

## MINUTES

### JOINT COMMITTEE ON HEALTH POLICY OVERSIGHT

October 25, 2005

A.M. Room 514-S—Statehouse

P.M. Room 313-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 Brenda Landwehr  
Representative Peggy Mast  
Representative Louis Ruiz

#### Member Absent

Representative Bob Bethell

#### Staff Present

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

#### Conferees

Dr. Robert St. Peter, President, Kansas Health Institute  
Sandy Praeger, Insurance Commissioner, Kansas Insurance Department  
John Moore, Lt. Governor, State of Kansas  
Tom Bell, President, Kansas Hospital Association  
Dr. Howard Rodenberg, Director, Division of Health, Department of Health and Environment  
Larry Pittman, President and CEO, Kansas Foundation for Medical Care

## Others attending

See attached list.

## Tuesday, October 25 Morning Session

*Representative Mast moved to approve the minutes of the September 9, 2005 meeting as written. The motion was seconded by Representative Ruiz. Motion carried.*

Chairman Neufeld recognized Dr. Robert St. Peter, President, Kansas Health Institute, who presented information on Data Strategy for Health Improvement in Kansas ([Attachment 1](#)). Dr. St. Peter testified that there are many challenges before the newly appointed Kansas Health Policy Authority (KHPA) in directing the path of health care for the citizens of Kansas. Of importance is the proper use of data plus the goals and strategy associated with that data in order to put it to the best use possible. Some highlights of Dr. St. Peter's testimony included:

- The need to be aware of the determinants of health, such as social and economic conditions, behavioral, environment, genetic, and medical care;
- The need to work to improve the quality of life for the citizens of Kansas and decreasing the need for medical care;
- The urgent need to build a national base of health information to provide immediate information to health care providers, individuals or anyone in need of the information;
- A need for government, health care providers and others to partner in order to achieve successful results;
- A belief that dollars will be saved by improving the health of the citizens;
- A lot of data is already available; however, it needs to be organized and linked into an effective database capable of providing quality information in improving the quality of health care, communication, and patient safety; and
- The importance of leadership, vision, technical support, policy support, management structure, financial support, and constant evaluation.

Responding to questions from the Committee, Dr. St. Peter indicated that it will be important to know the overall strategy of the KHPA, to look at effective tools in controlling chronic diseases, to provide financial support, and to establish the role of all participants. The Committee noted that it is important to keep all parties involved and working together in order to achieve good results. The Chairman thanked Dr. St. Peter for his presentation.

Chairman Neufeld recognized Sandy Praeger, Insurance Commissioner, Kansas Insurance Department, who presented testimony concerning the health insurance industry in Kansas ([Attachment 2](#)). Ms. Praeger stated that the health insurance market in Kansas is healthier than four years ago. Additionally, legislation passed by the 2005 Legislature allows refundable tax credits to small businesses who contribute to health benefit plans for eligible employees. Ms. Praeger noted that Health Savings Accounts (HSAs) are beneficial in allowing employees to put aside funds for use in their health care in a tax-sheltered savings account. She also noted that the Business Health Partnership, which was created in 2000 to assist small businesses find affordable coverage, was funded by the 2005 Legislature in the amount of \$500,000. The funding will be available in March 2006. The Business Health Partnership is developing a plan to use the funds. A pilot program in two areas of the state (such as Wyandotte County and southwest Kansas, which have the highest number of uninsured citizens) is being considered. Several insurance companies have voiced an interest in participating in the pilot program. The pilot program will be evaluated before moving forward with additional locations.

Responding to questions from the Committee, Ms. Praeger noted that the Kansas Health Insurance Association, which provides basic health insurance coverage to Kansans unable to obtain coverage in the traditional market, has approximately 1,800 participants with an anticipated cost of \$3 million in FY 2007. She felt that the program, as designed, is successful and does not deter insurance companies from doing business in Kansas. Because 30 percent of health care costs in Kansas goes to pay for administrative overhead, Ms. Praeger stated that the Kansas Insurance Department is working with health care providers in developing a centralized credentialing system of data to reduce the number of forms and time spent by physicians in the credentialing process. This database, in conjunction with other databases, will be an asset to the health care industry, as well as being helpful to consumers. Chairman Neufeld thanked Ms. Praeger for her presentation.

Audrey Dunkel, Kansas Legislative Research Department, provided an overview of the state-funded health insurance programs, including Medicaid and the Healthwave/State Children's Health Insurance Program (SCHIP) expenditures ([Attachment 3](#)).

The meeting was recessed at 12:05 p.m.

### **Afternoon Session Room 313-S**

The Joint Committee on Health Policy Oversight meeting reconvened in Room 313-S for a joint meeting with the nominated members and *ex-officio* members of the KHPA. Chairman Neufeld explained that a resource notebook containing items being reviewed by the Oversight Committee and other items of interest, was being provided to each nominated member of the Authority. Introductions of all members of the Committee and Authority were made. It was noted that the nominated members of the KHPA have not been confirmed as of this date.

Chairman Neufeld recognized Lt. Governor John Moore, who presented an overview of the Health Care Cost Containment Commission (H4C), created by executive order, to focus on patient identification cards (ID), a single credentialing process for physicians, common barriers to payment of valid claims, and health information technology ([Attachment 4](#)). The proposed patient ID card would contain standardized information, including a magnetic stripe and computer chip technologies. Electronic submission of claims would reduce the processing or denial of many claims, a majority of

which are denied because of duplicate filing. The Chairman thanked Lt. Governor Moore for his presentation and the good work of the Commission.

Chairman Neufeld recognized Sandy Praeger, who presented an overview of the insurance data collected by the Kansas Insurance Department, as required by statute ([Attachment 5](#)). Kansas Insurance Department has worked with the Kansas Health Institute to determine the quality and analytic potential of the data. The data currently exists as a collection of files; however, the quantity and quality of the data is sufficient to move forward to establish a database that can be utilized by the health care profession and researchers. The Kansas Insurance Department is continuing to work to develop the database at this time and feels that the KHPA can benefit from the database.

Responding to a question from the Committee, Ms. Praeger stated that researchers, in the past, have not been able to access the data; however, information is now available by submitting a form request, through the Kansas Health Insurance Information System with a fee being charged for the requested information. Confidentiality of patients' records will continue to be maintained. In response to a question concerning children's dental care, Ms. Praeger noted that only about 20 percent of Medicaid-eligible children are actually getting dental care. The Chairman thanked Ms. Praeger for her presentation.

Chairman Neufeld recognized Tom Bell, President, Kansas Hospital Association (KHA), who provided an overview of the role of Kansas hospitals in the health service delivery system ([Attachment 6](#)). Mr. Bell noted that KHA advocates for their member hospitals, provides information to those members, collects data, provides education, works in partnership with the Kansas Department of Health and Environment (KDHE) on grants and provides technical assistance where possible. Mr. Bell provided a copy of KHA's 2004 Annual State Report to each member of the Committee and the nominated Health Policy Authority (copy available from Legislative Research Department). Because of past action by the Legislature, a provider assessment, retroactive to July 1, 2004, has been implemented allowing for more Medicaid federal matching dollars to be collected by the state and increasing the reimbursement to the Medicaid providers. Mr. Bell stated that KHA is cooperating with other entities and will work with KHPA to standardize data collection into the creation of a rich data source. Chairman Neufeld thanked Mr. Bell for his testimony.

The Chairman recognized Dr. Howard Rodenberg, Director, Division of Health, KDHE, who presented an overview of KDHE and the Division of Health and the potential role public health can play in the decision-making process of KHPA ([Attachment 7](#)). Dr. Rodenberg stated that there is a need to have outcome measures from whatever policy KHPA develops, to have structural change to drive health behavior, and to provide more access to available data. The Chairman thanked Dr. Rodenberg for his testimony.

Chairman Neufeld recognized Larry Pitman, President and CEO, Kansas Foundation for Medical Care, Inc. (KFMC), who presented an overview of the role and activities of KFMC ([Attachment 8](#)). Mr. Pitman stated that data collected by KFMC has two components, including utilization data and outcomes (quality) data. Mr. Pitman noted that KFMC is limited in sharing data or using data publicly without authorization from contracting agencies because of federal and state confidentiality laws. Mr. Pitman suggested that perhaps the first step for improvement would be to identify what and where the biggest waste in the health care system is. In addition, he suggested looking for simple changes in the process to significantly improve the system and standardize the collection of data.

Responding to a question from the Committee with regard to reporting requirements of health care providers, Mr. Pitman stated that the current requirements in identifying corrections to patient safety issues limit the ability to move forward in a non-threatening environment in making changes

in the system. Mr. Pitman felt that voluntary, as opposed to mandatory, reporting should have more study before making a decision. Chairman Neufeld thanked Mr. Pitman for his presentation.

Chairman Neufeld reminded participants that the KHPA was created to improve the health care of all citizens, including the future citizens of Kansas. The Chairman noted that any legislation proposed by KHPA should be presented to the Joint Committee on Health Policy Oversight for submission to the Legislature.

The meeting was adjourned at 4:30 p.m. The next meeting of the Committee will be held on December 13, 2005.

Prepared by Shirley Jepson  
Edited by Terri Weber and Melissa Calderwood

Approved by Committee on:

December 13, 2005

(date)