

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 A.M. on January 24, 2006 in Room 234-N of the Capitol.

All members were present.

Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department
Terri Weber, Kansas Legislative Research Department
Ken Wilke, Office of Revisor of Statutes
Bev Beam, Committee Secretary

Conferees appearing before the committee:

John P. Smith, Candidate for Administrator, Kansas Dept. Of Insurance
Kathy Greenlee, Acting Secretary, Dept. On Aging
Sandy Praeger, Kansas Insurance Commissioner
John L. Kiefhaber, Executive Director, Kansas Pharmacists Assn.

Others attending:

See attached list.

The Chair welcomed everyone and welcomed a friend from her home area, Dr. Robert Haneke.

The Chair asked for introduction of bills. There were none.

The meeting started with a confirmation hearing for John P. Smith. The Chair asked Mr. Smith to come forward and introduce himself, which he did. He told the Committee that they have all the information regarding his past included in their in the packet. (Attachment 1)

The Chair asked the committee if they had any questions for Mr. Smith. They had none. Senator Barone moved to confirm John P. Smith as Administrator, Department of Credit Unions. Senator Wysong seconded the motion. Motion passed. Mr. Smith has the approval of the Senate Committee. The Chair said the committee would be presenting his confirmation to the floor of the Senate.

Overview for Medicare Part D

The Chair asked Kathy Greenlee, Acting Secretary, Kansas Department on Aging, for her testimony. Ms. Greenlee said her testimony would focus on three areas of the program's implementation: an overview of the implementation, the impact on Kansans and the status of enrollment of beneficiaries in Kansas, KDOA 's outreach and training efforts and plans to utilize the additional resources recently allocated by Gov. Sebelius. (Attachment 2)

The Chair called on Kansas Insurance Commissioner, Sandy Praeger. Commissioner Praeger said the new Medicare Prescription Drug Program is the first major Medicare expansion since its inception and there are serious problems with it. She said the Medicare Prescription Drug Program will provide significant assistance to the over-65 population and ensure that no one has to choose between food and medicine. She said, however, that she is concerned that the timetable for implementing the program is overly ambitious and over the past few months those concerns have only intensified. She said it is her hope that by working together, ways to improve upon this program can be found which would add new and important benefits to the Medicare program. (Attachment 3)

The Chair called on John L. Kiefhaber, Executive Director of the Kansas Pharmacists Association. Mr. Kiefhaber said he was there to speak on behalf of the pharmacists in the State of Kansas. Mr. Kiefhaber said he had with him to talk about this very complex program, Steve Smith, a pharmacist from Hiawatha, Kansas. Steve is a past president of the Kansas Pharmacists Association and one of the most knowledgeable and involved pharmacists in the state of Kansas, Mr. Kiefhaber said.. Steve routinely surveys and reports to the association on the experiences of many pharmacists around the state. He said also with him was Dr. Robert Haneke to answer questions regarding long term care.

CONTINUATION SHEET

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Mr. Kiefhaber said while the Federal Center for Medicare & Medicaid Services began disseminating information on the implementation of Medicare Part D soon after the final regulations were released early in 2005, and while KphA and others traveled the state all summer and fall of last year to explain the provisions of the program to pharmacists and beneficiary groups, no one was clearly ready for the deluge of patients and the complicated questions that would hit on January 2. He said two basic problems emerged right away. He said they knew dual eligibles who had to move from Medicaid to Medicare all on one day could be left behind in the enrollment process or could be enrolled in the wrong PDP plan, and some were. The second major problem came when the pharmacist called the PDP to find the patient's record of enrollment and whether their prescription could be covered. They got a busy signal for hours. This meant that patients would have to wait for hours or go home without their prescriptions. He said in many cases the pharmacists were actually funding prescriptions out of their own pockets not knowing if they would ever be repaid.. (Attachment 4)

Mr. Kiefhaber asked Steve Smith to report on what this experience was like at the pharmacy.

Mr. Smith said he was representing his pharmacy and the other pharmacies in Kansas. Mr. Smith told of the many, many, problems he and other pharmacists have had with the Medicare Prescription Drug Program. Mr. Smith said in about six months America will be facing a crisis with low income citizens. He said the real nightmare with the program is with dual eligibles. Dual eligibles are those individuals who require both Medicare and Medicaid. He said folks, "It is not working, it is just not working." We are sitting here with people who have nothing. He said thankfully the state of Kansas is progressive and has put out a safety net. He said pharmacies are in a financial crunch because they are giving prescriptions out to their patients and have not been paid a single dime from the PDP's. We were told the first financial run was the 21st of January and that we might see our first check in February. He said pharmacies in Kansas are either having to talk to their drug wholesaler for credit or go to their bank for a line of credit. You need to know that this program currently is not working.

The Chair asked Maren Turner, State Director of AARP Kansas if she could come back on Wednesday for her testimony. She agreed.

Meeting adjourned at 10:35 p.m.