

MINUTES OF THE SENATE HEALTH CARE STRATEGIES COMMITTEE

The meeting was called to order by Chairman Susan Wagle at 1:30 P.M. on February 9, 2005 in Room 231-N of the Capitol.

Committee members absent:

Committee staff present: Ms. Audrey Dunkel, Senior Physical Analyst, KS Legislative Research Dept.
Ms. Emalene Correll, Kansas Legislative Research Department
Ms. Terri Weber, Kansas Legislative Research Department
Mr. Jim Wilson, Revisor of Statutes Office
Ms. Margaret Cianciarulo, Committee Secretary

Conferees appearing before the committee: Robert M. Day, Ph.D., Director, Governor's Office of Health Planning and Finance

Overview of ERO 33 - reorganization of the state's major health care programs

Upon calling the meeting to order, Chairperson Wagle announced there would be an overview on **ERO 33**, the reorganization of the state's major health care programs into a new business division within the Department of Administration. She then called upon legislative staff to explain the bill including:

1. Mr. Jim Wilson, Revisor of Statutes, provided information on: a constitutional background, the Senate Rule concerning EROs, the ERO consideration procedure (becomes effective or is disapproved), and codification of an approved ERO. A copy of his overview is (Attachment 1) attached hereto and incorporated into the minutes as approved;

2. Ms. Emalene Correll, Kansas Legislative Research Department (KLRD), offered an overview from Alan D. Conroy, Director of KLRD. Highlights included: the subject matter of each ERO through 2004, whether or not it was approved or disapproved by the Legislature, and the number of EROs each Governor has presented to the Legislature. A copy of her overview is (Attachment 2) attached hereto and incorporated into the minutes as approved.

3) Ms. Audrey Dunkel, Senior Physical Analyst, also from the KLRD, offered a summary of the ERO which included:

- what state programs would fall under the jurisdiction of the Division of Health Policy and Finance and programs that would be excluded;
- the contact agency;
- responsibilities and mandates;
- attachments (a current organizational chart and the ERO organizational chart).

A copy of her overview and attachments are (Attachment 3) attached hereto and incorporated into the minutes as approved.

The Chair then called upon Mr. Robert M. Day, Ph.D., Director, governor's Office of Health Planning and Finance who offered the rationale for this reorganization (fourfold) and two attachments including:

- a summary of provisions, and
- an organization chart of potential salaries, wages, and expenditure issues.

A copy of his testimony and attachments are (Attachment 4) attached hereto and incorporated into the minutes as approved.

The Chair then asked for questions or comments from the Committee. Questions came from Senators Wagle and Barnett including: when the Governor first announced this was the attempt to streamline government and put purchasing under administration, can the purchasing be done without this ERO, why is the Department of Corrections not included in this since they purchase health care, can the Department of Administration coordinate with the Secretary of SRS to purchase health care without this ERO, what's our guarantee that we just aren't growing government and that you are going to do away with positions, (referring to the green handout, page 1, Section (1)(c)(1), why are these programs not included, as they are key components to practicing medicine, one of your goals in your testimony dealt with quality, purchasing quality and

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determining how the ERO is going to make that difference, if this was the goal why is the Health Care Data Governing Board not included in this ERO, what is your follow up, is oral health part of this move, issues related to KDHE in terms of our rural health clinics are these included, are we doing a good job now with Department of Corrections or Office of Juvenile Justice in purchasing health care, health policies, what is Sprint doing, and when the Governor spoke on health care she mentioned 30% of the \$12 billion that Kansans spend on health care every year went to administration and we can save \$3 billion, who can save with this, and where will this savings come from (who will be cut and where will that reduction be seen?).

As there were no further questions or discussions, Chairperson Wagle thanked Mr. Day for his presentation and announced that they would continue discussing the bill tomorrow.

Adjournment

As there was no further business, the meeting was adjourned. The time was 2:30 p.m.

The next meeting is scheduled for February 10, 2005.