

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 25, 2006, in Room 123-S of the Capitol.

All members were present except:

Senator Jim Barone- excused

Committee staff present:

Jill Wolters, Revisor of Statutes Office

Michael Corrigan, Revisor of Statutes Office

Alan Conroy, Director, Kansas Legislative Research Department

J. G. Scott, Kansas Legislative Research Department

Reagan Cussimano, Kansas Legislative Research Department

Amy Deckard, Kansas Legislative Research Department

Audrey Dunkel, Kansas Legislative Research Department

Emaline Correll, Kansas Legislative Research Department

Terry Weber, Kansas Legislative Research Department

Judy Bromich, Chief of Staff

Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Sandy Praeger, Commissioner, State Insurance Department

Kathryn Coleman, Campaign Manager, Medicare Prescription Drug Coverage Campaign, Kansas City Regional Office, Centers for Medicare and Medicaid Services

Kathy Greenlee, Acting Secretary, Kansas Department on Aging

Others attending:

See attached list.

### **Bill Introductions**

Senator Wysong moved, with a second by Senator Steineger, to introduce a bill concerning the admission of students to state educational institutions (5rs1830). Motion carried on a voice vote.

### **Overview and Discussion of Medicare Part D - Prescription Drug Coverage**

Staff of the Kansas Legislative Research Department presented an overview of the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) (P.L. 108-173) which was enacted December 8, 2003, that created the new Medicare Part D prescription drug benefit, which was effective January 1, 2006 (Attachment 1). Low-Income Assistance, Availability of Drug Plans, Financing Medicare Part D and the Impact of the Medicaid Clawback were among the topics that were addressed.

Chairman Umbarger welcomed Sandy Praeger, Commissioner of Insurance, Kansas Insurance Department, who gave an overview of the status of the Medicare Prescription Drug Program implementation and their involvement in it. (No written testimony was provided.) Commissioner Praeger provided copies of a letter that she sent to President George Bush, dated January 19, 2006, regarding the Medicare Part D Enrollment Deadline (Attachment 2). She also provided information on the list of insurance plans available in Kansas (Attachment 3).

Commissioner Praeger explained that telephone calls to their office regarding Medicare Part D have tapered off recently, but there are still problems that exist. She noted that she wrote a letter to President George Bush on behalf of the Kansas Insurance Department, along with other organizations addressing Medicare Part D, asking that there be a delay in implementation of Medicare Part D until the end of the year. There is concern that individuals are being rushed to wade through the complex and extensive information about the program and are feeling pressured to select a plan, from the many alternatives available to them which may or may not be the best choice for their needs. She mentioned that Medicare Part D is the largest expansion of the

## CONTINUATION SHEET

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Medicare program since its inception and there should be a willingness to be more flexible regarding the considerations and concerns that have surfaced in implementation of the program. Chairman Umbarger thanked Commissioner for her request to President George Bush and being a strong advocate for the state of Kansas.

The Chairman welcomed Kathryn Coleman, Medicare Prescription Drug Education Campaign Manager for the Kansas City Regional Office of the Centers for Medicare and Medicaid Services (Attachment 4). She introduced Nancy Schmidt, Health Insurance Specialist for their Division of Medicare Operations, who was present with her. Ms. Coleman explained that the addition of a prescription drug benefit is the largest, most significant change to the Medicare program since its inception. She noted that there have been more than 2.5 million people sign up in the last 30 days and addressed their progress on implementation of the new prescription drug benefit.

Ms. Coleman provided copies of the Centers for Medicare and Medicaid Services Fact Sheet, State Reimbursement for Medicare Part D Transition, dated January 24, 2006 (Attachment 5). She assured the Committee that their office is committed to fixing every problem as quickly as possible and they will do it as long as it takes, although they expect every day to continue to see improvements. In closing, Ms. Coleman explained that there is a lot more work ahead of them and they look forward to continued dialogue with the State of Kansas in the coming months. Committee questions and discussion followed. Ms. Coleman provided a telephone number dedicated just for pharmacies to verify eligibility as follows: 866-835-7595

Chairman Umbarger welcomed Kathy Greenlee, Acting Secretary, Kansas Department on Aging, who presented an overview of the Kansas Implementation of Medicare Part D (Attachment 6). Acting Secretary Greenlee explained that last month the Governor had asked her to convene a group of advocacy organizations, providers and agency staff to share on-the-ground implementation information during the critical time period of Medicare Part D implementation. She noted that, from this group, they have been able to learn of important emerging issues and concerns and identify additional training and education needs.

Secretary Greenlee shared information Kansas-specific information from the Centers for Medicare and Medicaid Services that reflect prescription drug coverage enrollment as of January 20, 2006. She also addressed emerging issues which are listed in detail in her written testimony.

Chairman Umbarger announced that the overview of the Medicare Part D Prescription Drug Coverage would be continued the following day, January 26, 2006. He thanked all of the conferees for appearing before the Committee.

The meeting adjourned at 12:00 p.m. The next meeting was scheduled for January 26, 2006.