

MINUTES OF THE SENATE HEALTH CARE STRATEGIES COMMITTEE AND THE HOUSE
SELECT COMMITTEE ON HEALTHCARE

The JOINT meeting was called to order by Chairman Susan Wagle at 12:15 P.M. on March 24, 2005 in Room 514-S of the Capitol.

Committee members absent:

Committee staff present: Ms. Audrey Dunkel, Kansas Legislative Research Department
Ms. Susan Kannarr, Kansas Legislative Research Department
Ms. Emalene Correll, Kansas Legislative Research Department
Ms. Terri Weber, Kansas Legislative Research Department
Mr. Jim Wilson, Revisor of Statutes Office
Ms. Margaret Cianciarulo, Committee Secretary

Conferees appearing before the committee:

Informational Meeting and handouts regarding SB 306 - Kansas Health Policy Authority

The Chair announced that this was an informational joint meeting of the Senate Health Care Strategies Committee and the House Select Committee on Healthcare and turned the meeting over to Representative Neufeld who recognized Ms. Audrey Dunkel, Kansas Legislative Research Department, who explained the following handouts regarding the policy work including:

1) The green sheet s - a written overview of the Kansas Health Policy Authority and of the legislation which would be **SB306** and **HB2531**. Ms. Dunkel, with this attachment, explained the new division established with the Department of Administration, the new agency established, the purpose of the Kansas Health Policy Authority, the authority membership, legislative oversight, functions of the authority, agency operations and staffing. Referring to page 2 shows the time line and responsibilities which are being handled by Ms. Susan Kannarr, Kansas Legislative Research Department;

2) The butter colored sheets - two-column comparison of what is in the ERO versus is in this new proposed legislation;

A copy of her handouts is (Attachment 1) attached hereto and incorporated into the Minutes as referenced.

Ms. Dunkel then introduced Ms. Susan Kannarr, who offered explanation on the next two handouts including:

1) Referring to the legal size sheet entitled, "Kansas Health Policy Authority Timeline **HB2531** and **SB306** As Introduced" explaining these are identical bills, just different names and numbers and proceeded to explain how they anticipate the flow of moving of the various authorities and programs;

2) The second handout, "Kansas Health Policy Authority **HB2531** and **SB306** As Introduced" is a vision of what the authority would look like, presuming how they would fit into the structure of the authority, which they would be establishing.

A copy of her handouts is (Attachment 2) attached hereto and incorporated into the Minutes as referenced.

Representative Neufeld then asked Chairperson Wagle if she would like to take over the next part of the meeting. Chairperson Wagle who stated that this being an informational meeting and her Committee is just now seeing the "buttercup" handout, what their plan is to take a look at this handout, asks questions of Staff and then they hope to have a hearing on this **SB306** next week. She then opened the meeting up for questions which came from Senators Haley, Palmer, Wagle and Barnett, Representatives Neufeld, Kirk, and Feuerborn for Ms. Dunkel, Ms. Kannarr, and Mr. Wilson including: where is SRS in this plan, are there new positions created and how many full time employees, how much roughly will this cost and do we have a percentage of the budget set aside for this and if so what is the percentage, will this save us money (any projection to suggest this authority will save us dollars or change the quality of health care,

CONTINUATION SHEET

MINUTES OF THE Senate Health Care Strategies Committee at 1:30 P.M. on March 24, 2005 in Room 231-N of the Capitol.

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how do federal dollars fit into this plan, has this been looked at in other states, regarding the Board members are non-Kansas residents being looked at for these positions, did you look at cost regarding equipment, computers (cost comparisons, administrative costs, etc.) and never having been a member of a "select" Committee, what is our authority and role?

Adjournment

As there were no further questions or discussions, the meeting was adjourned.

The next meeting to be scheduled is on call of the Chair.

at

Kansas Health Policy Authority

HB 2531 and SB 306

As Introduced

New Division Established with the Department of Administration

- A new Division of Health Policy and Finance would be created within the Department of Administration effective July 1, 2005.

New Agency Established

- The Kansas Health Policy Authority would be established as a new state agency within the executive branch effective July 1, 2005.
- The Authority would be sunset five years from the full implementation of the enacting legislation for the Authority - July 1, 2013.

Purpose of the Kansas Health Policy Authority

- The purpose of the Authority is to develop and maintain a coordinated health policy agenda that combines effective purchasing and administration of health care with health promotion oriented public health strategies.
- These efforts are intended to improve the health of the people of the State of Kansas by increasing the quality, efficiency, and effectiveness of health care services and public health programs.

Authority Membership

- The Authority would consist of seven voting member and seven non-voting, ex-officio members.
 - Of the seven voting members, four would be appointed by the Governor, two would be appointed by the Speaker of the House and one would be appointed by the President of the Senate. Voting members would serve four-year staggered and renewable terms and would be subject to Senate confirmation.
 - For the first appointments, the Governor would appoint one member for a two-year term, two members for three-year terms and one member for a four-year term. The Speaker would appoint one member for a four-year term and one member for a two-year term. The Senate President would appoint one member for a four-year term.
 - A chairman would be elected by the members of the Authority from its membership, with the exception of the first chairman, who would be appointed by the Governor from the Authority membership.
 - Ex-officio, non-voting members would include the Secretary of Health and Environment, Director of Health of the Department of Health and Environment, Secretary of the Department of Social and Rehabilitation Services, Commissioner of Insurance, Secretary of Administration, Secretary of Aging, and the Executive Director of the Authority.

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Attachment 1

- Appointments would be made by August 1, 2005
- Voting members of the Authority would be members of the general public who have knowledge and have demonstrated leadership in fields including, but not limited to, health care delivery, health promotion, public health improvement, evidence-based medicine, insurance, information systems, data analysis, health care finance, economics, government, and business.
- A majority of the voting members would be required to be Kansas residents.
- No member of the Legislature may be appointed to the authority.

Legislative Oversight

- A joint Legislative oversight committee would be created by the Legislative Coordinating Council with the exclusive responsibility to monitor operations and decisions of the Authority.

Functions of the Authority

- The Authority would be responsible for the development of a statewide health policy agenda including health care and health promotion components. The Authority would be required to report at the beginning of each Legislative Session to the Legislature starting with the 2007 Session. The report would include recommendations for implementation of the health policy agenda.

Time Line and Responsibilities

- The Regular Medical portion of the Medicaid program, MediKan, State Children's Health Insurance Program (SCHIP), Ticket to Work/Working Healthy, and Medicaid Management Information System (MMIS) would be transferred to the Department of Administration under the new Division of Health Policy and Finance on July 1, 2005. The programs would be overseen by a Director of Health Policy and Finance, appointed by the Governor.
- The Authority would assume the functions of the Health Care Data Governing Board effective January 1, 2006. The Authority would be required to gather, analyze and publish health information collected. A fee may be charged for access to this information.
- The Authority would assume oversight of the Medicaid Drug Utilization Review program effective January 1, 2006.
- On March 1, 2006, the Health Policy Authority would submit a plan to the Legislature for the transfer of the Regular Medical portion of the Medicaid program, MediKan, SCHIP, Ticket to Work/Working Healthy, MMIS, state employees' health insurance program, and state employees workers compensation program from the Department of Administration to the Authority on July 1, 2006.
- The Division of Health Policy and Finance would be abolished on July 1, 2006.
- The Authority would assume operational and purchasing responsibility for the Regular Medical portion of the Medicaid program, MediKan, SCHIP, Ticket to Work/Working Healthy, MMIS,

state employees' health insurance program, and state employees workers compensation program effective July 1, 2006.

- The Authority would be required to submit a plan regarding the transfer of additional Medicaid-funded programs to the Authority at the beginning of the 2007 Session to the Legislature. These programs could include mental health services, Home and Community-Based Services (HCBS) waivers, nursing facilities, substance abuse prevention and treatment, and the state hospitals.
- The Authority would submit recommendations and an implementation plan for the Authority to assume responsibility for health care purchasing functions within other state agencies to the Legislature at the beginning of the 2008 Session. Agencies involved would include the Department of Aging, Department of Education for Local Education Agencies, Juvenile Justice Authority, and Department of Corrections.

Agency Operations

- The Authority would:
 - Establish policies, adopt rules and regulations, and enter into contracts necessary to carry out its duties and responsibilities;
 - Use contracts or written agreements with other state agencies to coordinate health care and health promotion efforts with other state agencies;
 - Establish advisory committees as deemed necessary;
 - Be required to meet not less than one time per month for 12 months in FY2006, then not less than once per quarter in the following years; and
 - Receive no compensation, but would receive reimbursement for expenses in the same manner as Legislators.

Staffing

- The Authority would appoint the Executive Director of the Authority who would then be confirmed by the Senate.
- The Executive Director would have the authority to hire and supervise other personnel.
- To the extent allowable by Kansas statute and case law, personnel in the Authority will be unclassified.
- The Authority would be allowed to hire an interim director to oversee operations until the Executive Director begins employment.
- The Authority would follow normal agency budgeting procedures.

Note: Funding and staffing of the Authority will be addressed during the 2005 Omnibus Session.

Comparison ERO 33 vs. Proposed Health Policy Authority HB 2531 & SB 306 - As Introduced		
	<u>ERO 33</u>	<u>HB 2531 and SB 306</u>
1	The ERO creates a Division of Health Policy and Finance (DHPF) within the Department of Administration.	HB 2531 and SB 306 create a Division of Health Policy and Finance (DHPF) within the Department of Administration.
2	The DHPF will have a director appointed by the Governor.	The DHPF will have a director appointed by the Governor.
3	Does not address.	A new Kansas Health Policy Authority (KHPA) is created as an independent state agency as of July 1, 2005.
4	Does not address.	The KHPA would be sunset five years from the full implementation of the enacting legislation - July 1, 2013.
5	The ERO does not set forth a purpose for the DHPF.	The purpose of the Authority is to develop and maintain a coordinated health policy agenda that combines effective purchasing and administration of health care with health promotion oriented public health strategies. These efforts are intended to improve the health of the people of the State of Kansas by increasing the quality, efficiency, and effectiveness of health care services and public health programs.
6	Does not address.	The authority would consist of 7 voting members, appointed by the Governor (4), Speaker of the House (2), and the President of the Senate (1), all subject to Senate confirmation, serving four-year staggered and renewable terms. Appointments would be made by August 1, 2005. Qualifications of appointees: Voting members of the Authority would be members of the general public who have knowledge and have demonstrated leadership in fields including, but not limited to, health care delivery, health promotion, public health improvement, evidence-based medicine, insurance, information systems, data analysis, health care finance, economics, government, and business. A majority of the voting members would be required to be Kansas residents.
7	Does not address.	For the first appointments, the Governor would appoint one member for a two-year term, two members for a three-year term and one member for a four-year term. The Speaker would appoint one member for a four-year term and one member for a two-year term. The Senate President would appoint one member for a four-year term.
8	Does not address.	A chairman would be elected by the members of the Authority, with the exception of the first chairman, who would be appointed by the Governor.

Comparison ERO 33 vs. Proposed Health Policy Authority

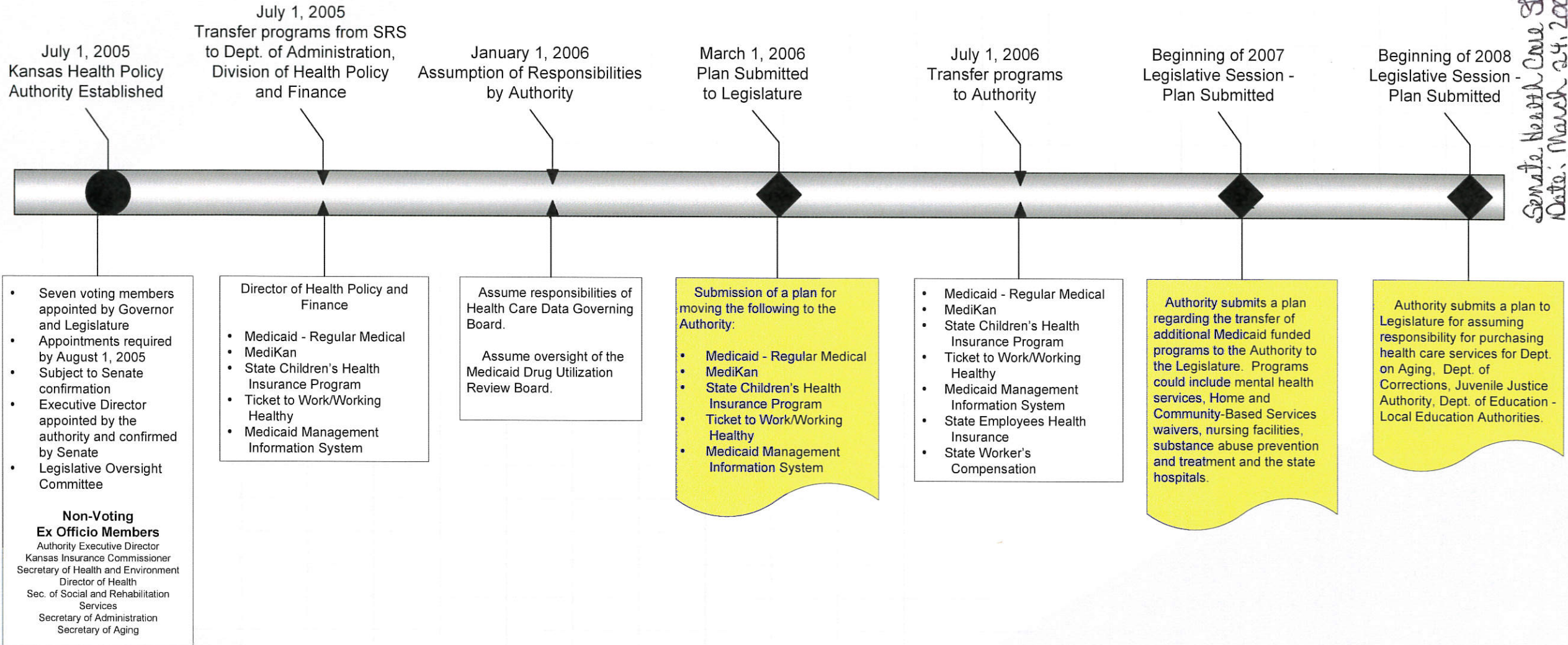
HB 2531 & SB 306 - As Introduced

	<u>ERO 33</u>	<u>HB 2531 and SB 306</u>
9	Does not address.	In addition, the Authority would have 7 non-voting, ex-officio members including the Secretary of Health and Environment, Director of Health of the Department of Health and Environment, Secretary of the Department of Social and Rehabilitation Services, Commissioner of Insurance, Secretary of Administration, Secretary of Aging, and the Executive Director of the Authority.
10	Does not address.	A joint Legislative oversight committee would be created with the exclusive responsibility to monitor operations and decisions of the Authority.
11	Does not address.	The Authority would be responsible for the development of a statewide health policy agenda including health care and health promotion components. The Authority would be required to report to the Legislature at the beginning of each Legislative Session starting with the 2007 Session. The report would include recommendations for implementation of the health policy agenda.
12	The ERO places Medicaid - Regular Medical, State Children's Health Insurance Program (SCHIP), and MediKan under the DHPF on July 1, 2005.	The Regular Medical portion of the Medicaid program, MediKan, State Children's Health Insurance Program (SCHIP), Ticket to Work/Working Healthy, and Medicaid Management Information System (MMIS) would be transferred to the Department of Administration under the DHPF on July 1, 2005.
13	Does not address.	The Authority would assume the functions of the Health Care Data Governing Board and oversight of the Medicaid Drug Utilization Review Board effective January 1, 2006.
14	Does not address.	On March 1, 2006, the Health Policy Authority would be required to submit a plan to the Legislature for the move of the Regular Medical portion of the Medicaid program, MediKan, SCHIP, Ticket to Work/Working Healthy, MMIS, state employees health insurance program, and state employees workers compensation program from the Department of Administration to the Authority.
15	Does not address.	On July 1, 2006, the DHPF would be abolished.
16	Does not address.	The Authority would assume operational and purchasing responsibility for the Regular Medical portion of the Medicaid program, MediKan, SCHIP, Ticket to Work/Working Healthy, MMIS, state employees health insurance program, and state employees workers compensation program effective July 1, 2006.

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Comparison ERO 33 vs. Proposed Health Policy Authority HB 2531 & SB 306 - As Introduced		
	<u>ERO 33</u>	<u>HB 2531 and SB 306</u>
17	The ERO excludes mental health programs, substance abuse treatment and prevention programs, home and community based services (HCBS) waiver, and state hospitals from the responsibilities of the DHPF.	The Authority would be required to submit a plan regarding the transfer of additional Medicaid funded programs to the Authority at the beginning of the 2007 Session to the Legislature. These programs could include mental health services, home and community-based services (HCBS) waivers, nursing facilities, substance abuse prevention and treatment and the state hospitals.
18	Does not address.	The Authority would submit recommendations and an implementation plan for the Authority to assume responsibility for health care purchasing functions within other state agencies to the Legislature at the beginning of the 2008 Session. Agencies involved would include the Department on Aging, Department of Education for Local Education Agencies, Juvenile Justice Authority, and Department of Corrections.
19	The DHPF becomes the contact agency for federal health care reform measures.	Does not address the contact agency for federal health care reform issues. (Function no longer exists)
20	The DHPF becomes the Medicaid State Agency.	The new Authority becomes the Medicaid State Agency.
21	The DHPF has Authority to enter into contracts with state or local agencies to perform services for the Division or delegating functions of the Division to a state or local agency.	The new Authority has general Authority to enter into contracts as needed.
22	The DHPF may establish necessary advisory groups.	The new Authority may establish necessary advisory groups.
23	The ERO changes the name of the Department of Social and Rehabilitation Services to the Department of Human Services.	Does not change the name of the Department of Social and Rehabilitation Services.
24	The ERO transfers personnel and funds as of July 1, 2005.	Transfers personnel and funds as needed as of July 1, 2005 for administration of the new Authority, transfers personnel and funds as of January 1, 2006 for the Health Care Data Governing Board and the Medicaid Drug Utilization Review Board; transfers personnel and funds as of July 1, 2006 for the Regular Medical portion of Medicaid, SCHIP, Ticket to Work/Working Healthy, MediKan, MMIS, state employees health insurance program, and state employees workers compensation program.
25	To the extent allowable by Kansas statute and case law, the DHPF may convert positions to unclassified status.	To the extent allowable by Kansas statute and case law, personnel in the new Authority will be unclassified.

Kansas Health Policy Authority Timeline HB 2531 & SB 306 As Introduced



#29
 Senate Health Care Strategic Committee
 Date: March 24, 2005
 Attachment 2

Kansas Health Policy Authority HB 2531 & SB 306 As Introduced

Kansas Health Policy Authority

- Effective July 1, 2005
- Seven voting members appointed by Governor and Legislature
- Appointments required by August 1, 2005
- Subject to Senate confirmation

Non-Voting Ex Officio Members

Authority Executive Director
 Kansas Insurance Commissioner
 Secretary of Health and Environment
 Director of Health
 Sec. of Social and Rehabilitation Services
 Secretary of Administration
 Secretary of Aging

Executive Director
 Confirmed by the Senate

Health Care Purchasing

Beginning of 2008 Session
 Submit plan to Legislature for assuming responsibility for purchasing health care services for Dept. on Aging, Dept. of Corrections, Juvenile Justice Authority, Dept. of Education - Local Education Authorities.

Health Care Financing

Effective July 1, 2006
 After presentation of plan to Legislature by March 1, 2006, responsible for:

- Medicaid - Regular Medical
- MediKan
- State Children's Health Insurance Program
- Ticket to Work/Working Healthy
- Medicaid Management Information System
- State Employees Health Insurance
- State Worker's Compensation

Beginning of the 2007 Session
 Submit a plan regarding the transfer of additional Medicaid funded programs to the Authority to the Legislature. Programs could include mental health services, Home and Community-Based Services waivers, nursing facilities, substance abuse prevention and treatment and the state hospitals.

State Health Policy and Data

January 1, 2006
 Assume responsibilities of Health Care Data Governing Board on January 1, 2006

Assume Drug Utilization Review Board oversight January 1, 2006

Ongoing responsibilities -

- Develop statewide health policy agenda including health care and health promotion components.
- Annual reports to Legislature and recommendations for implementation of agenda beginning with 2007 Legislature
- Collect, analyze and distribute health information
- Coordinate health policies with state agencies