

MINUTES OF THE SENATE PUBLIC HEALTH AND WELFARE COMMITTEE

The meeting was called to order by Chairman Jim Barnett at 1:30 p.m. on February 24, 2009, in Room 136-N of the Capitol.

All members were present.

Committee staff present:

Nobuko Folmsbee, Office of the Revisor of Statutes
Doug Taylor, Office of the Revisor of Statutes
Kelly Navinsky-Wenzl, Kansas Legislative Research Department
Terri Weber, Kansas Legislative Research Department
Jan Lunn, Committee Assistant

Conferees appearing before the committee:

Andy Allison, PhD, Medicaid Director and Deputy Director, Kansas Health Policy Authority

Senator Barnett introduced Katie Stachowiak, Alexis Vance, and Maddy Ebling from Sunrise Point Elementary School, Overland Park, Kansas, who were paging for the day.

Others attending:

See attached list.

Dr. Allison presented information on "Implementing Data-Driven Policy through Medicaid Transformation." (Attachment 1) Dr. Allison explained that Medicaid is an optional program of federal matching payments for medical and long-term care. Medicaid was created in 1965 along with Medicare. The federal share is normally around 60%, and will rise by 6-9% during the nine-quarter stimulus period resulting from the passage of the American Recovery and Reinvestment Act of 2009 (ARRA). Dr. Allison indicated that Kansas has not seen an uptick in poverty enrollment since the economic downturn began last September/October 2008. He explained that KHPA serves as the repository for all Medicaid federal dollars distributed in Kansas.

Dr. Allison reviewed total spending on all Medicaid services by population groups. He indicated the disabled and the aged receive the greatest amount of dollars. Medicaid spending by service was also discussed; prescription drugs and hospitals represent the majority of dollars spent. Senator Schmidt questioned whether pharmacy claims from managed care organizations are included in the category of prescription drugs. He explained that there are two components in pharmacy prescriptions: fee-for-service and managed care, and to his knowledge, the managed care component is stripped out of the data analysis. However, he would clarify and would provide follow-up at a later date.

A review of approaches to Medicaid transformation was discussed, specifically, the use of information technology and web-based access for beneficiaries. Key short- and long-run challenges for Kansas Medicaid were described in addition to KHPA objectives for transforming Medicaid. He indicated program management included comprehensive program reviews for services, populations, managed-care programs, and over-arching reviews. In depth discussion was heard related to Medicaid transformation in three areas: transportation, home health, and Health Wave.

Senator Schmidt inquired whether transportation is provided when a beneficiary in a managed care organization has to be referred to an out-of-network provider. Dr. Allison indicated follow-up clarification would be provided.

Dr. Allison discussed 2008 transformation recommendations for transportation, home health, and Health Wave. Dr. Allison concluded his presentation by summarizing Medicaid transformation recommendations for 2008 and by reporting on selected 2009 program reviews.

Senators questioned how funding is handled for Medicaid beneficiaries utilizing FQHCs and how the structure of look-alike FQHC clinics fit into the 2009 transformation process. Dr. Allison responded that FQHCs are reimbursed on a cost-basis through Medicaid. KDHE is responsible to designate needs that leads to FQHCs, placement of medical personnel, and collection of a uniform data set for recipients. Dr. Allison indicated that follow-up related to the look-alike clinics will be provided.

Senator Barnett questioned what resources might be available as a result of the inclusion of health information

CONTINUATION SHEET

Minutes of the Senate Public Health And Welfare Committee at 1:30 p.m. on February 24, 2009, in Room 136-N of the Capitol.

technology in the American Recovery and Reinvestment Act. Dr. Allison clarified that Dr. Nielsen is leading the state in organizing a plan for to capture competitive HIT grants and formulating plans to be well positioned for federal funding; the available funds total 19 billion dollars (under ARRA). Senator Kelly inquired about what types of programs will come under HIT infrastructure money provided in ARRA. Dr. Allison indicated additional information would be provided at a later date.

The meeting was adjourned at 2:24pm

The next meeting is scheduled for February 25, 2009.