wyandotte
February 1996	PrimeCare Kansas (HMO)	AFDC/PLE	Johnson, Leavenworth
March 1996	PrimeCare Kansas (HMO)	AFDC/PLE	Douglas
April 1996	PrimeCare Kansas (HMO)	AFDC/PLE	Shawnee
May 1996	Community Care of Kansas	AFDC/PLE	Sedgwick
August 1996	PrimeCare Kansas (HMO) HealthConnect	AFDC/PLE/SSI/GA	Atchison, Miami, Franklin
September 1996	Community Care of Kansas	AFDC/PLE	Bourbon, Montgomery

This chart is a skeleton plan to implement the statewide Medicaid managed care program.

As experience is gained through the pilot projects and federal mandates for health care change, the timelines may be adjusted.

Key to Populations:

AFDC: Aid to Families with Dependent Children

PLE: Poverty Level Eligible

SSI: Supplemental Security Income

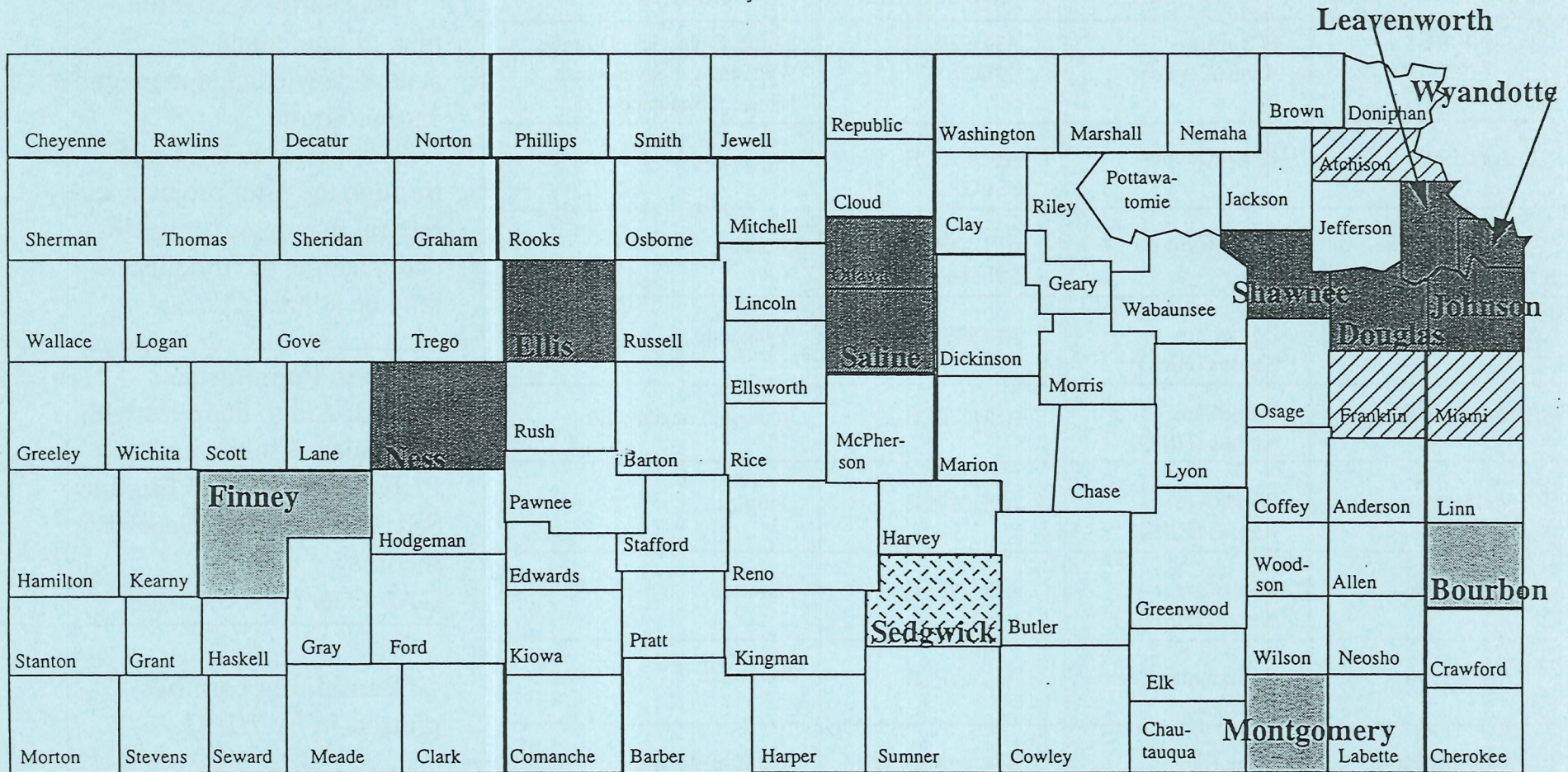
GA: General Assistance


***Remaining counties phased-in by 7/1/97.**


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
SRS MEDICAID MANAGED CARE


FACT SHEET #3



 Future Managed Care County

 Current Managed Care County

 1115 Waiver County

 Combination County: 1115 Waiver/Current

11-6

SRS MEDICAID MANAGED CARE

FACT SHEET #4

PROGRAM INTEGRITY AND QUALITY MANAGEMENT

When establishing a quality assurance plan for Kansas Medicaid Managed Care, SRS must follow federal guidelines and the framework for Quality Assurance established by the Health Care Financing Administration (HCFA). In 1991, HCFA began to develop a recommended framework for a Health Care Quality Improvement System for state Medicaid managed care programs. HCFA recommends the following five elements be included in that framework:

- **Quality Assurance Program** - HCFA requires the managed care organization have an internal quality assurance program which contains clear and detailed standards as set forth by the State and is effective and reliable in monitoring and evaluating service provision and also is responsive to the need for corrective action to effect improvement in identified problem areas.

- **State Monitoring** - HCFA requires the State to assess to what extent the QAP meets the State-specified standards, to have annual independent, external review of service quality (HMOs) and to have annual medical audits of pre-paid health plans.

- **Federal Oversight** - HCFA requires itself to monitor the State's oversight of Health Maintenance Organizations and Primary Care Case Managers for the acceptability of the Quality Assurance Program and the performance/outcome of annual reviews/audits of Health Maintenance Organizations and Primary Care Physicians.

- **Recipient Involvement in HCQIS** - HCFA requires states and Health Maintenance Organizations and Prepaid Health Plans, such as PrimeCare Kansas and Community Care of Kansas, to have an enrollee grievance process provided within the managed care organization and Medicaid agency.

- **Monitoring and Evaluating the HCQIS** - HCFA recommends that each state monitor, evaluate and revise the state's Health Care Quality Improvement System on a periodic and regular basis.

CONSUMER ENROLLMENT IN MEDICAID MANAGED CARE

The consumer enrollment process will educate and enroll consumers in a timely manner to facilitate assignment to a case manager as quickly as possible. Individual counseling can be targeted at consumers identified as having problems accessing care properly.

Under the new enrollment system, consumers will be given a choice of managed care providers and plans. After a set amount of time, if the client has not chosen a managed care option, they will be assigned to a managed care plan/provider on a pre-determined, rotating basis.

Consumers will only be allowed to change managed care providers if they have good cause to do so. A semi-annual open enrollment period will be offered so that enrollees may change plans without cause.

Five regional coordinators will be based in SRS area offices and supervised by Central Office during managed care implementation. The coordinators will have the following responsibilities:

- Coordinate consumer enrollment in the PCCM program and the capitated managed care program with the outside contractor and the Commission of Adult and Medical Services.

- Develop and conduct consumer workshops to offer education and training to consumers on the philosophy of managed care and the enrollment process.

- Offer a personal contact for consumers needing further explanation of the system and enrollment procedures.

- Educate and train local office staff on the managed care program and the enrollment process.