

## MINUTES

### JOINT COMMITTEE ON HEALTH POLICY OVERSIGHT

May 31, 2007  
Room 514-S—Statehouse

#### Members Present

Senator James Barnett, Chairman  
Representative Melvin Neufeld, Vice-Chairman  
Senator David Haley  
Senator Laura Kelly  
Senator Roger Reitz  
Senator Vicki Schmidt  
Senator Susan Wagle  
Representative Jeff Colyer  
Representative Bill Feuerborn  
Representative Louis Ruiz

#### Members Absent

Representative Bob Bethell  
Representative Brenda Landwehr

#### Staff Present

Terri Weber, Legislative Research Department  
Melissa Calderwood, Legislative Research Department  
Emalene Correll, Legislative Research Department  
Nobuko Folmsbee, Revisor of Statutes Office  
Renaë Jefferies, Revisor of Statutes Office  
Jason Thompson, Revisor of Statutes Office  
Ken Wilke, Revisor of Statutes Office  
Jim Wilson, Revisor of Statutes Office  
Morgan Dreyer, Committee Secretary

#### Conferees

Connie Hubbell, Chairperson, Kansas Health Policy Authority  
Dr. Marcia J. Nielsen, Executive Director, Kansas Health Policy Authority  
Scott Brunner, Chief Financial Officer, Kansas Health Policy Authority  
Dr. Andy Allison, Medicaid Director and Deputy Director, Kansas Health Policy Authority

#### Others Attending

See attached list.

## Morning Session

The meeting was called to order by the Chairman at 10:00 a.m. on May 31, 2007. The Chairman welcomed everyone and noted three future meeting dates for the Joint Committee on Health Policy Oversight – August 22, 2007, September 27, 2007, and November 1, 2007.

Connie Hubbell, Chairperson, Kansas Health Policy Authority (KHPA), presented the first part of an overview of the 2007 Session and of health reform in Kansas (see Attachment 1). She commented on the budget and funding support received by KHPA to meet the infrastructure and staffing needs of the agency and noted the following accomplishments in the first year of the agency's existence:

- Creation of the Health For All Kansans Steering Committee;
- Appointment of statutorily prescribed advisory councils;
- Resolution of Centers for Medicare and Medicaid Services (CMS) audit issues;
- Implementation of federal citizenship verification requirements;
- Improved stakeholder communication;
- Initiation of reforms in the Disproportionate Share for Hospitals (DSH) program;
- Planned and began implementation of the health-wellness initiative portion of the State Employee Health Benefits Plan;
- Development of a Long-term Care Partnership proposal;
- Completion of the transition in managed care providers; and
- Development of partnerships and funding support from several Kansas foundations.

Dr. Marcia Nielsen, Executive Director, Kansas Health Policy Authority, continued the overview, speaking to the health reform initiatives contained in 2007 House Sub. for SB 11. She directed the Committee's attention to a notebook distributed to each member containing all the KHPA testimony. Dr. Nielsen reviewed the KHPA 2007 Legislative Report Card; discussed the history and creation of the KHPA ([Attachment 1](#)); and commented on the roles of the Authority members, Steering Committee, and advisory councils. She discussed the consensus package/process and the 2007 priorities of sister agencies, including the Kansas Department of Health and Environment, the Department of Social and Rehabilitation Services, the Department on Aging, and the Insurance Department ([Attachment 2](#)).

Dr. Nielsen briefed the Committee on legislation contained in House Sub. for SB 11 ([Attachment 3](#)). She presented an overview of the Premium Assistance Program, outlining goals, the design phase, and participation ([Attachment 4](#)). Dr. Nielsen also discussed the 2008 health reform options, including stakeholder input and Authority discussions. A grid to be used as a tool for developing reform options was called to the Committee's attention. She also directed attention to graphs depicting data on the uninsured ([Attachment 5](#)).

Dr. Nielsen advised the Committee of the discussion topics for the June 19, 2007, Authority meeting that had been requested by the Chairman of the Health For All Kansans Steering Committee. The discussion topics include:

- Providing and protecting affordable health insurance;
- Prevention and primary care; and

- Promoting personal responsibility.

In response to a question concerning the long-term vision of the KHPA, Dr. Nielsen commented that additional programs and resources are needed. Connie Hubbell responded that, due to time constraints, the Authority has not yet discussed what will be brought as recommendations in January 2008.

On the issue of transparency, a question was raised as to when the Kansas public will have access to data. Dr. Nielsen noted the Authority currently is interviewing for the Data Director position, knowing the Legislature fully funded the request for a data analytic interface. She noted the development of a consumer-friendly data system in which the Authority is partnering with the State Library and the medical libraries in Kansas by providing them with initial funding for a collaborative website starting in 2008.

Responding to a question regarding the ability to control the cost of health care, Dr. Nielsen replied that long-term controls would center around prevention and primary care. She noted technology is still in question in controlling costs, since it is a large and expensive factor.

A question was asked regarding the Kansas Legislature's support and federal support on long and short-term Medicaid eligibility backlog issues created by the federal citizenship verification requirements. Dr. Nielsen commented that the 2007 Legislature had provided help by funding staff to reduce the backlog. Also, when agency staff meet with members of Congress, they raise the issue of the federal requirement, and staff is both informing and receiving information from other states. Commenting on a question as to whether non-documented children should be considered as part of the goal to provide all children age 0-18 with health care, Dr. Nielsen stated the federal government does not allow the states to offer Medicaid to non-citizens.

Commenting on a question regarding staffing for KHPA, Dr. Nielsen stated positions were funded in the FY 2007 supplemental appropriation and in the enhanced budget request. Twenty positions are not filled, but position descriptions have been written. The issue of overlapping, or duplicating, the works of other agencies was raised. Dr. Nielsen assured the Committee no duplication is happening and all agencies are working together in a cohesive and coordinated fashion.

A Committee member noted that the "outsider's" view is that the Health For All Kansans committee is not set up fairly in terms of its members. Dr. Nielsen responded the Health For All Kansans committee is composed only of legislators and Authority members, with the exception of the former Education Commissioner. She further stated that the criticism may be directed toward the advisory councils. However, the councils are open to all who ask to participate, limited only by the need to keep the number of members manageable. She also stated that the goals of the advisory councils are to be a focus for ideas and a sounding board to help the Steering Committee. Dr. Nielsen referred the Committee to Attachment 4 in response to a comment about looking at other states' failures and successes.

Responding to a question of whether or not health information technology and the advanced identification cards would be addressed at this meeting, Dr. Nielsen stated that several pilot initiatives, such as the advanced ID cards, currently are actively being worked on with the Mid-American Coalition on Health.

Concerning the status of hiring an Inspector General, Dr. Nielsen stated a position description and possible certification requirements have been developed, but it is not known when the position will be filled.

In response to a question about how the grid is being used, Dr. Nielsen indicated she sees the grid as a tool to assist in developing the advisory council agendas and guiding the Authority through the process of developing a health reform plan. She stated that the Authority also will be working with two consultants - Steve Shram and Scott Taunaman.

Continuing to respond to Committee questions, Dr. Nielsen answered a question about the impact on the Medicaid program and on health reform of Blue Cross losing a federal Medicare contract by stating she has contacted Blue Cross to see if the Authority can assist in some way.

Dr. Nielsen concluded her testimony by directing the Committee to the graphs on the uninsured toward the end of Attachment 5.

The Chairman recognized Scott Brunner, Chief Financial Officer, Kansas Health Policy Authority, who discussed the FY 2008 approved budget items. Key issues included substantial changes to the Authority, the Local Education Agencies (LEA), payback, and staffing (Attachment 6). In response to a question, Mr. Brunner explained utilizing presumptive disability in determining Medicaid eligibility and the effect of presumptive disability on Medicaid and MediKan.

The issue of budget negotiations and matching funds for the Inspector General position was raised. Mr. Brunner stated that when the fiscal note was written, the Authority was unsure if the Inspector General position would be entirely Medicaid matched. He stated the revised budget, available in the fall, will contain more information.

A question regarding 2008 Medicaid citizenship verification and the state-federal match was asked, as was a question as to whether the 12 additional authorized positions would be replaced through possible technology development. Mr. Brunner explained the positions are a mix of state and contract staff. He said the technology currently being worked on is a data match that will keep the process moving and, most likely, there will be different ways of doing things that make the work faster rather than new technology to replace staff. A question was asked about the number of applicants who are not qualifying. Dr. Allison replied that the caseload impact and the number of Medicaid eligibles not enrolled at any one time because of the backlog is between 18,000 and 20,000 each month.

In response to a question regarding what the timeline would look like when Medicaid kicks in before the state starts to draw federal funds under presumptive disability, Mr. Brunner stated that before the presumptive process, it would take between 18 and 24 months for the Social Security Administration to complete the Social Security disability eligibility process and, during that time, MediKan would pay for health benefits. What is now being done is to have state eligibility staff look at the evidence of disability using the same criteria as the Social Security Administration, and as soon as the applicant is presumed eligible by meeting the criteria, he or she becomes a Medicaid client. The amount of time the person would have remained on MediKan, which is state funded, would be reduced or would not take place at all.

Responding to a question concerning the \$37 million for Medicaid-eligible services reimbursed to schools, Mr. Brunner replied the federal Inspector General found problems with all mechanisms used by the schools to bill for services eligible for Medicaid reimbursement. KHPA chose the option to establish fee-for-service as the billing mechanism. A list of services with codes was created and should actually reduce the cost dramatically.

## **Afternoon Session**

The Chairman recognized Dr. Andy Allison, Medicaid Director and Deputy Director, Kansas Health Policy Authority, who briefly discussed issues regarding: the State Children's Health Insurance Program (SCHIP), Medicaid managed care, the Medicaid eligibility clearinghouse, and new federal citizenship eligibility requirements. Dr. Allison also reviewed pilot projects and the request for proposals for the state employee health benefits wellness plan (Attachment 7).

Following his presentation, Dr. Allison was asked to explain further the current method being followed to reimburse schools as Medicaid providers, including any contractual terms and system changes. There was discussion of the basis of the federal audit exception to the reimbursement methodology previously used to reimburse schools and the changes made by the Health Policy Authority to meet federal requirements.

In response to questions about the costs and number of participants in the Premium Assistance Program, Dr. Allison indicated that more information would be made available to the Committee at future meetings.

Dr. Allison called the Committee's attention to the material in Attachments 8 and 9. The conferee gave an overview of the request for proposals for the wellness component proposed for the State Employee Health Benefits Plan as set out in Attachment 9. He also explained that Attachment 10 contained the Health Policy Authority Annual Report and material on interagency agreements.

In response to a question regarding Unicare's payment delays, Dr. Allison replied they resulted from poor communication between the billing agent, the hospital, and the clearinghouse. There have been problems with claims "bouncing" and other system faults that have contributed to the delay. The issue of the disproportionate share hospitals being part of the state Medicaid plan also was raised. Dr. Allison responded that it is to be a part of the Medicaid state plan and will be modeled on other states, but specifically tailored to Kansas.

The issue of the Medicaid managed care contract renewal was raised. Dr. Allison indicated that a renewal timetable of between three and six years was in the policy objectives. He also noted that choices in contractors will vary by geography. The conferee was asked if most providers contract with both managed care entities since beneficiaries can change managed care entities. Dr. Allison stated there are certain complexities that arise from the Title XIX requirement that Medicaid beneficiaries have a choice. The requirement continues to be a burden. The issue of Medicaid beneficiaries being able to change managed care providers as often as monthly was raised. The conferee noted the policy was not reviewed as part of the managed care contracting process, but it can be reviewed.

A Committee member requested the Health Policy Authority develop proposals for providing health coverage for all children from ages 0 to 18 by November 1, 2007.

The Chairman noted the last item on the agenda was identifying issues the Committee wished to pursue during the Interim. He indicated the following updates or topics had been requested during the presentations and meeting discussion:

- Invite the consultants chosen by the Authority to come before the Committee so the consultants can have an opportunity to hear Committee members' comments, ideas, and concerns that need to be addressed.
- Respond to policy issues such as whether to keep families together (parents and children).
- Provide feedback from the advisory councils and whether fair representation of all groups exists.

- During the Authority's listening tour, determine how much "skin" Kansans are willing to put into efforts to assure health care for all Kansans, knowing it will not be possible for government to do it alone, but will need cooperation from businesses, community members, doctors, nurses, among others.
- Get feedback from Kansans during the listening tour on what they are wanting and needing.
- Update the Committee on Medicaid eligibility determination and resolution of the delays caused by the citizenship verification requirements at every meeting.

Vice-Chairman Neufeld noted updates on tax issues would fall under the responsibility of the special committee to be appointed by the Legislative Coordinating Council pursuant to the provisions of 2007 House Sub for SB 11. There already should be plans for this issue to come up on the next agenda.

Senator Schmidt asked that consideration be given to an update on health information technology.

Senator Kelly requested consideration of an update on online screening.

Representative Ruiz noted that little or no information had been presented on dental care and asked for an update.

The Chairman stated it may not be possible to cover all the issues requested for Committee review at the next meeting. Those items not covered will be scheduled for a later meeting.

The meeting was adjourned at 2:40 p.m. The next meeting will be held August 22, 2007.

Prepared by Morgan Dreyer  
Edited by Emalene Correll

Approved by Committee on:

August 22, 2007

(date)

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