

MINUTES

JOINT COMMITTEE ON HEALTH POLICY OVERSIGHT

June 12, 2009
Room 143-N—Statehouse

Members Present

Senator Jim Barnett, Chairperson
Representative Brenda Landwehr, Vice-chairperson
Senator Jeff Colyer
Senator Laura Kelly
Senator Vicki Schmidt (Afternoon)
Representative Bob Bethell
Representative Don Hill
Representative Peggy Mast
Representative Jim Ward

Members Absent

Senator David Haley (Excused)
Senator Roger Reitz (Excused)
Representative Louis Ruiz (Excused)

Staff Present

Terri Weber, Kansas Legislative Research Department
Reed Holwegner, Kansas Legislative Research Department
Kelly Navinsky-Wenzl, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Nobuko Folmsbee, Office of the Revisor of Statutes
Doug Taylor, Office of the Revisor of Statutes
Jan Lunn, Committee Secretary

Morning Session

Chairman Barnett called the meeting to order at 10:03 a.m. Contents of the Committee members' packets were reviewed. They included:

- Membership list and Committee charge ([Attachment 1](#));

- Preliminary Minutes of the March 19, 2009 meeting (Attachment 2);
- Report of the Joint Committee on Health Policy Oversight to the 2009 Kansas Legislature (Attachment 3); and
- A draft appreciation letter to Dr. Marcia Nielsen for possible action by the Committee (Attachment 4).

Upon a motion by Representative Bethell and a second by Representative Landwehr to approve the minutes of the March 19, 2009 meeting, the motion passed unanimously.

Chairperson Barnett announced that Senator Haley and Representative Ruiz were attending national conferences, and therefore, were excused from the Committee meeting.

Chairperson Barnett provided an overview of the Committee's oversight role in the long-range program review of the Kansas Health Policy Authority (KHPA). He indicated oversight can be useful in both monitoring the overall direction and progress of the agency, as well as anticipating and addressing problems as they arise. In addition, the purpose of the review is to examine KHPA's performance over a period of time in anticipation of legislative consideration of the agency's sunset date of July 1, 2013. Chairperson Barnett reviewed the following documents, previously distributed to Committee members and discussed at the March 19, 2009 meeting: The Oversight Process, Recommendations for Oversight, and Targeted Review Guidelines (see March 19, 2009, minutes).

Chairperson Barnett further indicated that any oversight process must be viewed by stakeholders as fair, specific, measurable, credible, and likely to produce meaningful results. Any process should follow general principles of oversight to ensure objectivity, transparency, and integrity of results.

Mr. Joe Tilghman, Chairperson, KHPA Board, was recognized to respond and to provide comments regarding the oversight documents reviewed by Committee members (Attachment 5).

Mr. Tilghman began by introducing Dr. Andy Allison, KHPA's Interim Director, who has replaced Dr. Marcia Nielsen, former Executive Director. Mr. Tilghman briefly reviewed the current status of activities at KHPA, including a scheduled retreat in the upcoming weeks; hiring an Inspector General; monitoring Washington, D.C. developments; reconfiguring KHPA's staffing to reflect recent budget reductions; developing policies to reduce the financial impact on safety net providers; and continuing to play a key role in Health Information Technology/Health Information Exchange (HIT/HIE) development.

The second portion of Mr. Tilghman's comments centered on the oversight process. He indicated a comprehensive, well-structured review process was welcome. The KHPA Board was comfortable with proceeding with the draft as presented. Mr. Tilghman did provide some cautionary thoughts that encouraged policy continuity through changes in leadership roles (Legislature and Governor), the necessity of benchmarks to improve evaluation interpretation, and the necessity to provide flexibility to respond to a changing world and environment.

Committee members responded to Mr. Tilghman's comments with questions related to the Office of the Inspector General (OIG) and whether location of that office should be with an agency other than the KHPA; the apparent declining morale within the staff at the KHPA in light of recent position abolishment; and the creation of a closer tie between the Governor's Office and KHPA that

will focus on provision of services while bringing into perspective good policy and actions.

Mr. Tilghman indicated there may be recommended changes regarding the OIG; additional communication and dialogue will occur with KHPA staff; and additional communication with the Governor's Office will occur should the recommended oversight process be implemented. Senator Barnett requested that Mr. Tilghman furnish any additional feedback to Terri Weber, Legislative Research Department, and to Gina Maree, Kansas Health Institute.

Dr. Andy Allison, Interim Director, KHPA, commented that he believed the oversight process to be structured and well-ordered. He reported that the agenda for the upcoming retreat includes updating KHPA's Strategic Plan. In addition, he recognized the importance of the legislative process, and the impact of a changing environment on policy and performance.

Upon a motion by Representative Bethell and a second by Representative Mast to adopt the oversight process as outlined in the documents entitled (1) Oversight Process, (2) Recommendations for Oversight, and (3) Targeted Review Guidelines, the motion passed.

Dr. Allison submitted an "Update from the Kansas Health Policy Authority: Impact of FY 2010 Budget Decisions" ([Attachment 6](#)). Dr. Allison reviewed Medicaid transformation and savings estimates for FY 2010, discussed 2008-09 recommendations, and provided a summary of FY 2010 budget decisions. Discussion ensued related to savings estimates, particularly in pharmaceuticals, and the development of an advisory committee to assist in the area of mental health prescription drugs.

Representative Bethell requested additional information on the Pharmaceutical Advisory Committee, its membership qualifications, term lengths, purpose, and a list of selected members. Dr. Allison stated that he will furnish the requested information.

Considerable discussion was heard related to KHPA's budget, efficiencies, and savings. Key points included:

- Programs and operations are funded separately;
- Caseload costs are 20 times greater than operational costs; and
- Any caseload savings cannot be credited to cost-saving operations.

Related to the discussion of the FY 2009 KHPA budget, Senator Kelly inquired if KHPA could tell what the impact would have been on KHPA's FY 2009 budget if the stimulus money had not been received. Dr. Allison responded that he would provide that information to Senator Kelly and Committee members at a later time. Senator Kelly requested a definition of the term "firewall" as it relates to caseload savings and cost-saving operations. Dr. Allison explained that the "firewall" is the caseload consensus funding process. Each time caseload funding is forecast, KHPA staff prepare a detailed analysis of what changed, why changes were recommended, and the amount of changes.

Senator Colyer stated that in FY 2009, \$500,000 was allocated to provide dental benefits to pregnant mothers. The program was to be administered through the KHPA and was projected to generate significant caseload savings. Senator Colyer asked for an update on implementation of this program. Dr. Allison reported that as of the current date, the program had not been implemented. The services are funded from the legislative appropriation of \$500,000. At this time, these funds remain unspent because there was no appropriation for the operational costs (including implementation). Discussion followed in which Committee members discussed the necessity to include legislative notification when money has been appropriated but implementation and

operational costs have not been appropriated. Representative Landwehr inquired from what source the \$500,000 figure for pregnant women dental services came and whether there were other state-funded programs with unspent appropriations. Representative Bethell questioned what the ramp-up costs for this program would be. Representative Ward expressed doubt that the program could be implemented given current staffing reductions resulting from the budget deficit. Senator Barnett requested that Dr. Allison provide responses to the Committee's concerns, and that this item be added to the next Committee agenda for additional discussion.

Representative Bethell inquired about the rationale of discontinuing programs that save the state money, specifically, the Enhanced Care Management Program. Dr. Allison responded that the challenge is reducing operational costs and leveraging the return either to beneficiaries or savings to the State.

Additional discussion was heard related to budget cuts and how KHPA staff determined reductions; staffing and morale issues; outsourcing; the impact of staffing cuts on beneficiaries and services; clearinghouse issues; the percentages of clean and unclean claims; and the impact of KHPA operational cuts. Senator Kelly questioned whether there was any data tracking of the relationship between budget cuts and emergency room visits or uncompensated emergency room costs. Dr. Allison indicated he would investigate how that issue could be evaluated. Representative Bethell conveyed the importance of communication with the Legislature if efficiencies identified and implemented by KHPA negatively impact services and beneficiaries.

Vice-Chairperson Landwehr commented concerning healthcare reform and health insurance reform, transparency, cost reductions, new products, and accessibility.

The meeting recessed for lunch.

Afternoon Session

The meeting reconvened at 1:40 p.m.

Cathy Harding, Executive Director, Kansas Association for the Medically Underserved, was recognized by Vice-Chairperson Landwehr. Ms. Harding presented information related to the agency's history, purpose, and mission. Ms. Harding discussed current and long-range planning for Kansas safety net clinics as well as statistics related to patient visits; location of clinics; funding appropriations; the impact of budget challenges on under and uninsured Kansans; and the effect of the American Recovery and Reinvestment Act (ARRA) on the program ([Attachment 7](#)).

Vice-Chairperson Landwehr inquired whether it would be feasible for safety net clinics to work in conjunction with the KHPA to assist in the expansion of dental programs for pregnant women (discussed in the morning session). Ms. Harding indicated she would be meeting with Dr. Andy Allison and Barb Langner in the upcoming weeks. The topic would be added to their agenda for discussion. A report will be forwarded to Health Policy Oversight Committee members.

There was discussion related to federally funded clinics and the standards and expectations for clinics as federal funds are exhausted. In addition, non-federally funded clinics and funding to support greater numbers of patients as fiscal shortages become greater also was discussed. Ms. Harding presented the future vision of Kansas' safety net to include a broader system of care that incorporates all partners (e.g., hospitals, physicians, and public health departments) to better integrate services, to provide a system of care in some frontier areas rather than stand-alone

services, and to examine methods to achieve improvement in providing needed services to Kansas citizens. To achieve the vision, a Kansas Healthcare Access Workgroup meeting will occur in late June to discuss the safety net growth plan and to consider the safety net in a larger “systems of care” perspective. Members of the Workgroup include representatives from the Kansas Hospital Association, Kansas Health Institute, Kansas Department of Health and Environment, Kansas Medical Society, Kansas Health Policy Authority, Kansas Association of Community Mental Health Centers, Kansas Department of Commerce (Rural Policy), Kansas Dental Association, Kansas Association of Local Health Departments, and the Kansas Public Health Association.

Committee members asked questions relative to presumptive eligibility for Medicaid programs and the possible use of federal stimulus HIT/HIE funds to facilitate eligibility enrollment at safety net locations. Representative Landwehr requested that Ms. Harding present her information to the KHPA Board for the purpose of raising key issues of coordination and collaboration related to the Kansas safety net.

Chairperson Barnett called upon Elaine Schwartz, Executive Director, Kansas Public Health Association, to deliver comments. Ms. Schwartz distributed written testimony ([Attachment 8](#)) in which she described the past history or “where have we been” concerning public health in Kansas. This foundation, she explained, will provide a better understanding of present and future developments of public health and public health policy in Kansas. Ms. Schwartz provided a definition of public health and why it is important; past public health achievements; essential services of public health; the importance of linking involved agencies in public health collaboration; the financing of public health initiatives; the movement toward accountability in providing public health services; and the movement toward the creation of a School of Public Health in Kansas.

Edie Snethen, Executive Director, Kansas Association of Local Health Departments, spoke regarding the current status of public health in Kansas ([Attachment 9](#)). Ms. Snethen described the work being done by local health departments related to important health issues in the state (e.g., high infant mortality rate) and the importance of prevention in improved health outcomes. In addition, public health accreditation and the components involved in that process were discussed. Ms. Snethen reported on efforts to build adequate public health policy in Kansas and to provide prevention services necessary for healthcare reform. The development of a common set of expectations to clarify roles between local and state agencies, to facilitate coordination of public health services, and to interface public health services with safety net clinics and other partners was discussed as the goal of the long-range public health vision.

Dr. Jason Eberhart-Phillips, State Health Officer and Director of Health, Kansas Department of Health and Environment, spoke about the high infant mortality rate in Kansas and indicated a blue-ribbon panel has been appointed to examine this public health crisis in Kansas. He spoke about the future of healthcare in Kansas, the public health infrastructure, and the need to reduce the demand for medical care by using preventive measures ([Attachment 10](#)). Dr. Eberhart-Phillips stated that only a strengthened public health system can provide the expertise to advance this goal and that in the next thirty years, medical care costs threaten to devour one-third of the state’s gross domestic product. He reported on efforts in Washington related to healthcare reform. He emphasized the importance of active public health agencies in all regions of the state to create conditions of optimal health and to manage a pandemic such as the recent H1N1 crisis. He also reviewed the long-term public health vision timeline.

Representative Landwehr asked whether it would be possible to combine services performed by public health departments and safety net clinics to reduce duplication of services and create greater efficiencies, particularly in rural or frontier areas. Dr. Eberhart-Phillips and Ms. Harding indicated that the suggestion would be considered at the Kansas Healthcare Access Workgroup meeting in late June. Senator Kelly encouraged the inclusion of other representatives (nutritionists,

exercise physiologists and therapists, bike and walk enthusiasts) to the Public Health Planning Steering Committee. Senator Kelly indicated the inclusion of these representatives would be critical in the planning phase rather than during the implementation phase. Ms. Snethen indicated the suggestion would be reviewed by the Steering Committee. Senator Colyer reported that the Centers for Disease Control and Prevention funds public health in Kansas and that Kansas, with a ranking of 50th in the United States, receives nine dollars per person where other states receive more. He inquired what plans are being made to increase that amount. Ms. Snethen responded that implementing accountability and accreditation will begin to create strategies to increase federal funding for public health. Dr. Eberhart-Phillips substantiated that the federal government will reward communities who utilize a model that addresses their public health needs. Representative Ward requested Ms. Snethen provide the standards for local health department accreditation to Committee members and that Dr. Eberhart-Phillips present information regarding the management of the H1N1 pandemic in Kansas at the next meeting. Senator Barnett requested that these items be added to the next agenda.

Chairperson Barnett introduced Karen Braman and Jeff Ellis, Co-Chairpersons of the Kansas Health Information Exchange Commission. Ms. Braman distributed information regarding the short- and long-term direction for HIT/HIE in Kansas. She provided background information on the Commission's activities to develop the infrastructure needed to support health information exchange across Kansas. The Commission developed seven recommendations that were submitted to the Governor (Attachments 11 and 12) and incorporated a public-private model as the preferred way to move forward. A Health Information Security Collaborative, led by Dr. Helen Connors, was established. This statewide effort resulted in specific recommendations regarding clinical, financial, technical, privacy and security, and governance aspects of health information exchange.

Jeff Ellis stated that the recommendations were made prior to ARRA. Stakeholders throughout the state were brought together which created opportunities for Kansas to develop, monitor, and evaluate health information exchange policy. Mr. Ellis further stated that, in the HIT/HIE opportunity contained in ARRA, there are two billion dollars available for programs. Mr. Ellis encouraged that an entity be created for monitoring and coordinating an HIT/HIE process in Kansas.

Don Jordan, Secretary, Department of Social and Rehabilitation Services (SRS), appeared to discuss his role as Chairperson of the Governor's Health and Human Services (HHS) Subcabinet (Attachment 13). Governor Parkinson has assigned the HHS Subcabinet to oversee the tasks of identifying appropriate HIT/HIE projects for submission to the federal government to obtain ARRA funding. The HHS Subcabinet includes representatives from the Juvenile Justice Authority, the Departments of Corrections, Health and Environment (KDHE), SRS, and the Department on Aging. The KHPA and the Division of Information Systems and Communications also participate in the Subcabinet's activities. Secretary Jordan indicated KDHE is the lead agency in this project.

Senator Schmidt asked how the management of HIT/HIE was assigned to the HHS Subcabinet when the original plan was to assign HIT/HIE to the KHPA. Secretary Jordan indicated it was the belief that since KHPA was not a cabinet agency and with KDHE serving as the lead for day-to-day HIT/HIE activities, more resources would be available. Committee members expressed concern that the HIT/HIE recommendations made by the experts on the Commission for the Kansas Health Information Technology/Health Information Exchange Policy Initiative two years ago, would have positioned Kansas to move forward, but were never implemented. Committee members also expressed disappointment and concern relative to the change in the assignment from KHPA to the HHS Subcabinet.

Senator Kelly pointed out that the Governor is to work through the Executive Branch to manage ARRA funds. With the involvement of the E-Health Advisory Council and the KHPA in the HHS Subcabinet activities, federal stimulus funds should be obtained for Kansas HIT/HIE projects.

Representative Hill inquired whether parameters related to federal funding for these projects had been received from the federal government. Secretary Jordan indicated regular guidance is being received and the Subcabinet (with involvement from KHPA) will continue to move Kansas toward the goal of HIT/HIE project identification. Representative Hill asked for reassurance that Kansas will be in a position to compete for federal stimulus money in an expeditious manner. Secretary Jordan assured those attending that the goal of the HHS Subcabinet is to organize, coordinate, and ensure available resources are committed for the procurement of ARRA funds for HIT/HIE implementation in Kansas.

Chairperson Barnett emphasized the importance of expeditiously moving the ARRA application process forward and requested that all HHS Subcabinet outcomes and meeting minutes be furnished to Terri Weber, Legislative Research Department, for the purpose of disseminating to the members of the Joint Committee on Health Policy Oversight.

On the recommendation of Representative Bethell, the Committee agreed to send a letter to Dr. Marcia Nielsen thanking her for her service to the Kansas Health Policy Authority.

The meeting was adjourned at 3:55 p.m.

Prepared by Jan Lunn
Edited by Terri Weber and Kelly Navinsky-
Wenzl

Approved by Committee on:

December 17, 2009

(Date)