

Approved: March 8, 2006

Date

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:40 A.M. on January 26, 2006, in Room 123-S of the Capitol.

All members were present except:

Senator Chris Steineger- excused

Committee staff present:

Jill Wolters, Revisor of Statutes Office

Michael Corrigan, Revisor of Statutes Office

J. G. Scott, Kansas Legislative Research Department

Michelle Alishahi, Kansas Legislative Research Department

Reagan Cussimanio, Kansas Legislative Research Department

Amy Deckard, Kansas Legislative Research Department

Audrey Dunkel, Kansas Legislative Research Department

Terri Weber, Kansas Legislative Research Department

Judy Bromich, Chief of Staff

Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Scott Brunner, Director of Medicaid, Kansas Division of Health Policy and Finance

Tammy Twait, Kansas City Regional Office Pharmacist, Centers for Medicare and Medicaid Services

John L. Kiefhaber, Executive Director, Kansas Pharmacists Association

Brian Caswell, R.Ph., Baxter Springs, Kansas

Bob Haneke, R.Ph., Wichita, Kansas

Alan DeFever, R.Ph., Overland Park, Kansas

Terry Bradstreet, R.Ph., Hutchinson, Kansas

Others attending:

See attached list.

Bill Introduction

Senator McGinn moved, with a second by Senator Schodorf, to introduce a bill concerning economic development; relating to the economic development initiative fund; creating the state affordable airfare fund to support certain programs (5rs1630). Motion carried on a voice vote.

Chairman Umbarger announced that the overview and discussion on Medicare Part D - Prescription Drug Coverage continued. The Chairman welcomed Scott Brunner, State Medicaid Director, Division of Health Policy and Finance, Kansas Department of Administration, who addressed the transition of Medicaid beneficiaries into the Medicare prescription drug benefit (Attachment 1). Mr. Brunner explained preparations that have been made regarding the transition to Part D and his participation in a workgroup consisting of senior program directors within the Kansas Department of Social and Rehabilitation Services, the Department on Aging, the Kansas Department of Health and Environment, the Kansas Insurance Department and Division of Health Policy and Finance which is described in detail within his written testimony. Mr. Brunner addressed the dual eligibles, emergency actions after January 1, 2006, and future Part D activities, all of which are detailed in his written testimony.

Mr. Brunner provided a detailed table of expenditures and prescriptions filled by date that had been updated from the table that was listed in his written testimony (Attachment 2).

The Chairman welcomed Tammy Twait, Pharmacy Officer for the Kansas City Regional Office of the Centers for Medicare and Medicaid Services (Attachment 3). Nancy Schmidt, Health Insurance Specialist, Kansas City Regional Office of CMS, was present at the meeting with Ms. Twait. Ms. Twait explained that there are still "plenty of bumps" and clearly specific problems that they have identified and are diligently working to remedy. She noted that some of these areas are the E1, or eligibility transactions, and the data translation

CONTINUATION SHEET

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which are detailed in her written testimony. Ms. Twait explained that the Medicare Part D prescription drug benefit is the biggest, most dramatic change to Medicare in its history and it is happening all at once. In closing, she explained that the Kansas City Regional CMS office will continue to work diligently with their partners and central office staff to identify and correct problems or issues that may arise.

The Chairman welcomed John Kiefhaber, Executive Director, Kansas Pharmacists Association, who spoke before the Committee regarding the implementation of Medicare Part D in Kansas (Attachment 4). Mr. Kiefhaber explained that while the federal Centers for Medicare and Medicaid Services began disseminating information on the implementation of Medicare Part D soon after the final regulations were released early in 2005, and while the Kansas Pharmacists Association and others traveled the state all summer and fall of last year to explain the state all summer and fall of last year to explain the provisions of the program to pharmacists and beneficiary groups, no one was clearly ready for the deluge of patients and the complicated questions that would hit all of them on January 2, 2006, a Monday.

Mr. Kiefhaber introduced Brian Caswell, a Pharmacist from Baxter Springs, Kansas, and Chairman Umbarger welcomed Mr. Caswell and the following Pharmacists. The Pharmacists addressed the work they have done and the problems they have encountered in the implementation of the federal government's new Medicare Prescription Drug Program.

Brian Caswell, R.Ph., Baxter Springs, Kansas, explained the major areas for pharmacist concerns regarding patient eligibility including full benefit dual eligibles, nursing home patients and Medicare Part A/B eligibles. He also addressed the tools used to wade through process, the pharmacists role during transition phase, concerns as a health care provider and his concerns as an informed taxpayer (Attachment 5).

Bob Haneke, R. Ph., Wichita, Kansas, addressed issues concerning the long term care area, nursing homes, and in the hospital arena which involves long term acute care in both rural and larger metropolitan hospitals. He noted that the health care professionals in Kansas have stepped up to the plate in light of what is happening and have take care of their patients. Mr. Haneke noted that he knows of no instances outside of Kansas where services have been denied because payment had not been received. He emphasized in long term care that a lot of the plans are on a 30-day fill cycle and what happens when the month runs into 31 days and patients receive no medications until the following month and it needs to be addressed immediately in a long term care situation. (No written testimony was submitted).

Alan F, DeFever, R. Ph., Overland Park, Kansas, explained that planning ahead of time for the Medicare Part D program did not appear to take into consideration the front-line pharmacist(Attachment 6). Mr. DeFever addressed the short time frame to move all of the dual eligibles and all of the other Medicare patients into the system in 45 days and suggested that the dual eligible start dates should have been separated from the other start dates. Detailed information is contained in Mr. DeFever's written testimony.

Terry Bradstreet, R. Ph., Director of Pharmacy Operations for the Dillon's Stores, Hutchinson, Kansas, mentioned that he was very proud of his pharmacists and colleagues for the job that they are doing to supply the pharmacy needs of the people of Kansas during this trying time. Mr. Bradstreet noted information regarding dual eligibles that are not enrolled in any PDP and the use of the Wellpoint/Anthem point of sale process that is supposed to pay for the prescription but additionally triggers a sales person to contact the patient to get them signed up with a Medicare PDP. He expressed concern regarding the future and those individuals who have not signed up for a plan yet and the May 15 deadline approaching the same issues may hit the pharmacists again (Attachment 7).

Kevin Siek, Independent Living Resource Center, expressed concern regarding those that are dually eligible in that many vitamins, mineral supplements and over-the-counter medications that were previously covered by Medicaid will still be covered under Part D. Mr. Siek also noted certain prescription medications that Medicare will not cover, but for dual eligibles, Medicaid will continue to cover many of the medications. He explained that the problem is that not many people know this information (Attachment 8).

The meeting adjourned at 12:00 p.m. The next meeting was scheduled for January 30, 2006.