

MINUTES OF THE PRESIDENT'S TASK FORCE ON MEDICAID REFORM.

The meeting was called to order by Chairperson Senator Stan Clark at 3:30 p.m. on February 24, 2003 in Room 519-S of the Capitol.

All members were present except:

Committee staff present: Norman Furse, Revisor of Statutes
Emalene Correll, Legislative Research
Ann McMorris, Secretary

Conferees appearing before the committee:

1. Jerry Slaughter, Kansas Medical Society
2. David Ross, M.D., Kansas Medical Society
3. Janet M. Williams, Communityworks, Inc., Mission
4. Terry Campbell, Kelley Detention Services
5. Fred Lucky, Vice President, Kansas Hospital Association
6. Gia Scott, LINK, Inc., Hays
7. Mark Bailey, Wichita PACE Program, Via Christi HOPE
(Health Care Outreach Program for the Elderly)
8. Mary Ellen Connely, Via Christie Regional Medical Center, Wichita
9. Sister Ann McGuire, Sisters of Charity, Leavenworth and
Member of Board of Directors, Providence Medical Center, Kansas City
10. Mike Skinner, GNB Enterprises, Junction City (medical transportation provider)
11. Randy Jost, Kansas Health Care Association
12. Karen Elliott, Director, Community Home Health, Onaga
13. Mary Holloway, Resource Center for Independent Living, Inc.(HCBS provider)
14. Judy Bagby, Kansas Health Care Association
15. David Johnson, Association of Community Mental Health Centers of Kansas, Inc.
16. Terri Roberts, Kansas State Nurses Association
17. Jan Jenkins, Director, Douglas County Visiting Nurses Association, Lawrence
18. Rexanne K. Beauchamp, RN CCRN
19. Martha Hegarty, Kansas Health Care Association (written only)

Others attending: See attached list.

Chairman Clark announced the schedule for the Task Force for the week of March 3.

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| March 4 | Room 519S | 9:00 a.m. to 5:00 p.m. |
| | | Medicaid 101 and Presentation and Discussion of Survey Medicaid Data |
| March 5 | Room 231-N | 9:30 a.m. |
| | | Work on report - identify specific initiatives and strategies to implement |
| March 5 | Room 234-N | 3:30 p.m. |
| | | Presentation by James Frogue |
| March 6 | Room 231-N | 9:30 a.m. |
| | | Presentation by James Frogue |
| March 6 | Room 234-N | 3:30 p.m. |

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Work on report
March 7 Room 231-N on Senate Adjournment
Work on Report

Response to Request at Feb. 17 Meeting

The Department of Aging responded to questions from the Task Force at the February 17, 2003 meeting. (Attachment 1)

Presentations by Medicaid Providers

1. Jerry Slaughter, Kansas Medical Society, provided the report of the KMS Medicaid Fee Schedule Task Force. (Attachment 2) The lack of adequate reimbursement in Medicaid is a continuing and serious problem. This state has very good participation among physicians in the Medicaid Program because the reimbursement has fallen further and further behind, the network of Physicians who provide care to the 250,000 persons in this state is in jeopardy of unraveling. We believe the goal of the program should be that every Medicaid patient should have a primary care physician. This is good clinically and economically. (Note: he will provide actuarial review of reimbursement by Medicaid in Kansas.)

Recommendations made by the KMS Task Force

- The state of Kansas should make a commitment to increasing the Medicaid physician fee schedule so that it is equivalent to the Medicare fee schedule, and then maintaining the fee schedule at the Medicare level going forward.
- The Medicare Resource-Based Relative Value Schedule (RBRVS) should be adopted as the fee schedule methodology utilized by all Kansas Medicaid programs
- The Kansas Medicaid physician fee schedule should be adjusted annually by the amount that the Medicare fee schedule is adjusted by the Centers for Medicare and Medicaid Services.
- The initial adjustment and annual updates to the fee schedule should apply across the board to all physicians and the services provided by them. Selecting specified services for adjustment or updates should be avoided.
- In order to spread out the financial impact on the state of the proposed revision, the amount should be phased in over a three-year period.

2. David Ross, Medical doctor, Arkansas City

I was asked to give a physician's perspective on the Medicaid Program. Physicians view Medicaid as a social obligation of a program that their ethical standards by which they are bound to serve. Physicians approach all patients the same. One of the primary drivers is pharmacy costs and how physicians prescribe drugs for - (1) to have the most success; (2) low side effects; (3) unacceptable effects on other medications or medical condition. In most cases, we consider cost last.. He cited a case where a patient who had been doing well on a particular drug was recommended for a more costly drug and he didn't feel the change was necessary, but state regulations for nursing homes would have placed a large penalty on the nursing home if that new drug wasn't prescribed. The cost for 30 days of the less expensive drug was \$30 and the expensive drug was \$280.00. The problem of escalating cost is that more and more people are living longer and longer, with more chronic diseases, taking more medications, that are more and more expensive, using more technology, with higher expectations in the context of more and

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more lawyers. (No written paper available, Chair asked Dr. Ross to send a written statement).

3. Janet M. Williams, Communityworks, Inc., Mission ([Attachment 3](#)) There are two disturbing trends we see as a result of the current fiscal crisis. First, people we provide services become more dependent upon us and, second, employees are struggling to make ends meet. Reasons people are becoming more dependent: (1) waiting lists for all waivers; (2) rate decreases; (3) client obligation increases. She noted that Kansas was the first state to have a waiver specifically for people with brain injuries. Without the waiver Kansas would be paying for the person in an institution indefinitely, now the State of Kansas saves \$40,000 per person per year by providing these services in the home. She urged moving the entire program toward self-sufficiency.

4. Terry Campbell, EVP, Clarence M. Kelley Detention and Youth Services, we achieve the best results in re-directing or re-focusing the youth by utilizing a team approach in a therapeutic atmosphere involving all levels of staff. He urged that funding be more aligned to meet the associated costs of providing for the detention program. ([Attachment 4](#))

5. Fred Lucky, Vice President, Kansas Hospital Association ([Attachment 5](#))

6. Gia Scott, Living Independently in Northwest Kansas (LINK, Inc.) Hays ([Attachment 6](#))

7. Mark Bailey, Via Christi HOPE, Wichita spoke on the Program of All-Inclusive Care for the Elderly (PACE) ([Attachment 7](#))

8. Mary Ellen Connely (for Tim Pollard), Via Christi Regional Medical Center, Wichita ([Attachment 8](#))

9. Sister Ann McGuire, Sisters of Charity, Leavenworth and member of Board of Directors, Providence Medical Center, Kansas City, KS. ([Attachment 9](#))

10. Mike Skinner, G&B Enterprises, Junction City - his firm transports medical supplies. He had no written comments but spoke on the cost to provide this service and the reimbursement his company receives.

11. Randy Jost, Kansas Health Care Association, suggested pharmacy selection could be made through Medicaid instead of Medicare and the cost would be lower due to volume.

12. Karen Elliott, Director, Community Home Health, Onaga commented that the current prior authorization system is not very effective and time consuming for Providers and for the Prior Authorization Unit. She suggested emailing requests for Medicaid Prior Authorizations would be more time and cost efficient. ([Attachment 10](#))

13. Mary Holloway, Resource Center for Independent Living Inc. (HCBS provider) encouraged consideration of (1) recognition that in all waivers, there is a need to address developing informal supports that will assist in helping the consumer; (2) provide and assure opportunities for the person with a disability to develop their place of value within their own community; and (3) Assure that when people

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utilize the informal supports, they are not penalized. ([Attachment 11](#))

14. Judy Bagby, Kansas Health Care Association. provided information on Maximum Data Set (MDS) ([Attachment 12](#))

15. David Johnson, Association of Community Mental Health Centers of Kansas, Inc. presented general information about mental illness, community-based mental health services, how the mental health needs of Kansans are being met, services to adults with severe and persistent mental illness (SPMI), services to children/adolescents with Serious Emotional Disturbance (SED), Medicaid and optional services, the findings of the ten year study of Medicaid by Kaiser Family Foundation, and the unintended implications of potential pollicy decisions. He suggested a solution would be to increase federal funding for Medicaid through an increase in the Federal Medical Assistance Percentages. ([Attachment 13](#))

16. Terri Roberts, Kansas State Nurses Association, provided a report by Families USA entitled "Medicaid: Good Medicine for State Economies". ([Attachment 14](#))

17. Jan Jenkins, Director, Douglas County Visiting Nurses Association, presented problems that are putting home health agencies under undue financial stress and placing the medicially indigent citizens of Douglas County and the State of Kansas at risk for institutionalization. ([Attachment 15](#))

- Problem: Prior Authorization process for new patients and every 60 day reauthorization
- Solution: Reimburse home health agencies on a "per episode" basis.

- Problem: Prior Authorization process for PRN (unscheduled visits)
- Solution: Medicaid could Prior Authorize up to a certain number of PRN visits at the start of care.

- Problem: Increase in VNA administrative time/cost due to codes and authorization numbers required for billing
- Solution: A "per episode" reimbursement system would eliminate the need for these differing authorization numbers.

- Problem: Discharge of a patient and then readmittance, the PA's are blended together for both episodes and the agency doesn't know which visits are authorized.
- Solution: A "per episode" reimbursement system would eliminate the need for PA's.

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18. Rexanne Beauchamp, RN, was unable to attend but shared her experiences as an RN in an emergency room in an email. Chairman Clark read portions of the message which related to the Task Force's goal. ([Attachment 16](#))

19. Written testimony was provided by Martha L. Hegarty, who owns and operates a 52 bed skilled nursing facility called Country Care. ([Attachment 17](#))

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Discussion followed.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

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