

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 18, 2008 in Room 136-N of the Capitol.

Committee members absent:

Committee staff present: Ms. Emalene Correll, Kansas Legislative Research Department
Mrs. Terri Weber, Kansas Legislative Research Department
Ms. Nobuko Folmsbee, Revisor of Statutes Office
Ms. Renae Jefferies, Revisor of Statutes Office
Ms. Margaret Cianciarulo, Committee Secretary

Conferees appearing before the committee: Mr. Roderick Bremby, Secretary,
Kansas Department of Health & Environment
Dr. Andy Allison, Deputy Director,
Kansas Health Policy Authority
Dr. Michael Kennedy, President, \
Kansas Academy of Family Physicians
Ms. Corrie Edwards, Kansas Health Consumer Coalition
Ms. Lisa Benlon, American Cancer Society
Father Matthew Cobb, Rector ,
St. Luke's Episcopal Church, Wamego, Kansas
Ms. Cathy Harding, Executive Director,
Kansas Association for Medically Underserved
Mr. Tom Bryon, Kansas Association of Health Underwriters
Mr. Tim Witsman, President,
Wichita Independent Business Association

Others in attendance: Please see attached Guest List

Hearing on SB541 - An act concerning the Kansas Health Policy Authority, relating to powers and duties thereof regarding a medical home, and small business, wellness grant program; establishing the health reform fund.

Upon calling the meeting to order, the Chair asked Ms. Renae Jefferies, Revisor of Statutes Office, to give an overview of the bill. Ms. Jefferies stated that :

- this bill amends and creates statutes concerning the Kansas Health Policy Authority (KHPA)..
- Section 1 increases the voting on nonvoting, ex officio membership to eight with the addition of the commissioner of education as a member of the authority.
- New Section 2 provides that the authority incorporates the use of medical home delivery system within: the Kansas program of medical assistance, the health benefits program for children, and the state mediKan program, all established under Title XIX of the federal social security act. Additionally, the state employees health care commission is to incorporate the use of a medical home delivery system within the state health care benefits program.
- New Section 3 mandates the authority establish a small business wellness grant program, develop a community grant program and provide start-up funds, but the provisions of this section shall expire and the program shall be abolished December 30, 2016.
- Section 4 - amends K.S.A. 75-7408 to include childless adults age 19 and above and under 100% of the federal poverty level under the premium assistance plan effective July 1, 2011, subject to appropriations and other eligibility requirements.
- New Section 5 establishes the health reform fund in the state treasury for the purpose of funding the

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small business wellness grant program and other health reform options of the authority.

The fund will be administered by the authority and the monies in the fund shall not be used to replace or substitute for moneys appropriated from the state general fund in the immediate proceeding fiscal year. A copy of her overview is ([Attachment 1](#)) attached.

As there were no questions of Ms. Jefferies, the Chair then called upon the first of seven proponents, Mr. Roderick Bremby, Secretary, Kansas Department of Health and Environment, who also participates as a non-voting ex-officio member of the KHPA, stated that KDHE can offer expertise and experience in establishing the small business wellness grant program described in Section 3. He went on to state that since 2006, the Office of Health Promotion staff have been engaged in a bi-state project with the Missouri Department of Health and Senior Services and the Mid-America Coalition on Health Care in designing and implementing a Community Initiative on Cardiovascular Health and Disease (CIVC) in conjunction with a group of employees in the Kansas City area. A copy of his testimony is ([Attachment 2](#))

Second to testify was Dr. Andrew Allison, Deputy Director, Kansas Health Policy Authority who offered a detailed explanation of the bill components and the justification for inclusion into the bill. A copy of his testimony and attachments including: "KHPA Board Health Reform Recommendations (updated January 10, 2008)", a spreadsheet regarding "Estimated Costs of Health Reform Proposals and SB11 (Premium Assistance Kansas Healthy Choices)", "Components of KHPA Health Reform FY 2009," and a "Bill Guide for Health Reform Recommendations" are ([Attachment 3](#)) attached.

The Chair referred the Committee to three handouts which included: the "2008 Federal Poverty Guidelines", the "Medical Income Eligibility as a Percent of Federal Poverty Level" from the Kaiser Commission on Medicaid and the Uninsured, and a copy of the "Medicaid Enrollment as a Percent of Total Population, 2004" and are ([Attachment 4](#))

The Chair asked Mr. Allison if he had an updated fiscal note? He responded he did not have the budget divisions new fiscal note but did have an updated estimate that they provided that he believes is the basis for that change.

Next was Dr. Michael Kennedy, President, Kansas Academy of Family Physicians (KAPP) who urged the Committee to support the bill with an amendment to include the following definition of the medical home:

"The State of Kansas shall develop and implement the medical home to provide comprehensive primary health care for its citizens, as outlined in the document "Joint Principles of the Patient-Centered Medical Home." and,

"The medical home is a physician-directed medical practice utilizing a team approach with a whole-person orientation, providing accessible, continuous and comprehensive care, to coordinate patients' needs across the health care system, and improve quality and health outcomes in a cost effective manner."

Lastly, he offered two attachments: "Joint Principles of the Patient-Centered Medical Home", February, 2007 from the AAP AAFP, ACP, and AOA, and "The Council of State Governments Resolution on the Patient-Centered Medical Home. A copy of his testimony and attachments are ([Attachment 5](#)) attached.

Mr. Jerry Slaughter, Executive Director, Kansas Medical Society, was the next conferee and stated that the KHPA developed its recommendations within the context of three core principles which it utilized to guide its efforts. He went on to say that these three principles -: 1) promoting personal responsibility, 2) promoting a medical home and prevention, and 3) providing and protecting affordable health insurance - represent a solid foundation upon which comprehensive health reform can be built in Kansas. A copy of his testimony is ([Attachment 6](#)) attached.

The next conferee was Ms. Corrie Edwards, Executive Director, Kansas Health Consumer Coalition (KHCC) based in Topeka, who briefly stated she would like to encourage language in the "medical

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home” that allowed flexibility components. A copy of her testimony is ([Attachment 7](#)) attached.

The Chair then called on Reverend Matthew Cobb, St. Luke’s Episcopal Church and Chaplain for Mercy Regional Health Center in Manhattan, but is before the Committee today as a member of the Kansas Faith Alliance for Health Reform. stated that since time was short, he would just offer his testimony. A copy of his testimony is ([Attachment 8](#)) attached.

The next conferee was Ms. Lisa Benlon, Legislative/Government Relations Director, American Cancer Society, who briefly stated this bill’s “medical home” framework for action gives them the important tools needed to work at the front end to find health care solutions Her testimony mentions The American Cancer Society recently underwriting a significant national public awareness campaign related to the problem people have finding quality cancer care as many uninsured and under insured often do not realize their problem until they are confronted with a serious cancer diagnosis and “Medical Homes help to manage these chronic conditions and reduce spending in emergency rooms.” A copy of her testimony is ([Attachment 9](#)) attached.

Ms. Cathy Harding, Executive Director, Kansas Association for the Medically Underserved, who stated KAMU supports all of the components of this bill but is most supportive of the medical home concept. She went on to say that the definition of medical home focuses on the system of care rather than on the specific type of practice or provider and allows for flexible systems of care that can be designed to meet the needs of all Kansans in their own communities, including the most vulnerable citizens who are challenged to access needed health care services. A copy of her testimony is ([Attachment 10](#)) attached.

As there were no more proponent conferees the Chair offered written testimony as follows:

1. Mr. Chad Austin, Vice President, Government Relations, Kansas Hospital Association.
2. Ms. Leslie Kaufman, Executive Director, Kansas Cooperative Council.
3. Ms. Linda De Coursey, Senior Advocacy Director, Kansas American Heart Association.
4. Ms. Mary Jayne Helleburst, Director, Tobacco Free Kansas Coalition
5. Ms. Terri Roberts, Executive director, Kansas State Nurses Association

A copy of these five testimonies is ([Attachment 11](#)) attached.

The Chair then called upon the only opponent, Mr. Tom Bryon, Sr., Chairman, Kansas Association of Health Underwriters (KAHU) Legislative Affairs Committee. who commended the health Policy Authority for their efforts and urges them and the Legislature to consider creating incentives for health care providers to make investments in automating their offices and patient records. He went on to say that their primary concerns about the bill are found in Section 4 authorizing and expanding the Premium Assistance program stating the major shortcoming of the current Kansas Premium Assistance program is that it merely funds another state run entitlement program instead of helping uninsured Kansans purchase health insurance in the competitive market place. He concluded by asking that the Florida Medicaid Reform program be considered a model for Kansas. A copy of his testimony is ([Attachment 12](#)) attached.

Regarding the Florida Medicaid Reform program, questions were asked of Mr. Bryon from Chairperson Wagle including: :

- Are you saying Florida passed a two-county pilot program?

- Were you saying there were 136 individuals in Broward County and 88,000 in Duval County, and are they a 60-40 mesh?

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As there were no more opponents, the Chair then called upon Mr. Tim Witsman, who represented the Wichita Independent Business Association and the Kansas Independent Business Coalition, who stated there is evidence that having a “medical home” improves the quality of care and decreases the cost of health care, however, consumers, physicians, and insurance companies need to be educated and there is also a need to change the current culture of how medical care is delivered. He went on to state that their interest and the value that they see in a “medical home” does not convince them that state government is the most qualified force to lead and control such an effort and this also holds true when the Legislature considers the concept of a premium assistance program currently being offered by the KHPA. A copy of his neutral testimony is ([Attachment 13](#)) attached.

Committee discussion included questions from Senators Barnett, Wagle and Palmer including:

- re: premium assistance in Florida, a review of the programs were looked at through the Health Policy Oversight Committee during the interim, and dialogue needs to happen about what is going on in other states, particularly Florida, from the standpoint of how successful the program is and more of the details as to why they did not choose that kind of plan. Dr. Barnett would like to hear from Dr. Allison, Ms. Gina Maree, from the Kansas Health Institute, and Mr. Tom Bryon, maybe have a triangular discussion.

Chairperson Wagle asked Dr. Allison, Ms. Maree, and Mr. Bryon if they would be available to come back tomorrow and further discuss programs in other states. As two were available and one would send a representative, the Chair announced to the Committee that she would like to meet tomorrow to discuss this bill and premium assistance. She went on to say that two sheets had been passed out earlier regarding what the poverty guidelines are and how the different states compared and hearing Kansas is on the bottom 5 in the nation, my questions would be why you chose that as opposed to increasing medicaid? She stated, today two plans were discussed, Florida and North Carolina:

- regarding North Carolina, 39% of the non-working individuals are covered, a little higher than the Kansas federal poverty level and 54% of the working persons are covered;

- regarding Florida, 22% non-working and 58% if working are covered. So, Chairperson Wagle asked, why are you saying the program in Florida must be for people above 22% at poverty?

Other questions included:

- open policy

- is the fiscal note quite a bit lower?

- re: promoting medical homes, is this a separate budgetary request?

- how is the “medical home” different as to what we have now? What is the concept difference? What would be the increase fee? And, how would other doctor’s feel about changing practices?

Adjournment

As it was close to Senate session, the meeting adjourned. The time was 2:35 p.m.

The next meeting is scheduled for February 19, 2008.

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