

MINUTES OF THE SENATE HEALTH CARE STRATEGIES COMMITTEE

The meeting was called to order by Chairman Susan Wagle at 1:30 P.M. on January 26, 2005 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 Wilson, Revisor of Statutes Office
Ms. Margaret Cianciarulo, Committee Secretary

Conferees appearing before the committee: Dr. Richard Warner, Psychiatrist, Shawnee Mission, KS.
Mr. Greg Scandlen, Director,
Galen's Center for Consumer Driven Health Care

Presentation on "HSAs: The Progress of Consumer Driven Health"

Upon calling the meeting to order, Chairperson Wagle stated that Senator Barnett had been working with the Flint Hills Policy group on HSAs (Health Saving Accounts) and had made arrangements for today's presentation, then turned the meeting over to him. Senator Barnett wanted to recognize two people: Mr. Jerry Slaughter, who had contacted him about this opportunity and Dr. Richard Warner, who knows the topic and Mr. Greg Scandlen well.

Dr. Warner offered two articles regarding health care inflation. Copies of his handouts are (Attachment 1) attached hereto and incorporated into the Minutes as referenced. He then introduced Mr. Greg Scandlen, Director of Galen's Center for Consumer Driven Health Care, who offered information regarding "Consumer Driven Health Care: New Tools for a New Paradigm." A copy of his presentation is (Attachment 2) attached hereto and incorporated into the Minutes as referenced. Highlights included:

- Essential Problems in Health Care
- Sources of Health Care Spending
- Does the US spend too much or too little on health care?
- How much change is needed?
- Third Party Payment and Two-Party Contacts
- Employer-based Health Care and Employer-based Tax Subsidy, by Household Income, 2004
- Obstacles to Reform, The New Paradigm and Milestones of Reform
- Health Reimbursement Arrangements (HRAs)
- Health Savings Accounts (HSAs)
- Prospects and Consequences, and
- Contacts

The Chair thanked Mr. Scandlen and asked the Committee for questions or comments. Senators Journey, Wagle, Barnett, and Palmer and Ms. Correll asked a range of questions including: do you have a website available, do you see how Medicaid treated with HSAs, are HRAs all that is available or do you need an additional insurance to cover something like a high cost with severe illnesses, other than HSAs where do you see us going next, centralization centers, how can we in Kansas better extend HSAs, method of reimbursement, if an employer remains a part does this mean there is need to be an offering of other plans and what type of incentive is there for low income workers with high deductible?

As there was no further questions or discussion, Chairperson Wagle thanked the conferees and the Committee.

Adjournment

As there was no further business, the meeting was adjourned. The time was 2:30 p.m.

The next meeting is scheduled for January 27, 2005.