

Approved: February 21, 2012

MINUTES OF THE PUBLIC HEALTH AND WELFARE COMMITTEE

The meeting was called to order by Chairman Vicki Schmidt at 1:00 p.m. on Thursday, January 12, 2012, in Room 546-S of the Capitol.

All members were present except:

Senator Pete Brungardt, excused

Committee staff present:

Nobuko Folmsbee, Office of the Revisor of Statutes

Renae Jefferies, Office of the Revisor of Statutes

Iraida Orr, Kansas Legislative Research Department

Melissa Calderwood, Kansas Legislative Research Department

Bobbi Mariani, Legislative Research Department

Carolyn Long, Committee Assistant

Conferees appearing before the Committee:

Dr. Robert Moser, Secretary, Department of Health and Environment

Shawn Sullivan, Secretary, Department on Aging

Others attending:

See attached list

The Chair welcomed Dr. Moser, Secretary, Department of Health and Environment, back to the committee along with Shawn Sullivan, Secretary, Department on Aging who touched briefly on the proposed Kansas Department for Aging and Disability Services (Attachment #1).

Secretary Moser acknowledged that there will be three contractors covering the entire state, and the administration's primary focus will be to make the burden of enrollment as simple as possible. Contractors will have a goal of commonality with the primary outcome being that of consumer satisfaction. Clients will be automatically be enrolled in one of the MCO's but will have the right to change to another provider within 45 days.

Senator Kelsey asked Secretary Moser to provide information detailing what will happen to the interest earned over the approximate 75 million per month being paid to contractors. He also inquired as to the future of the PACE Program; will it be funded and at the appropriate level and would the program be expanded. Secretary Moser's response was that rates would be similar, it would be expanded across the state, with dual enrollment for PACE/KanCare.

Responding to other questions, Secretary Moser and Secretary Sullivan stated:

- Auto enrollment would be done on a random basis with all companies required to have a mix of the population from across the state. Enrollees would be familiar with their

options with an early program established with educational resources. After the initial program choice, enrollees would then have open enrollment yearly.

CONTINUATION SHEET

Minutes of the Public Health and Welfare Committee at 1:00 p.m. on January 12, 2012, in Room 546-S of the Capitol.

- Justification for moving to managed care is due to the economy. Kansas' Medicaid is up 7.4%; private insurance available through employers was only up 3.9%.
- Savings figures are conservative but would result from a decrease in complications resulting from better medical care on the front end of an illness and not requiring hospitalization or nursing/rehabilitation services.
- On the issue of not reducing access or services and still having an incentive bonus; it was explained that outcomes would be tied to programs to prevent overutilization.
- Infant mortality rates provide a good measurement of health care and it is important for women to have appropriate pre-natal care.
- Kansas ranks above the national average for nursing home occupancy—5.2% in Kansas as compared to a 3% national average; ranking Kansas the 6th worse in the United States.

Secretary Sullivan touched briefly on the rationale of inclusion of persons with disabilities in managed care, stating that the intent is to improve preventive health care and chronic disease management services. Persons with disabilities have higher rates of chronic medical comorbidities than their peers and are less likely to receive age-and-gender appropriate preventive health services such as cancer screenings and dental care. Reasons may include inability to effectively communicate needs, lack of awareness, acute care needs that surpass prevention, poor physical access to preventive care, and poor coordination across multiple clinicians. Instituting and maintaining appropriate preventive health care services may avert chronic conditions or avert severe negative events associated with poor disease management.

Concern was expressed by several members that should this plan work, measures would be in place to ensure that any savings captured by out of state for profit companies remain in the state. Secretary Sullivan said the administration was studying other state models and there was ongoing discussion to ensure that any savings generated with state dollars would remain in the state.

In closing his remarks, Secretary Moser stated that health care outcomes are the number one priority for this administration. When asked if the administration would consider a staggered implementation, the response was that the administration is committed to the current path and that it was prudent to continue in that direction.

The Chair recognized Tom Hawk, Behavioral Sciences Regulatory Board, who requested introduction of legislation which would address the addictions counselor licensure act. *Moved by Senator Kelsey, seconded by Senator Reitz. Motion carried.*

The meeting adjourned at 2:30 p.m. The next meeting of the committee is January 17, 2012.

