Approved: February 8, 2012

MINUTES OF THE HOUSE HEALTH AND HUMAN SERVICES COMMITTEE

The meeting was called to order by Chairperson Brenda Landwehr at 1:30 PM on Thursday, January 26, 2012 in Room 784 of the Docking State Office Building.

All members were present except:
Representative Owen Donohoe - excused
Representative Bob Bethell - excused
Representative Phil Hermanson – excused

Committee staff present:
Norm Furse, Office of the Revisor of Statutes
Katherine McBride, Office of the Revisor of Statutes
Jay Hall, Kansas Legislative Research Department
Debbie Bartuccio, Committee Assistant

Conferees appearing before the Committee:
Dr. Robert Moser, Secretary and State Health Officer (Attachment 1)

Others in attendance:
See attached list.

Chairperson Landwehr welcomed Secretary Robert Moser, M.D., Kansas Department of Health and Environment who provided an update on KanCare. (Attachment 1) He first reviewed how we got here which included:

- Long-run trends in Medicaid are driven by widespread increases in enrollment and spending per person.
- It is not "just the economy" – Kansas is in the midst of a sustained period of accelerated growth as baby boomers reach age of acquired disability.
- Enhanced federal match rate partially – and temporarily – disguised the scale of the deficit.

A number of graphs and charts were included which covered 1) Sustained Medicaid Growth, 2) Growth Across Populations, 3) Growth by Population, 4) The Crowd-Out Effect, and 5) Type of Service by Population.

The challenge is to improve outcomes and manage costs. Various stakeholders were contacted to solicit ideas for reforms or pilots to curb growth, achieve long-term reform and improve the quality of services in Medicaid. Parallel initiatives included 1) a Medicaid Reform Data Workgroup, 2) Caseload/Budget Workgroup and 3) Pharmacy Services Workgroup.

Statistics on current population care were provided. Key population focus included:

- Children, families and pregnant women: mobile population; moves in and out of eligibility.
- Aged: higher-than-average proportion of Kansas seniors in institutions.
- Disabled: fragmented service provision.

On November 8, 2011, Governor Sam Brownback announced the plan to reform Medicaid in Kansas. The plan calls for the implementation of an integrated care system called KanCare to 1) improve health outcomes, 2) bend the cost curve down over time, and 3) no eligibility or provider cuts. Kansas will seek a global waiver from the federal government to maximize flexibility in administering the Medicaid program for the benefit of all Kansans. The waiver request will mirror the broad flexibility sought by many other states facing challenges similar to Kansas'.

The presentation included information on 1) Person-Centered Care Coordination, 2) Home and Community Based Services, 3) Inclusiveness, 4) Consumer Voice), 5) Pay for Performance, 6) Savings and 7) Strategic Realignment.

The reorganization plan proposes that the Department on Aging add disability services to its mission. This reorganized agency will gain oversight of all Medicaid waivers and be responsible for mental health, substance abuse and state hospitals. Programs slated to move from SRS to this new agency include Medicaid Waivers, Mental Health and Substance Abuse, and State Hospitals/Institutions. With waiver services moving to the Department for Aging and Disability Services, the plan calls for a reorganized SRS to transform into an agency focus solely on services for children and family issues. The Kansas Department of Social and Rehabilitation Services will be reorganized and renamed the Department for Children and Families. KDHE's Division of Health Care Finance has been charged with KanCare finance and oversight. Core public health and environmental regulatory functions will remain at KDHE. The following programs will move from KDHE to Aging and Disability Services: 1) Adult Care Home Administrator licensure, 2) Dietician licensure, 3) Certified Nurse Aide, 4) Certified Home Health Aide, 5) Certified Medication Aide, 6) Nurse Aid Registry and 7) Criminal background checks.

Key points included:

- The goal is to align and sustain programs.
- The realignment addresses inefficiencies.

- This realignment will decrease the number of agencies dealing with Medicaid, thus increasing administrative coordination and streamlining Kansans' interaction with state government.
- This purpose is not to reduce staff or funding.
- The reorganization will foster an environment in which each agency can more clearly focus on its mission and improve coordination across services and programs.

He concluded the Administration continues to work on the details of the reorganization, and agency leaders will be coordinating efforts through the new state fiscal year. We will keep this a transparent process and will work with our employees and community partners to make all programs a continued success.

The Chair gave the committee members the opportunity to ask questions. There were questions related to the timeline for receiving the waiver from the Federal government. Dr. Mosier indicated the waiver request was being mailed today and the concept paper was also being posted. The timeline for receiving the response is not clear. Another question related to why we need to add a second layer of managed care. Dr. Moser responded it depends on how you want to define managed care. He said the drivers are to try to find efficiencies and improvement in health care outcome and this is what is trying to be achieved by the KanCare program by adding additional resources. There was a question as to whether the idea of not cutting benefits or services was still a goal and Dr. Moser indicated it remained one of the primary goals. There was a question concerning the length of the contract. Dr. Moser responded it is for three years with two additional one year extensions negotiable. The state has the right at any time to cancel the contract. There was discussion about the low birth weight issue and the mortality rate issue when there are services all over the state for pregnant women and how do you get someone to go take care of themselves if they've chosen not to take care of themselves. Another question asked if a beneficiary wants to stay at a certain nursing home would they have the ability to do so. Dr. Moser indicated the person could stay, assuming the provider accepts the KanCare program. Concerning whether the family of the client in a facility would have any say as to what happens to their loved one, the response was affirmative. There was a question about what authority the advisory group would actually have when we're dealing with contractual agreements. Dr. Moser said the advisory group would review reports and dependent upon results, the group could initiate internal checks on issues. As the program develops, there will be resources established to follow up on issues.

Chairperson Landwehr asked if there were any bills to introduce.

Representative Bollier made a motion to introduce a bill enacting the massage therapist licensure act; providing for powers, duties and functions of the state board of healing arts. The motion was seconded by Representative Weber. The motion carried.

The next meeting is scheduled as a roundtable discussion on the dental workforce on January 27, 2012.

The meeting was adjourned at 2:30 p.m.