

MINUTES OF THE SENATE PUBLIC HEALTH AND WELFARE COMMITTEE

The meeting was called to order by Chairman Jim Barnett at 1:30 p.m. on January 26, 2009, in Room 136-N of the Capitol.

Senator Haley was excused
Senator Wysong was excused

Committee staff present:

Nobuko Folmsbee, Office of the Revisor of Statutes
Doug Taylor, Office of the Revisor of Statutes
Kelly Navinsky-Wenzl, Kansas Legislative Research Department
Terri Weber, Kansas Legislative Research Department
Jan Lunn, Committee Assistant

Conferees appearing before the committee:

Senator Faust-Goudeau
Wade Fisher, MD, Co-Director of Heart Transplantation and Director of the Ventricular Assist Device Program at Via Christi, Wichita
Pamela Stevenson, Private Citizen
Barbara Langner, PhD, Kansas Health Policy Authority

Others attending:

See attached list.

Senator Chris Steineger introduced a bill dealing with health care reform in funding and structure of federal and state programs. Upon a motion by Senator Brungardt to approve introduction of this bill and a second by Senator Mary Pilcher-Cook, the motion carried.

Senator Faust-Goudeau was recognized by Senator Barnett. Senator Faust-Goudeau testified regarding the experience of her niece who received a heart transplant at Via Christi in Wichita, Kansas several years ago (Attachment 1). The current law does not provide for heart transplants for persons who have qualified for a Medicaid medical card; Senator Faust-Goudeau urged that this policy be changed. Senator Faust-Goudeau indicated that in the long-term, providing for heart transplantation saves taxpayers money since most patients have continued, on-going crisis care due to his/her cardiac condition.

Dr. Wade Fisher, co-director of heart transplantation and direction of the ventricular assist program at Via Christi, was introduced. Dr. Fisher testified in support of changing current statute to allow for heart transplantation for qualified Medicaid patients (Attachment 2). Via Christi is the only hospital in the state that provides heart transplant services in Kansas. The heart program at Via Christi was begun in 1986 and to date, the facility has performed over 180 transplants. Dr. Fisher indicated that there are three to ten referrals yearly for patients who have Medicaid as their primary insurance coverage; these patients are suffering from end-stage heart failure. The only options offered are either to establish residency in another state or to live with slowly worsening health and multiple hospital admissions for cardiac failure. Dr. Fisher discussed DRG reimbursement for heart transplantation with and without major complications. He indicated the medical economics point to heart transplantation as a better option for these patients, and Dr. Fisher encouraged support to restore Medicaid coverage for heart transplantation.

Senators inquired relative to the median survival rate for heart transplant patients, whether DRG reimbursement covers recovery, follow-up, surgeon's fees, etc., the number of transplants performed yearly at Via Christi, and whether private insurers cover heart transplantation. Dr. Fisher responded that survival rate during the first year following transplantation is 93% and the 10-year survival rate is 67%; at Via Christi there are 6-8 heart transplants performed yearly and Via Christi's outcome levels are above the national average; DRG reimbursement only covers the hospital admission and surgery, it does not cover long-term follow up nor any surgeon's fees. Dr. Fisher clarified that private insurers provide transplant coverage.

Senator Barnett questioned whether there was an age limit. Dr. Fisher responded the age limit is 75. Senator Kelly asked whether there are adequate donors for this procedure. Dr. Fisher briefly discussed the donor protocol which is managed by United Network for Organ Sharing (UNOS), and reported that in Kansas, the

CONTINUATION SHEET

Minutes of the Senate Public Health And Welfare Committee at 1:30 p.m. on , in Room 136-N of the Capitol.

donor pool is adequate. Senator Pilcher-Cook questioned whether other technologies such as stem cell implantation is being researched at Via Christi. Dr. Fisher responded that at the current time, stem cell implantation/research is not performed at Via Christi. Other institutes perform studies using autologous bone marrow stem cells which has shown to provide some benefit, however, the gold standard at this time is heart transplantation.

Pam Stevenson is a private citizen diagnosed in 1993 with cardiomyopathy. Ms. Stevenson spoke about her condition, multiple hospitalizations, her fight to live with this debilitating condition, and her lack of understanding as to why other states bordering Kansas provide transplantation to residents with Medicaid as primary insurance (Attachment 3). Ms. Stevenson urged senators attending the Public Health and Welfare meeting to provide life-saving treatment to patients with Medicaid as primary insurance.

Senator Barnett inquired how long one would have to reside in another state to become eligible for heart transplantation; it was clarified that a patient would have to establish residency for a length of one year.

Barb Langner, Kansas Department of Health and Environment, provided testimony (Attachment 4) indicating that at the current time, Kansas Medicaid covers heart transplants for children only. The law providing coverage for adults was changed in October 2006.

Senator Schmidt inquired how many transplants have been performed for children through KAN Be Healthy and whether transplants can be performed in other states (if Kansas doesn't provide that service). Senator Schmidt requested that information be furnished in addition to what reimbursements have been paid for pediatric transplants, and whether reimbursements are negotiated or set. Ms. Langner indicated she would furnish information at a later date.

Senator Schmidt requested that the Kansas Health Policy Authority Board review the issue presented; the committee agreed and requested that Ms. Langner communicate with the KHPA Board relative to the Committee's consensus recommendation.

Nobuko Folmsbee, revisor of statutes office, briefed senators attending the meeting on Senate Bill 25 which concerns crimes and punishments; relating to smoking. The bill was briefed in anticipation of the hearing scheduled on January 27, 2009, for which there are numerous conferees scheduled.

The meeting was adjourned at 2:34pm.

Senate Public Health and Welfare

Guest List

Date: 01/26/09

Dustin Moyer	KHPA
Tatiana Lin	KHI
Zachary McGill	KHE
Bob Williams	Vs. Assoc Osteopathic Med
Anne Spiess	American Cancer Society
Mark Boranuck	CAPITOL STRATEGIES
KEITH PANGBORN	KEARNEY & ASSOC
Pamela Stevenson	Heart Failure Patient
Wade Fischer MD	Director Heart transplant + VAD programs @ VCSP
Tracy Russell	KHCC
Teresa Brown	Vistor
Carolyn Smith	UCHS
Bruce GTH	UCHS
David Lewi	UCHS
Mallee Carpenter	KAHP
Cynthia Smith	SOL Health System
Matt Casey	GBA
Joe Mosimann	Hein Law Firm
Jan Morin	IS Medical Society

STATE OF KANSAS

OLETHA FAUST-GOUDEAU

SENATOR, 29TH DISTRICT
PO BOX 20335
WICHITA, KANSAS 67208
316-652-9067

Office: STATE CAPITOL BUILDING—134-N
TOPEKA, KANSAS 66612
(785) 296-7387
(SESSION ONLY) 1-800-432-3924



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS

RANKING MINORITY MEMBER: FEDERAL AND STATE AFFAIRS
ETHICS AND ELECTIONS
MEMBER: COMMERCE
LOCAL GOVERNMENT
JOINT COMMITTEE ON ARTS AND
CULTURAL RESOURCES

email: Oletha.Faust-Goudeau@senate.ks.gov

Honored Chairman, valued committee members, ladies and gentlemen. Thank you for allowing me to come before you today to speak with you about a very important issue. At this time, the state of Kansas does not pay for heart transplants for persons who have qualified for a Medicaid medical card. I am here to urge that this policy be changed.

Via Christi approached me to testify because of the experience of my niece, Linda Stevenson, who received a heart transplant at Via Christi a few years ago. My personal knowledge of her and her experiences gives me insight into the process required.

Because Linda was only 32, she was told her transplant would be covered by taxpayer funds only if she was considered totally disabled and could receive both Medicare and Medicaid. It took some time to get this designation, and I remember how often Linda was taken to the emergency room and the nights she spent in the hospital because of the ongoing problems with her heart. I often thought that this was a poor use of taxpayer money, to be providing expensive palliative care over and over rather curing the problem outright with the heart transplant.

In talking with Linda and others who have experienced the need for organ transplants in general but specifically regarding heart transplants, I learned that often they must do fundraisers to make these operations possible. Or they must go to other states and fulfill the residency requirements there to obtain the surgery. 39 other states provide these procedures for people who have a Medicaid card only. It is time for Kansas to join their ranks.

With her new heart, my niece is gainfully employed and is contributing to the tax base. Her emergency room visits have stopped. I believe that in the long run, it will have saved the taxpayers money to have paid for her transplant, rather than to have continued providing ongoing crisis care for her heart condition.

I understand that this is a time when the State is leary of adding to its deficit, but this is a pay-me-now, pay-me-later situation. If we don't pay for their transplants now, we will be paying for the care of these patients later in the form of increased visits to doctors, expensive visits to the emergency room, and very expensive stays in the hospital.

I urge your favorable consideration when this issue comes before you. When a bill comes before you to make this change, I ask that you remember that it will, in fact, save the state money and save lives. Thank you for this opportunity to speak with you today.

Sincerley,

Oletha Faust-Goudeau
Senator, 29th District

Public Health and Welfare
Date:
Attachment:

01/26/09

State of Kansas

Senate Public Health and Welfare Committee

Testimony of Wade Fischer, M.D.

January 26, 2009

Senator Barnett and members of the Public Health and Welfare Committee:

I am Dr. Wade Fischer, Co-Director of Heart Transplantation and Director of the Ventricular Assist Device program at the Transplant Institute at Via Christi Regional Medical Center in Kansas. I appreciate the opportunity to offer testimony this afternoon regarding the lack of Medicaid coverage for heart transplantation in the State of Kansas.

Before I go any further, let me offer a little background about heart transplantation. On any given day there are approximately 4,000 people awaiting heart transplantation in the United States. Annually, approximately 2,000 heart transplants are performed. Overall, there are over 100,000 Americans waiting for a life-saving heart, lung, liver, kidney, or pancreas organ in the United States.

The **Transplant Institute at Via Christi Regional Medical Center** is a statewide referral center for heart transplantation and ventricular assist device therapy. It is the only center that provides heart transplant services in Kansas. We also perform kidney and pancreas transplantation. We began performing heart transplants in 1986 and to-date have performed over 180 transplants. In 2003, we established a ventricular assist device

program. A ventricular assist device is an artificial pump that helps patients survive until a donor heart becomes available. One and three year survival rates at Via Christi are 93% and 91% respectively, which are above the national norms.

My purpose here today is because we receive 3-10 referrals each year regarding patients who have Medicaid as their primary insurance coverage. These individuals are suffering from end-stage heart failure. Their quality of life is slowly deteriorating. A heart transplant would vastly improve their quality of life. Medicaid provides coverage for the transplant evaluation, as well as, post-transplant coverage, but not for the transplant itself.

Currently, we can offer these Kansans two options:

- Establish residency in another state that offers transplantation coverage for Medicaid patients. All the states that border Kansas provide Medicaid coverage for heart transplantation.
- Stay in Kansas - live with slowly worsening health and multiple hospital admissions for heart failure treatment.

I understand in these tough economic times that the last thing you want to hear about is a potentially new expense. That is not the case in this instance. From our perspective, this is a budget-neutral issue. Let me explain.

Heart failure accounts for 12-15 million office visits and 6.5 million hospital days each year nationally. In 2005, the total direct and indirect cost of heart failure in the US was

approximately 27.9 billion dollars, with 2.9 billion dollars spent on drugs alone. These patients experience ever-increasing hospital admissions each year as their health declines, which costs the state hundreds of thousands of dollars. Heart failure hospitalization has been estimated to cost 8-15 billion dollars each year, which is twice the amount spent for all forms of cancer. Median survival of a patient with heart failure is five years. During the last two to three years of life, heart failure patients average five to seven hospitalizations per year. Following my testimony, you are going to hear from Mrs. Pam Stephenson, a patient currently in this predicament, which illustrates this point.

The Medicare established reimbursement for heart transplantation in 2009 for MS DRG 001 and 002 is \$141,107 and \$76,400 respectively. DRG 001 is a heart transplant with major complications, which entails the vast majority of transplants in this country and DRG 002 is a heart transplant without major complications. Medicare also provides for outlier reimbursement for cases that surpass certain clinical thresholds. It should be noted that the Medicare reimbursement I just quoted does not cover our full cost to perform a transplant. Considering that Medicaid is a state funded program, we feel the Medicare reimbursement rate is a reasonable benchmark for Medicaid reimbursement.

Every patient with heart failure is not a candidate for heart transplantation, however, 3-10 patients each year can benefit from this economical therapy. In 2000, as part of former Governor Grave's 10% budget reduction, Medicaid Coverage for heart transplantation was eliminated. Nine years ago the economic ramifications of heart failure and heart

transplantation were not as well understood as they are now. In retrospect, the medical economics point to heart transplantation as a better option for these patients.

On behalf of the Kansans who would benefit from this life-saving therapy, we would appreciate your support to help restore Medicaid coverage for heart transplantation.

Thank you for your time and attention regarding this life-saving matter.

State of Kansas
Senate Public Health and Welfare Committee
Testimony of Pamela Stevenson
January 26, 2009

RE: Advocating support of Medicaid Coverage for Heart Transplantation

Good Afternoon:

My name is Pamela Stevenson. I am a fifty-eight year old female. I was born in Wichita, Kansas in 1951 to Everett and Susie Payne. I went through the Wichita School system from kindergarten thru High School. After graduation I worked for a couple of years, before entering Butler County Community College. I left in 1972 to move to Clemson, South Carolina, where I resided for six years. Upon returning to Wichita I was employed by the Coleman Company, beginning in 1979. I worked at Coleman for twenty-five years, until a group of employees were laid-off due to outsourcing of jobs to other countries.

My heart condition was first diagnosed in 1993 as cardiomyopathy. I was put on medication that kept me stable for fifteen years. During the last year and a half I have went through three episodes of heart failure. In October 2007, I had an implantation of a defibrillator. My second episode was January, 2008, where I was in critical condition on a ventilator for nine days. Doctors gave my family no hope that I would survive this illness, because my heart ejection rate had went from 29 percent down to 10 percent. They expressed that my heart was too weak to work along with my lungs. The third episode was October, 2008, in which I had a flash fluid build-up that caused another trip to the ICU on a ventilator again, this time only two days. I can say without any doubt I have

been blessed by a power greater than medicine. God's Grace and Mercy!

I am here today to express my concerns on why we need assistance on the financial areas for helping people like myself that are in need of a heart. Our HealthCare system has been under scrutiny for many years. Especially for those folks that already have a pre-existing condition. If you are wealthy or have good insurance you can easily take care of your bill or expensive procedures. I once had excellent insurance until the day my company decided to lay us off. Surrounding states like Missouri and Oklahoma provide Medicaid coverage for heart transplants.

When I was told that I would have to move to another state such as Missouri to access a heart transplant, I was devastated and overwhelmed to have this stress brought on me now with my condition. Being a resident of Kansas all of my life, is so unfair to have another state help me with my medical needs. This would be an inconvenience both to my family and friends that would like to be there for me during my ordeal. This makes me wonder what is wrong with our State Government that makes it hard to do anything that pertains to health issues.

My question to this committee is why are things so difficult in the State of Kansas, especially for those of us who need a life-saving heart transplant?

Thank You.



Senate Public Health and Welfare Committee
January 26, 2009
Cardiac Transplant Coverage in Medicaid
Barbara Langner, PhD

Current Coverage of Heart Transplants in Kansas Medicaid:

Heart transplants have been covered in Kansas Medicaid in some form as far back as July, 1989. The most recent policy changes are that currently Kansas Medicaid covers heart transplants for children only. Kansas Medicaid does not currently cover heart transplants for adults as of October 6, 2006.

Background:

The Kansas Medicaid *Inpatient Provider Manual* related to this policy states:

*Heart, lung, and heart/lung transplants performed in approved in-state or border city hospitals are covered for **KAN Be Healthy participants only** (KAN Be Healthy refers to Kansas Medicaid for children through the Early & Periodic Screening & Diagnostic Treatment Benefit) .*

Heart transplants will be allowed at St. Luke's Hospital in Kansas City, Missouri or Via Christi (St. Francis Campus) in Wichita, Kansas, or at a hospital recommended by either of these facilities.

This policy (Policy B2000-036) with the effective dates of service of October 6, 2000, mandated that Heart, Lung, and Heart and Lung transplants will require current KAN Be Healthy (KBH) status. Non-KBH beneficiaries approved for Heart, Lung, and Heart and Lung Transplants prior to October 6, 2000 will remain covered. The prior policy (Policy B98068) was the preceding policy that covered heart transplants for adults. It was effective from February 1, 1999 until the implementation of B2000-036 which limited coverage to KBH participants only.

Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220

www.khpa.ks.gov

Medicaid and HealthWave:

Phone: 785-296-3981
Fax: 785-296-4813

State Employee Health Plan:

Phone: 785-368-6361
Fax: 785-368-7180

State Self Insurance Fund:

Phone: 785-206-2244

Public Health and Welfare

Date:

Attachment:

01/26/09

4

Coordinating health & health care
for a thriving Kansas



Senate Public Health and Welfare Committee
January 26, 2009
Cardiac Transplant Coverage in Medicaid
Barbara Langner, PhD

Current Coverage of Heart Transplants in Kansas Medicaid:

Heart transplants have been covered in Kansas Medicaid in some form as far back as July, 1989. The most recent policy changes are that currently Kansas Medicaid covers heart transplants for children only. Kansas Medicaid does not currently cover heart transplants for adults as of October 6, 2006.

Background:

The Kansas Medicaid *Inpatient Provider Manual* related to this policy states:

*Heart, lung, and heart/lung transplants performed in approved in-state or border city hospitals are covered for **KAN Be Healthy participants only** (KAN Be Healthy refers to Kansas Medicaid for children through the Early & Periodic Screening & Diagnostic Treatment Benefit).*

Heart transplants will be allowed at St. Luke's Hospital in Kansas City, Missouri or Via Christi (St. Francis Campus) in Wichita, Kansas, or at a hospital recommended by either of these facilities.

This policy (Policy B2000-036) with the effective dates of service of October 6, 2000, mandated that Heart, Lung, and Heart and Lung transplants will require current KAN Be Healthy (KBH) status. Non-KBH beneficiaries approved for Heart, Lung, and Heart and Lung Transplants prior to October 6, 2000 will remain covered. The prior policy (Policy B98068) was the preceding policy that covered heart transplants for adults. It was effective from February 1, 1999 until the implementation of B2000-036 which limited coverage to KBH participants only.

Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220
www.khpa.ks.gov

Medicaid and HealthWave:
Phone: 785-296-3981
Fax: 785-296-4813

State Employee Health Plan:
Phone: 785-368-6361
Fax: 785-368-7180

State Self Insurance Fund:
Phone: 785-296-2364
Fax: 785-296-6995