

MINUTES

JOINT COMMITTEE ON HEALTH POLICY OVERSIGHT

December 13, 2005
Room 514-S—Statehouse

Members Present

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

Members Absent

Representative Bob Bethell
Representative Brenda Landwehr

Staff Present

Terri Weber, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Melissa Calderwood, Kansas Legislative Research Department
Jim Wilson, Revisor of Statutes Office
Renaë Jefferies, Revisor of Statutes Office
Shirley Jepson, Committee Secretary

Conferees

Dr. Howard Rodenberg, Director, Division of Health, Kansas Department of Health and Environment
Dr. Doren Fredrickson, Sedgwick County Health Department and University of Kansas School of Medicine in Wichita
Billie G. Hall, President and CEO, Kansas Sunflower Foundation
Dennis Kasselmann, Vice-President of Market Affairs, FirstGuard Health Plan
Dr. Robert St. Peter, President, Kansas Health Institute
Dr. Kenneth E. Thorpe, Chairperson, Department of Health Policy and Management, Emory University
Brad Smoot, Legislative Counsel, Blue Cross and Blue Shield of Kansas and Blue Cross Blue

Shield of Kansas City

Others Attending

See attached list.

Tuesday, December 13 Morning Session

Representative Mast moved to approve the minutes, as written, of the October 25, 2005, meeting. The motion was seconded by Senator Reitz. The motion carried.

Chairman Neufeld announced that the following resource information is being distributed to all Committee members:

- Booklet titled "Reforming the Health Care System" (copy available from Legislative Research Department); and
- Copy of "creditable coverage" letter sent to retirees who have prescription drug coverage with the State of Kansas Health Plan and are now eligible for Medicare Part D prescription drug coverage (Attachment 1).

Chairman Neufeld recognized Dr. Howard Rodenberg, Director of the Division of Health, Kansas Department of Health and Environment (KDHE). Dr. Rodenberg's testimony addressed the role of public health in improving the overall health of Kansans and outlined resources that the Division of Health has to assist communities in developing public health projects (Attachment 2). Dr. Rodenberg stated that one of the roles of public health is a focus on prevention, stopping disease or accidents before they happen. Another role of public health is working with communities to identify local needs and to provide resources to improve health. KDHE is working to improve access to vital statistics, to provide technical resources to help in assessing the needs of the local community, and to assist in providing financial support. KDHE is putting together various types of "toolkits" which contain models and resources available to local communities. Because of the diverse structure of the local communities, KDHE has met the challenge by developing multidisciplinary toolkits, addressing a number of different types of scenarios.

Responding to questions from the Committee, Dr. Rodenberg stated that one of his frustrations with the current health care system is the amount of money that is already earmarked for a particular project, either local funding or federal funding, and that cannot be diverted to a more serious problem if one arises. Another frustration centers around the division between the public health community and those who set general health policy, although Dr. Rodenberg stated that he believes the current health structure in Kansas places this problem on its way to resolution. Dr. Rodenberg stated he would endorse a statewide Clean Indoor Air Act.

The Committee requested that Dr. Rodenberg keep the Committee and the Legislature informed about his concerns or procedures that need to be changed to improve the public health care system in the state.

The Chairman recognized Dr. Doren Fredrickson, Sedgwick County Health Department and University of Kansas School of Medicine in Wichita, who provided information on public health

community projects in Kansas ([Attachment 3](#)). He included a copy of an article on “Lowering Health Care Costs in Wichita: A Summary of Physician Perspectives” ([Attachment 4](#)). Dr. Fredrickson noted that one of the costly items in public health is the number of citizens going to hospital emergency rooms for treatment who could be treated at a doctor’s office or clinic for much less expense.

The Committee voiced its concern about alcohol and underage drinking and felt that educating the whole family is an important approach. Another concern of the Committee centered around the lack of Medicaid funding for dental work and the importance for the state to address this issue. Dr. Fredrickson indicated that Wichita, at this time, has a program of volunteer dentists who serve indigent children. Dr. Fredrickson noted that an issue that needs to be addressed is the number of indigent citizens who are “no shows” for doctor and dentist appointments. Another issue which Dr. Fredrickson felt needed to be reviewed is the contract for Medicaid dental services, the way payments are made, and the dentists’ satisfaction with the program. With reference to the excessive use of the emergency room for all health concerns, Dr. Fredrickson felt it is important for local health officials to work with the indigent citizens, many of whom are unable to read; explain the rules; demand accountability; and develop a system to identify the over usage. Dr. Fredrickson noted that these types of problems are social management issues, as opposed to disease management issues.

The Committee voiced a concern for the need to unify the whole health care system, including mental and dental health.

Chairman Neufeld recognized Billie G. Hall, President and CEO, Kansas Sunflower Foundation, who presented an overview of the activities of the Sunflower Foundation in Kansas ([Attachment 5](#)) and a copy of the organization’s *2005 Annual Report* (copy available in Legislative Research Department). The Sunflower Foundation was created in 2000 from a settlement between the State of Kansas and Blue Cross and Blue Shield of Kansas to resolve Blue Cross’s charitable obligations to the state. The Foundation works to help citizens make better choices in health care and to identify health programs that are actually working. The Foundation provides funding for competitive grant programs throughout the state, working to identify regions of the state where there is a need.

Chairman Neufeld recognized Dennis Kasselmann, Vice-President of Market Affairs, FirstGuard Health Plan, who presented testimony on the Wichita Community Health Record Pilot Project ([Attachment 6](#)). The pilot project will provide information for the HealthWave population through a protected website. Information contained in the website will be basic patient demographics, provider visits; Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) status; immunization records; recent lab results; and a record of filled prescriptions. It is hoped that the project will provide valuable information to doctors and hospitals for patients who are HealthWave members.

Responding to questions from the Committee, Mr. Kasselmann noted that FirstGuard Health has a medical care contract with the state and does not provide dental services to its members. He advised Committee members to contact the Division of Health Policy and Finance and Delta Dental, which holds the dental contract for the state. The Committee voiced concern that information being collected and distributed should be compatible and standardized across the state, with cooperation between the state and all providers.

Committee members and staff were invited to have lunch, sponsored by the Sunflower Foundation and the Kansas Health Institute, at the Hayden Building, including a presentation by Dr. Kenneth E. Thorpe. Also in attendance at the luncheon, to give comments and answer questions, were Dr. Robert Day, Director of the Division of Health Policy and Finance, and Dr. Howard Rodenberg, Director of Health, KDHE.

Dr. Robert St. Peter, President, Kansas Health Institute, introduced Dr. Kenneth E. Thorpe, Chairperson, Department of Health Policy and Management, Emory University, who presented testimony on the role of prevention in slowing the growth and improving the value of health care spending (Attachment 7). Dr. Thorpe stated that:

- 80 percent of total health care spending is linked to chronically ill patients;
- Chronically ill patients receive approximately 55 percent of all clinically recommended medical care;
- The rise in the prevalence of treated disease accounts for nearly two-thirds of the growth in health care spending;
- The rise in obesity prevalence in the United States accounted for 27 percent of the growth in health spending over the past 20 years;
- The substantial dollar volume rise in spending is linked to modifiable individual risk factors; and
- Current cost containment initiations and debate largely ignore the central role of prevention.

Dr. Thorpe indicated that change starts with children, particularly in the public schools; however, obesity is a problem that needs to be addressed not only in the schools, but also with the parents. Dr. Thorpe felt that there is a need for change in policy decisions for marketing unhealthy foods and a need to look at the school lunch program, vending machines in schools, and expectations for physical activity in schools. He noted that obesity is a primary cause of a number of chronic diseases.

With reference to physical activity within schools, Dr. Thorpe noted that the Arkansas school system tracks performance of students as part of a health report card, with physical activity being a priority within the school system. Dr. Thorpe noted that it may be necessary to change the way payment is made for health care, to look for ways to revamp the complete health system, and to look at the total problem and how it is funded. Another valuable component is the collection of statewide data, understanding where the money is spent, and understanding what is driving the growth in obesity.

Chairman Neufeld recognized Brad Smoot, Legislative Counsel, representing Blue Cross and Blue Shield of Kansas (BCBS) and Blue Cross Blue Shield of Kansas City (BCBSKC), who presented testimony and statistics relating to current trends in health care costs and insurance in Kansas (Attachment 8). Mr. Smoot noted that the impact of health care spending has been universal, affecting all states; the group and non-group insurance markets; federal, state, and local governments; employers; Medicare and Medicaid; and those without coverage. Mr. Smoot noted that the good news is that premiums appear to be moderating, with increases currently in the single digits.

Mr. Smoot stated that premiums are analyzed every year, with increases some years and decreases in other years, depending on the demands in each year. In conjunction with the need to move from emergency room visits to the doctor's office, Mr. Smoot felt that there is a need to revamp the payment structure for Medicare and Medicaid reimbursements. Relating to administrative costs, Mr. Smoot noted that additional administrative costs were incurred with the implementation of the Health Insurance Portability and Accountability Act (HIPAA). Mr. Smoot indicated that BCBS and BCBSKC are working to find ways to be more efficient in administrative functions. He also noted that

BCBS has paid the State of Kansas, since 1995, over \$1 million to run the state data collection system. Additional funding comes from an assessment against insurance companies doing business in the State of Kansas. Because of the expense for the collection of insurance data, Mr. Smoot urged the Legislature and the Health Policy Authority to look at the policy and make sure that the information being collected is beneficial and necessary.

In conjunction with the charge to this Committee to monitor and study the Kansas Health Policy Authority, a chart was developed by Kansas Legislative Research Department staff to assist the Committee in monitoring these activities (Attachment 9).

Chairman Neufeld called the Committee's attention to the Committee Report (Attachment 10) and requested comments or additions to the report.

- Page 6, fourth bullet point—add language “to utilize data to drive better policy decisions and outcomes.”
- Page 6—add language "measure performance of the Health Care Authority as far as effectiveness in the State."
- Page 6—Endorse other efforts, such as the utilization of the patient identification card.

A final draft of the Committee report will be sent to Committee members for their review and any additional comments, with a response due by the first of next week. The Committee noted that it is difficult to make recommendations because the Health Policy Authority has just begun to meet.

The Committee noted that any statutory changes need to be brought to the Committee's attention. Future meetings will be “on call” of the Chairman as necessary.

The meeting was adjourned at 3:30 p.m.

Prepared by Shirley Jepson
Edited by Terri Weber and Melissa Calderwood

Approved by Committee on:

January 18, 2006

(date)