

MINUTES OF THE SENATE HEALTH CARE STRATEGIES COMMITTEE

The meeting was called to order by Chairperson Susan Wagle at 1:30 P.M. on February 7, 2006 in Room 231-N of the Capitol.

Committee members absent:

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

Conferees appearing before the Committee: Mr. Randy Hearrell, Executive Director,  
Kansas Judicial Council  
Ms. Carol Foreman, Chairman,  
Judicial Council Administrative Procedure Advisory  
Committee

Others in attendance: Please see attached Guest List

### Handout

The Chair opened the meeting by offering a handout from Dr. Ira Stamm, PhD, ABPP who has testified before the Committee and has put together a paper he would like for the Committee to have and read regarding the Kansas Health Policy Authority. It does not relate to what we are addressing today, she said, but again, it does talk about the Kansas Health Policy Authority. A copy of his handout is (Attachment 1) attached hereto and incorporated into the Minutes as referenced.

### Hearing on HB2608 - an act concerning the Kansas Health Policy Authority; relating to Administrative Hearings

The chair then announced the next order of business was a hearing on the above bill and introduced the first of two conferees, Mr. Randy Hearrell, Executive Director, Kansas Judicial Council, who offered information regarding the Judicial Council, its members, when it was organized, its duties, its mission, procedural codes, and 2005 legislation (passing of SB272) and the proposed amendments to K.S.A. 75-37, 121, 75-7413, and 75-7414. No written testimony was offered.

Mr. Hearrell then introduced Ms. Carol Foreman, chairperson of the Judicial Council Administrative Procedure Advisory Committee, who discussed: **SB141** (5 year phase in); touched briefly on the Office of Administration hearing (which will be separate); and stated that **SB272** did not address administration hearings so **HB2608** is a technical bill correcting oversights. A copy of her testimony is (Attachment 2) attached hereto and incorporated into the Minutes as referenced.

Chairperson thanked both conferees and asked for questions or comments from the Committee. Questions came from Senator Palmer regarding: medicaid oversight in the Attorney General's office: is this a conflict; can you give an example of what you would be hearing; formal hearings (ex. for rate settings)?

As there was no further discussion, the Chair asked for the will of the Committee. Senator Brungardt made a motion to move as favorable and because it is noncontroversial in nature, it be placed on the consent calendar. It was seconded by Senator Haley and the motion passed.

### Adjourned

As there was no further business, the meeting was adjourned. The time was 1:50 p.m.

The next meeting is scheduled for Tuesday, February 21, 2006.

SENATE PUBLIC HEALTH AND WELFARE COMMITTEE

GUEST LIST

DATE: Tuesday, February 7, 06

NAME	REPRESENTING
John Meetz	KID
Tom Bell	KHA
Mary Ellen Coulee	Via Christi Health System
Ali Sultani	Intern for Sen. V. Schmidt
Estelle Montgomery	Hein Law Firm
JOAN C. BOTTENBERG	BOTTENBERG & ASSOC
Chad Austin	KS Hosp Assoc.
<i>[Signature]</i>	SEFF
<i>[Signature]</i>	Federico Consulting
<i>[Signature]</i>	Judicial Council

**Testimony to the Kansas Senate Committee on Health Care Strategies – State Capitol Building – Topeka, Kansas – February 7, 2006**

Dear Senator Barnett and Members of the Senate Committee on Health Care Strategies:

My name is Dr. Ira Stamm. I have followed the creation of the Kansas Health Policy Authority with interest and enthusiasm from three different perspectives. First, as a psychologist with the Menninger Clinic for twenty-three years, I had the unique opportunity from 1991-1995 to visit 80-100 insurance and managed care companies across Kansas and America. I developed the strategic platform and prospectus for Menninger to create its own managed care company and initiated discussions with several public and private sector payers for MenningerCare Systems to provide behavioral health services for large populations of citizens.

My second perspective is as a cancer survivor. Three years ago I was diagnosed with early stage prostate cancer. Soon after receiving the diagnosis of my cancer I visited with my wife's insurance company to see if they would pay for radiation seed implants to treat the cancer. The good news was that I had coverage for this treatment. The bad news was that now that I had cancer, I would no longer be insurable by the company should my policy lapse or terminate for any reason. My take home message from that experience is that the Kansas Health Policy Authority has the power to give the citizens of Kansas a better outcome by changing the ground rules by which commercial insurers in Kansas operate.

My third perspective in following the work of the Kansas Health Policy Authority is in my current capacity as a student and scholar in the Kansas Public Health Leadership Institute. My graduation paper, to be completed by September, 2006 is to put together in one scholarly document different models for providing cradle to grave health care and health insurance.

I wanted to address the committee today to make sure the committee is aware of two different visions of the function and purpose of the Kansas Health Policy Authority. KPHA was born amidst the State's anxiety and worry about managing the State's ever increasing Medicaid costs along with concerns about the costs of providing health care insurance for State employees. A narrow vision of the Health Policy Authority views addressing these issues as the main task of the authority.

*Senate Health Care Strategies Committee  
Note: February 7, 2006  
Attachment 1*

A second and broader vision for the Kansas Health Policy Authority is that the Authority use its considerable resources to create a plan that provides guaranteed, seamless, irrevocable, cradle to grave health care coverage for all Kansans.

As a reminder, these are the important figures for the Kansas legislature to remember: 300,000 Kansans are uninsured; 263,000 Kansans are Medicaid recipients; 394,000 are covered by Medicare and 40,000 by State of Kansas insurance. The remaining 1.6 million Kansans are covered by other means including commercial insurance.

It is my opinion that the long-term solution for providing cradle to grave health care and health care insurance for all Kansans lies in the seamless integration of public and private health care insurance. Currently, Medicaid and Medicare cover 49% of persons with insurance in America. In other words, almost half of the citizens in this country with insurance are covered by these two single payor plans. One can wonder wistfully what it would take to bring along the remaining 51% of those who are insured under the umbrella of a single payor plan. The cost savings to Kansans under a single payor plan would be dramatic.

At the same time my reading of the political tea leaves is that Kansas is not ready for a single payor plan. The interim solution is likely to be a simplified and streamlined form of insurance for all Kansans underwritten by public and private sector payors.

In pursuit of the above goal, I would make two recommendations to the Kansas Public Health Authority. First, when KPHA hires its permanent executive director, this individual should be someone with a background and experience in both public sector and commercial health insurance.

Second, once KPHA is up and running and further along in its own development, KPHA should study the feasibility of transferring from the Kansas Insurance Department to KPHA all functions within the Kansas Insurance Department having to do with health care insurance.

These two changes would help to create health care policies that offer hope and promise that all Kansans may one day have equal access to equal health care.

Thank you for allowing me to share these remarks with you.

Ira Stamm, Ph.D., ABPP  
Board Certified in Clinical Psychology  
American Board of Professional Psychology

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### JUDICIAL COUNCIL TESTIMONY ON 2006 HB 2608

February 7, 2006

2006 HB 2608 is recommended by the Judicial Council Administrative Procedure Advisory Committee whose members are: Carol L. Foreman, Chair; Topeka, L. Patricia Casey; Topeka, Tracy T. Diel; Topeka, James G. Flaherty; Ottawa, Jack Glaves; Wichita, Prof. Richard E. Levy; Lawrence, Brian J. Moline; Topeka, Camille A. Nohe; Topeka, Steve A. Schwarm; Topeka, John S. Seeber; Wichita and Mark W. Stafford; Topeka.

The duties of the Administrative Procedure Advisory Committee are to make recommendations in the area of the administrative law and to monitor the Kansas Administrative Procedure Act and the Act for Judicial Review and Civil Enforcement of Agency Actions.

In 2005, the legislature passed Senate Bill 272 which established the Kansas Health Policy Authority. The new agency will assume responsibilities currently belonging to SRS and the Department of Administration, both of which conduct hearings in accordance with the Kansas Administrative Procedures Act and utilize a presiding officer from the Office of Administrative Hearings.

The proposed amendments to K.S.A. 75-37,121, K.S.A. 75-7413 and K.S.A. 75-7414 provide that in July 2006, when the newly created Division of Health Policy and Finance becomes independent from the Department of Administration, that the administrative hearings the new agency conducts (nearly all of which are Medicaid hearings) will be conducted in accordance with the Kansas Administrative Procedures Act and utilize a presiding officer from the Office of Administrative Hearings.

*Senate Health Care Strategies Committee  
Note: February 7, 2006  
Attachment 2*