Approved: February 9, 1994
Date

MINUTES OF THE HOUSE COMMITTEE ON PUBLIC HEALTH AND WELFARE.

The meeting was called to order by Chairperson Joann Flower at 1:30 p.m. on February 3, 1994 in Room 423-S of the Capitol.

All members were present except: Rep. Swall, absent

Committee staff present: Emalene Correll, Legislative Research Department
William Wolff, Legislative Research Department
Norman Furse, Revisor of Statutes
Sue Hill, Committee Secretary

Conferees appearing before the committee:
Dr. Robert C. Harder, Secretary, Department of Health and Environment
Dr. Roger Carlson, Director of Kansas Health and Environmental Laboratories
Mr. Stanley Sutton, Chief of Laboratory Improvement Program Office, Department of Health and Environment.

Others attending: See attached list

Chair opened the meeting and greeted all those present.

Chair drew attention to Committee minutes for January 31, February 1, February 2, 1994. If there are corrections, please call Committee secretary by 5:00 p.m. tomorrow, otherwise minutes will be considered approved as presented.

Chair requested a staff briefing on **HB 2740.**

Ms. Correll gave a comprehensive briefing on **HB 2740**, noting this legislation is asking for a reduction in regulatory authority, a rare critter! The prenatal test for syphilis and the HIV tests are both now covered by federal regulations. The Department of Health and Environment believes duplicative regulations for these tests are unnecessary. She noted, language will be retained that addresses testing for controlled substances included in schedule I or II of the uniform controlled substances act, and add, "metabolites", i.e., the testing of/for metabolites, (the products of metabolism). She explained the remainder of the bill section by section, drawing attention the confidentiality issue. She noted Committee may wish to consider whether or not a class B misdemeanor is the level of penalty they wish to provide in light of confidentiality abuses two years ago in the Kansas City area related to laboratory testing for HIV. She noted also, page one, lines 17,18, the language "procedures and qualifications" may need some discussion. She explained.

HEARING BEGAN ON **HB 2740.**

Dr. Robert Harder, Secretary Department of Health and Environment offered a hand-out,(Attachment No. 1). He stated Ms. Correll had done an excellent job in the explanation of **HB 2740,** he wouldn't go through his hand-out, but would be happy to answer questions from members. He introduced Dr. Roger Carlson, Director of Laboratories for the Department of Health and Environment who also answered questions. Mr. Stanley Sutton, Chief of Laboratory Improvement Program, Department of Health and Environment answered questions as well. It was noted, non-forensic urine screens for drugs of abuse are not currently included in federal regulations, thus should be retained under state legislation. It was determined there are regulations in place for personnel, instruments, methods, but not for the (physical) laboratories. There are only minor differences in the state/federal standards. The intent of **HB 2740** is to be sure the basics of quality control are and remain in place. Numerous questions were asked. It was determined that the language, i.e.,"procedures and qualifications of personnel and instruments and methods", may need to be clarified. The federal regulations could be provided to members if they wish to review the difference in the regulations of that level and the state level.

HEARING CLOSED ON **HB 2740.**

Dr. Harder then gave a presentation on Health Care Data Governing Board Progress Report. He distributed a hand-out, (Attachment No.2). He drew attention to **Substitute for SB 118** that was passed during the 1993 Legislation Session that establishes a health care database, provides for powers and duties of the Secretary of Health and Environment, and authorizes the collection of health care data from certain persons and entitles and establishes a health care governing board. He is the Chair of Governing Board. He gave a comprehensive explanation of his hand-out, i.e., noting members of the Board; accomplishments of the Board thus far; goals; three levels of priorities. He stated the importance of data collection in order that the information can be utilized in beneficial ways to make informed health care decisions by policy-makers, program managers and the citizens of Kansas. The Board meets monthly. The Governor's budget has recommended $160,000 and a staff of three people. He noted the importance of the staff in order to accomplish goals. He answered numerous questions. He stated data figures will be compiled by the end of 1994, information, i.e., within physicians groupings, how much is spent by consumers on surgery, general practice, internal medicine.

Dr. Harder answered numerous questions. A critical analysis wouldn't be available, but specifics in what kinds of health care is being provided in Kansas, perhaps even by the next Legislative Session.

There was a lengthy discussion regarding funding assistance and attention drawn to Sec.2. (a) involving the department of health services administration of the University of Kansas. It was believed some funding sources would be provided by the University.

Ms. Correll noted, the application to request a funding grant from the Kansas Health Foundation has not yet been approved. It was recommended, and the Chair then directed staff to contact by letter, the University of Kansas, and the Kansas Heath Foundation regarding the status of their participation of the funding for the Health Care Data Collection program, and to request a reply in writing. Ms. Correll stated she would do so.

It was noted funding would be needed to acquire software packages for data collection, and for contracting of data collection. Dr. Harder stated, he is very optimistic with the health care data collection. Everyone is committed to move forward, and with the $160,000 in the budget, he feels progress will be made. It was noted the Health Care Data Governing Board does not have a budget, and that the $160,000 allowed would come from the budget of the Department of Health and Environment.

Chair thanked Dr. Harder for his informative report.

Chair adjourned the meeting at 2:25 p.m.

The next meeting is scheduled for February 7, 1994.

VISITOR REGISTER

HOUSE PUBLIC HEALTH AND WELFARE COMMITTEE

DATE Feb. 3, 94

NAME	ORGANIZATION	ADDRESS
Roger Carlson	KDHE	Topeka
Stanley P. Sutton	KDHE Jayhawk	Topeka
HAROLD PITTS	AARP-CCTF	TOPEKA
Chip Wheelen	Ks Med. Soc.	Topeka
Rick Guthrie	Health Midwest	KC
Michelle Peterson	PMA	Topeka
Jon Chandler	Washburn	Topeka
Dave Reiser	USD 475	Junction City
Lou Ann Gebhards	SRS	Topeka
Carol Neaves	Wichita Hospitals	WICHITA
Sarah Lewerenz	Washburn student	Manhattan
Lois Smith		Coffeyville
Virginia Lewis		Chanute
Barton Smith		Coffeyville
Bill Davis		Chanute
Robert Harder	KDHE	LSOB
LARRY KRUSE	GLAXO	BLUE SPRINGS
HAROLD RIEDEL	KAIM	TOPEKA
Kathleen T. Reardon		Kansas City, Ks
Dr. & Mrs. William E. Laughlin	KCA	Wichita
Marva Williams	DD Council	Topeka
Jim Langford	DOB	Topeka
Carolyn Middendorf	KSNA	Topeka
Tom Bell	KHA	Topeka

State of Kansas
Joan Finney, *Governor*

Department of Health and Environment
Robert C. Harder, *Secretary*

Testimony presented to

House Public Health and Welfare Committee

by

The Kansas Department of Health and Environment

House Bill 2740

The intent of HB2740 is to avoid duplication of state and federal regulatory requirements for some medical laboratories in Kansas.

At the present time, there are more than one thousand eight hundred clinical laboratories located in Kansas hospitals, clinics, commercial centers, and physician offices. Together, these laboratories receive several million patient specimens each year. The analytical test results reported by these laboratories represent an essential component of good health care delivery and disease surveillance in our state.

It is especially important that each clinical laboratory maintain uniform acceptable standards of operating proficiency and technical quality in order to assure that accurate test results are always produced. Kansas clinical laboratories are now evaluated against federal regulatory requirements outlined in the Clinical Laboratory Improvement Amendments of 1988 (CLIA'88 or 42 CFR Part 493). However, prior to the implementation of CLIA'88 in September of 1993, state requirements were established for some laboratory tests under KSA 65-1,107 and 1,108. Assuming that federal regulation of clinical laboratories will remain intact through the restructure associated with health care reform, Kansas requirements for laboratories performing HIV tests and syphilis serology tests can be eliminated as proposed in this bill. However, non-forensic urine screens for drugs of abuse are not currently included in federal regulatory requirements and thus should be retained under state legislation. These tests continue to be widely used for many applications which can include the employment and insurability of Kansas citizens. It is for these reasons that State regulatory oversight should be retained to assure the accuracy of urine drug screens.

The Kansas Department of Health and Environment supports the revisions proposed in HB2740.

Testimony presented by: Dr. Robert C. Harder
Secretary
February 3, 1994

PH&W
2-3-94
Attmt #1.

Progress Report

Health Care Data Governing Board

Robert C. Harder, Chairman
Kansas Department of Health and Environment

July, 1993-December, 1993

Members:

Jerry Slaughter, Kansas Medical Society
John Grace, Kansas Association of Homes for the Aging
Don Wilson, Kansas Hospital Association
Glenn Potter, KU Medical Center Hospital
Ray Davis, University of Kansas
John Noonan, AARP
Tom Miller, Blue Cross and Blue Shield
Dick Brock, Department of Insurance
Robert Epps, SRS

PH&W
2-3-94
Attm #2.

January 11, 1994

Health Care Data Governing Board
Progress Report

Robert C. Harder, Chairman
Kansas Department of Health and Environment

Presented to: The Senate Committee on Public Health and Welfare

The Health Care Data Governing Board, established by K.S.A. 65-6801-6808, was created to provide guidance in developing policies and procedures regarding the collection of health care data for the state. The Board is a mixture of health care provider, consumer and governmental groups (Figure 1) and meets monthly to discuss the issues brought forward by the Board members, task forces and interested parties (public).

Since its first meeting in July, the accomplishments of the Board have been:

- the development of a vision and mission statement and goals and objectives (Exhibit 1).
- the development and prioritization of policy questions (Exhibit 2).
- consultation with Dr. Ed Perrin, Washington State University for advice in database development (courtesy of the Kansas Health Foundation).
- the organization of the Data Consumer Task Force to define and prioritize specific issues related to health policy.
- the organization of the Technical Task Force to evaluate existing data sources (and where needed, new data sources) and recommend ways the data can be consolidated for use and dissemination.
- to recommend changes be made to K.S.A. 65-6805 to include all health care providers rather than just medical care facilities. This will broaden data collection and increase the usefulness of the database for decision-making.

The Data Consumer Task Force recommended the current health care system be evaluated as the first priority for the Governing Board. The Technical Task Force is proceeding to evaluate data currently maintained by the public and private agencies and avoid unnecessary burdening of data collection from providers. Where necessary, the task forces will recommend to the Board ways to gather data on information not available.

By 1997, Kansas will need to have in place, a comprehensive health plan that will provide basic services to its citizens. The information collected in the health care database will be crucial in our decisions for the future of health care in Kansas. The Health Care Governing Board is establishing good working relationships between provider, consumer and governmental groups to proceed with database development thoughtfully and efficiently. I look forward to the work we have ahead in developing rules and regulations, finding ways to fund database development, and establishing a process where health care information can be made available and accessible to policy-makers, health care providers, program managers and the public.

P.H.&W.
2-3-94
Attm. # 5-2

January 11, 1994

Health Care Data Governing Board

Organizational Membership

KDHE, Chair*
Robert C. Harder

KMS	KAHA	KHA	KU Med	KU	AARP	BC/BS
Jerry Slaughter	John Grace	Don Wilson	Glenn Potter	Ray Davis	John Noonan	Tom Miller

Dept. Insurance*
Dick Brock

SRS*
Robert Epps

Data Consumer Task Force

Joseph Goldberg, Kaiser Perm.
John Noonan, AARP
Co-Chairs

Technical Task Force

Elizabeth Saadi, KDHE
Melissa Hungerford, KHA
Co-Chairs

*Denotes non-voting members
January 11, 1994

Figure 1

Exhibit 1

Health Care Database Governing Board

Vision Statement: An information-based health data and policy analysis process will be developed for Kansas.

The mission of the Board is to promote the availability of and access to health care data, to provide leadership in health care information management and analysis and to provide guidance in use of the data for policy-makers, program managers and citizens to make informed health care decisions.

The Charge:

K.S.A. 65-6801 (a) The legislature recognizes the urgent need to provide health care consumers, third party payors, providers and health care planners with information regarding the trends in use and cost of health care services in this state for improved decision-making. This is to be accomplished by compiling a uniform set of data and establishing mechanisms through which the data will be disseminated.

(b) It is the intent of the legislature to require that the information necessary for a review and comparison of utilization patterns, cost, quality and quantity of health care services be supplied to the health care database by all medical care facilities as defined by subsection (h) of K.S.A. 65-425, and amendments thereto, and all other health care providers to the extent required by section 5 and amendments thereto.

(c) The information is to be compiled and made available in a form prescribed by the governing board to improve the decision-making processes regarding access, identified needs, patterns of medical care, price and use of health care services.

PH&W
2-3-94
Attm # 2-4

August 9, 1993

Goals and Objectives

Health Care Database Governing Board

Goal 1) Establish basic parameters of the health care database.

Objectives

a) Discussion with the Board and others as to the parameters, priorities and what should be accomplished first.

b) Consult with health care professionals, data users and consumers to outline informational needs.

c) Determine the data needed to meet those informational needs with latitude to meet future needs.

Goal 2) Develop guidelines for administering the database and assuring the reliability of the data.

Objectives

a) Produce rules and regulations and subsequently a document that outlines the policies and procedures for individual confidentiality, system security and accessibility, reporting and release of health care data.

b) Develop procedures for integrity of the data.

Goal 3) Establish a timeline for phased-in approach to database development.

Objectives

a) Document data sources available.

b) Review data sources with regard to data elements, coding structure, technical and informational compatibility with other systems.

c) Determine which database can be accessed most efficiently to <u>begin</u> research activities and pilot test policies and procedures. Design a plan to standardize and integrate other databases.

d) Research gaps in the data that are needed to meet the informational needs of data users.

e) Recommend ways to fill the gaps that exist in the data.

August 9, 1993

PHCW 2-3-94 Attm 2-5

f) Utilize statistical techniques for estimations where data are not available

Goal 4) Develop methodology to provide funding for the health care database to relieve the burden of collection on state general funds.

Objectives

a) Estimate resources that are needed to support and fund database development and maintenance.

b) Seek external funding through public and private funds for database establishment and utilization.

c) Make other recommendations for funding the database.

d) Establish policies and procedures to determine how and when to charge fees for data provided.

Goal 5) To work with policy makers, program managers and the public to identify data needs to support health care research priorities and to promote the benefits and uses of the health care database.

Objectives

a) Identify priority research areas in which information can be derived accurately and efficiently for publication.

b) Produce publications that will provide useful information and promote the benefits of the database.

P. Hall
2-3-94
Attm #2-6

Kansas Healthcare Database Governing Board

Potential Policy Questions Needing Data Support

Revised December 1, 1993

These questions are being documented to assure that the Kansas Healthcare Database will be relevant. With the critical questions in mind, the database can be designed as a useful tool. The attached questions relate to the availability and distribution of health care services, utilization, costs, health status and outcomes. It is assumed that policy makers, researchers and others will analyze or further research these questions, using the data available through the database.

The questions are organized both by level of priority and by perceived availability of data to support the question. In the upcoming months, the Governing Board and its Task Forces will identify sources of data necessary to support the high priority questions and propose strategies for making these data available for policy analysis.

This document was adopted with the understanding that the policy issues addressed by the questions are dynamic, that priorities may change and new issues emerge.

PH&W
2-3-94
Attn # 2-7

Kansas Healthcare Database Governing Board
Potential Policy Questions Needing Data Support
December 1, 1993

	Immediate Priority	
Data Easily Available	Data Partially Available	Data Not Available
1) What providers are available in the state and what services are they providing? 2) What are the sources and applications of funding for health services in Kansas by provider and payer type? 3) What are the demographic characteristics of the uninsured and underinsured? 4) Where are the distribution and access problems for health services in Kansas? 5) What is the utilization of health services in Kansas? 6) What are the characteristics of the population utilizing public health services? 7) What is the health status of Kansans?	1) What would it cost to insure the uninsured and underinsured population? 2) How do utilization patterns and resulting outcomes differ across Kansas? 3) What are the services provided and the utilization of services provided by the primary care providers in Kansas? 4) What portion of the health care dollar is spent on preventive medicine? 5) What are the services provided and the utilization of services provided by Public Health Departments? 6) What are the full costs of medical litigation? 7) What is the effectiveness of operating service networks developed under health care reform?	1) What are the effects of Kansas risk adjustment factors on community rating? 2) What are the effects of insurance mandates on premium costs? 3a) How do the costs and outcomes compare between and among types of primary care professionals (physicians, nurse practitioners, physicians assistants, midwives, etc.)? 3b) What are the utilization and costs of common procedures for individual hospitals, clinics, ambulatory centers and community health centers?

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2-3-94
Attm # 2-8

	Intermediate Priority	
Data Easily Available	Data Partially Available	Data Not Available
	1) What are the current trends, needs and costs of human resources for health services delivery and administration? 2) What are the system and cost impacts of the trend toward primary care and preventive medicine? 3) What is the level of patient/client satisfaction with health services in Kansas? 4) How do the outcomes of health services compare for different ages and socioeconomic backgrounds? 6) How do Kansas morbidity and mortality rates compare to other states and within the state?	1) How would the delivery of care to the uninsured and underinsured change under health care reform? 2) What are the sources and amounts of available funding streams to support various health care financing mechanisms? 3) What is the severity of illness upon entry to the health system in Kansas? 4) What is the impact of health care reform on quality of care?

P.H&W
2-3-94
attm #2-9
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	Low Relative Priority	
Data Easily Available	Data Partially Available	Data Not Available
	1) What are the usage patterns within and across providers and provider types (patient tracking)? 2) How do utilization and costs of common procedures compare between hospitals, clinics, ambulatory centers and community health centers?	1) What are the results/outcomes of managed care in the state demonstration project? 2) What are the costs and results of the EACH/RPCH demonstration? 3) What are the effects in terms of cost, quality and availability of health profession scope of practice legislation? 4) How prevalent is the use of practice guidelines in Kansas and what is the effect on the outcome? 5) What are the costs and benefits to Kansas of various health care financing mechanisms?

P. H&W
2-3-94
Attm #2-10

Substitute for SENATE BILL No. 118

AN ACT establishing a health care database; providing for powers and duties of the secretary of health and environment; authorizing the collection of health care data from certain persons and entities and establishing a health care governing board.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) The legislature recognizes the urgent need to provide health care consumers, third-party payors, providers and health care planners with information regarding the trends in use and cost of health care services in this state for improved decision-making. This is to be accomplished by compiling a uniform set of data and establishing mechanisms through which the data will be disseminated.

(b) It is the intent of the legislature to require that the information necessary for a review and comparison of utilization patterns, cost, quality and quantity of health care services be supplied to the health care database by all medical care facilities as defined by subsection (h) of K.S.A. 65-425, and amendments thereto, and all other health care providers to the extent required by section 5 and amendments thereto.

(c) The information is to be compiled and made available in a form prescribed by the governing board to improve the decision-making processes regarding access, identified needs, patterns of medical care, price and use of health care services.

Sec. 2. (a) The department of health services administration of the university of Kansas and any institute or center established in association with the department is hereby authorized to request data for the purposes of conducting research, policy analysis and preparation of reports describing the performance of the health care delivery system from public, private and quasi-public entities.

(b) The department of health services administration of the university of Kansas may request data for purposes of conducting research, policy analysis and preparation of reports describing the performance of the health care delivery system from any quasi-public or private entity which has such data as deemed necessary by the department.

Sec. 3. (a) There is hereby created a health care data governing board.

(b) The board shall consist of seven members appointed as follows: One member shall be appointed by the Kansas medical society, one member shall be appointed by the Kansas hospital association, one member shall be appointed by the executive vice chancellor of the university of Kansas school of medicine, one member representing health care insurers or other commercial payors shall be appointed by the governor, one member representing adult care homes shall be appointed by the governor, one member representing the institute associated with the university of Kansas department of health services administration and one member representing consumers of health care shall be appointed by the governor. The secretary of health and environment, or the designee of the secretary, shall be a nonvoting member who shall serve as chairperson of the board. The secretary of social and rehabilitation services and the insurance commissioner, or their designees, shall be nonvoting members of the board. Board members and task force members shall not be paid compensation, subsistence allowances, mileage or other expenses as otherwise may be authorized by law for attending meetings, or subcommittee meetings, of the board. The members appointed to the board shall serve for three-year terms, or until their successors are appointed and qualified.

(c) The chairperson of the health care data governing board may appoint a task force or task forces of interested citizens and providers of health care for the purpose of studying technical issues relating to the collection of health care data. At least one member of the health care data governing board shall be a member of any task force appointed under this subsection.

(d) The board shall meet at least quarterly and at such other times deemed necessary by the chairperson.

PHEW
2-3-94
attmt #2-11
SB 879

(e) The board shall develop policy regarding the collection of health care data and procedures for ensuring the confidentiality and security of these data.

Sec. 4. (a) The secretary of health and environment shall administer the health care database. In administering the health care database, the secretary shall receive health care data from those entities identified in section 5 and amendments thereto and provide for the dissemination of such data as directed by the board.

(b) As directed by the board, the secretary of health and environment may contract with an organization experienced in health care data collection to collect the data from the health care facilities as described in subsection (h) of K.S.A. 65-425 and amendments thereto, build and maintain the database.

(c) The secretary of health and environment shall adopt rules and regulations approved by the board governing the acquisition, compilation and dissemination of all data collected pursuant to this act. The rules and regulations shall provide at a minimum that:

(1) Measures have been taken to provide system security for all data and information acquired under this act;

(2) data will be collected in the most efficient and cost-effective manner for both the department and providers of data;

(3) procedures will be developed to assure the confidentiality of patient records. Patient names, addresses and other personal identifiers will be omitted from the database;

(4) users may be charged for data preparation or information that is beyond the routine data disseminated; and

(5) the secretary of health and environment will ensure that the health care database will be kept current, accurate and accessible as prescribed by rules and regulations.

Sec. 5. Each medical care facility or representative of the facilities as defined by subsection (h) of K.S.A. 65-425, and amendments thereto, psychiatric hospital licensed under K.S.A. 75-3307b and amendments thereto, third-party payors, including but not limited to licensed insurers, medical and hospital service corporations, health maintenance organizations, fiscal intermediaries for government-funded programs and self-funded employee health plans, shall file annually health care data with the secretary of health and environment as prescribed by the board.

Sec. 6. The secretary of health and environment shall make the data available to interested parties on the basis prescribed by the board and as directed by rules and regulations.

Sec. 7. The secretary of health and environment shall annually make a report to the governor and the joint committee on health care decisions for the 1990's as to health care data activity, including examples of policy analyses conducted and purposes for which the data was disseminated and utilized.

Sec. 8. Three years after enactment of this act a performance audit shall be conducted either by the legislative post auditor or by a firm under contract with the legislative post auditor in accordance with the provisions of the legislative post audit act to identify total costs to the state and providers of data and the benefits of the program. The audit report shall be submitted to the legislature at the commencement of the regular session of the legislature held during 1997.

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2-3-94
Attm # 2-12
SB 999