Approved: 3-10-94
Date

MINUTES OF THE SENATE COMMITTEE ON PUBLIC HEALTH AND WELFARE

The meeting was called to order by Chair Sandy Praeger at 10:00 a.m. on February 23, 1994 in Room 526-S of the Capitol.

All members were present except:

Committee staff present: Norman Furse, Revisor of Statutes
William Wolff, Legislative Research Department
Jo Ann Bunten, Committee Secretary

Conferees appearing before the committee:

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

Others attending: See attached list

**Hearing on SB 521** - State health alliance

Robert C. Harder, Secretary, KDHE, appeared in support of **SB 521** and briefed the Committee on the bill which establishes the Kansas Health Alliance that would develop and administer health care benefits in the state. (Attachment 1)

Committee discussion related to the proposed legislation, universal coverage and universal access. Dr. Harder commented that a group representative of all of the players could make significant and substantial headway in proposing a health care reform plan for all Kansans.

The Chair noted that no one questions the importance of having some sort of a structure to monitor federal and state activity in order to move in the direction that would provide health insurance coverage for all Kansans. It was pointed out that the debate has centered around how best to accomplish that, and this should be a legislative driven committee. It is the legislature that will have to pass the laws and develop consensus among the legislature in order to pass those laws. The Chair noted that if the Committee would assign this task to yet another outside Committee, another year could be lost in the process.

The Chair noted that **SB 521** is one method of looking at oversight of health care reform, and a proposal was presented by the Chair that would create a health care reform legislative oversight committee and oversee the necessary changes in state laws and regulations made necessary by federal law and implement health care reform specific to Kansas needs. (Attachment 2)

Senator Walker called the Committee's attention to proposed amendments to **SB 521** that he is recommending for the Committee's consideration that would establish an 11 member Kansas Health Council. (Attachment 3)

The Chair noted that in her capacity as Vice Chair of the Health Policy Committee for the National Conference of State Legislatures, and Senator Salisbury who chairs the Commerce Committee for the National Conference of State Legislatures, will be meeting this weekend in Washington, D.C. to discuss how states fold the health component of workers' compensation into a general health reform plan, and they will bring back information regarding this issue to the members of the legislature.

The Chair announced that a subcommittee be appointed to look at the two proposals as well as **SB 521** and report back to the Committee and hopefully have something in bill form for the legislature to consider. The subcommittee will consist of Senator Praeger, Chair, with Senators Walker, Lee, Salisbury and Langworthy, that will meet upon adjournment of the Senate today.

The meeting was adjourned at 11:00 a.m.

The next meeting is scheduled for February 24, 1994.

# GUEST LIST

COMMITTEE: SENATE PUBLIC HEALTH & WELFARE DATE: 2/23/94

| NAME | ADDRESS | COMPANY/ORGANIZATION |
|---|---|---|
| Mary Wasse | Topeka | KMSA |
| Paula Baum | Lawrence, Ks | KMSA |
| Joan Tempero | Topeka | KMSA |
| Glenda Schmidt | Salina | KMSA |
| Barbara Reschly | Newton | KMSA |
| Katie Pyle | Topeka | " |
| Elaine Adams | Hays | KMSA |
| John Conard | Lecompton | AARP |
| Sheryl Tatroe | Topeka | Ks Alliance for the Mentally Ill |
| Andy Draper | " | Sen. Burke |
| Barb Sanger | 900 SW Jackson | Ks Com on Hrng Impd |
| Thomas Montgomery | Roeland Park, Ks | Self |
| KEITH R LANDIS | TOPEKA | CHRISTIAN SCIENCE COMM ON PUBLICATION FOR KS |
| Karlon R. Cruse | Topeka | Ks. Comm. f/t Deaf |
| BRUCE W. HARVEY | TOPEKA | KS. Comm. f/t Deaf |
| Lynda Dunn | Topeka | KDOA |
| LARRY MAGILL | " | KS. ASSN. OF INS AGTS |
| Judy Allman | 900 Jackson | DOA Adm |
| Jay Bennett | Topeka | Dept of Adm/DPS |
| Sharon Huffman | Topeka | KCDC |
| Wendy Wolfe | Topeka | KCDC |
| Jan Rhys | Topeka | KPCDD |
| Josie Torres | Topeka | Families Together |

# GUEST LIST

COMMITTEE: SENATE PUBLIC HEALTH & WELFARE DATE: 2-23-94

| NAME | ADDRESS | COMPANY/ORGANIZATION |
|---|---|---|
| Anne Kimmel | AARP - Topeka | |
| George Goebel | AARP Health Speaker | KCOA- |
| Angela Casey | EDS - Topeka | |
| Carol Simecka | EDS - Topeka | |
| Lucille Parli | Ks. Assoc. for Blind & Phys. Impaired | |
| W. Grosz | KC | Shawnee Mission Med Ctr |
| Bill Tarrer | Wichita | Boeing |
| ALAN COBB | WICHITA | DELTA DENTAL |
| Rick Guthrie | KC | Health Midwest |
| Willie Flowers | KS Interfaith Impact | UMC |
| SHELBY SMITH | Wichita | Ks. Pediatric Med Assoc. |
| David Hazlick | Topeka | KS Hospital Assn |
| Dave Chaney | Topeka | HCC |
| Leida Ellison | Salina | KMSA |
| Sue Joachim | Arkansas City | KMSA |
| Mary B. Bard | Wichita | KMSA |
| Richard O. Collins | Wichita | KMSA |
| Deborah Young | Wichita | KMSA |
| Nancy Peebles | Junction City | Interfaith IMPACT |
| Ken Lorenz | Holton | " " |
| John Chen | Wichita | KSMA |
| Ron Arnhold | Topeka | KMSA |
| Cathy Wilcox | Hays | KMSA |

# GUEST LIST

COMMITTEE: SENATE PUBLIC HEALTH & WELFARE DATE: 2-23-94

| NAME | ADDRESS | COMPANY/ORGANIZATION |
|---|---|---|
| Marty Kennedy | ~~[illegible]~~ Topeka | Budget |
| L. Ferguson | Topeka | AP |
| M. Hauver | " | Hauver's Capitol Report |
| [illegible] | Topeka | SRS |
| [illegible] | TOPEKA | [illegible] |
| TOM PALACE | TOPEKA | SLSE |
| Jim Schwartz | Topeka | [illegible] |
| [illegible] | [illegible] | [illegible] |
| Tom Bell | Topeka | KHA |
| [illegible] | Wichita | KTW |
| [illegible] | TOPEKA | CITIZEN |
| [illegible] | Topeka | Ks Chiropractic Assn |

State of Kansas
Joan Finney, *Governor*

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

(913) 296-0461
(913) 296-8112 (FAX)

**Remarks Concerning Health Care Reform**
**and**
**Establishment of a Health Care Alliance in the State of Kansas**

As Legislators, each of you will have a unique opportunity to vote on one of the most important issues facing Kansans and Americans in the last 50 years.

It is hard to keep individual public policy issues before the public for extended periods. The public's attention has been directed to health care reform in a significant way over the last two years. I hope you feel a sense of urgency about the following legislation as a response to that public concern.

Attempts have been made to modify the health care system dating back to the 1910s. Presidents Roosevelt, Truman, Nixon, Carter and Bush made unsuccessful runs at significant change. President Johnson was able to get Medicare and Medicaid passed. President Clinton has been successful in getting health care reform on the public agenda. There are a number of bills in Congress speaking to issues related to health care reform.

The State of Kansas needs to capitalize on this activity. We need to move during this legislative session to set the framework for continued discussion and implementation of health care reform .

As we enter into the discussion concerning health care reform, we often move on the assumption that we are talking only about the delivery of medical services and the costs related to the delivery of those services. We talk about the need for change in the system related to provision of health insurance and tort reform. All of that information is relevant and to the point. However, we must not lose sight of the fact we are talking also about the political, social and medical environment in which we do decision making within the country and state.



Senate PH&W
Attachment #1
2-23-94

Landon State Office Building, Topeka, 66612-1290 • Forbes Field, Building 740, Topeka, 66620-0001 • Mills Building, 109 SW 9th, Topeka, 66612

If we are going to capitalize on the discussion at the federal level, as well as the discussion which is taking place in our own state over the last couple of years, we need to take into account a broad understanding of the context in which we are operating. This means we need to take seriously not only the issues related to medical services and the payment of medical services, but the general environment in which the medical services are provided and the political context in which these decisions are going to be made.

In that setting, it suggests that we may well be in a period of transition which could conceivably last for a period of two to five years. During that transition we will have the opportunity to explore many of the ideas being talked about at the present time and position ourselves to make maximum use of federal changes as they are beneficial to the states and to continue to maintain a consensus as to how health care services ought to be delivered in our state.

While there may be the opportunity for some significant savings as it relates to the overall administration of the program, quite likely, the significant savings to be derived from health care reform will be in the manner in which the health care services are delivered, illness is prevented and health is promoted. As the Kansas public takes upon itself greater responsibility for its own good health, we can expect to see significant changes over a long period of time. As Kansans begin to recognize the importance of wellness, we can derive the greatest benefit to the citizens of our state.

In that spirit, the following bill is proposed, not as a final definitive document, but rather as an option which needs to be considered. As the bill is being studied, attention needs to be given to the fact that there is not mention of various insurance ideas which need changing. Work needs to be done on community rating, matters of adverse selection, and the elimination of the mechanism wherein pre-existing conditions eliminates a person from getting health insurance. These are all important items but need to be handled as separate legislation.

It is important that health care reform proceed in a timely manner. Concerns over specifics, although important, should not distract our commitment to reinforce our citizens' right to be healthy. We also need to shift our focus from provision of services around the care for illness to see that resources and strategies are implemented to truly advance the public's health. Visionary, organizational leadership and resources need to be focused on this premise for health care reform.

For the purpose of comparing the concept of a health alliance to the existing Kansas State Employees Health Care Commission, the following table is provided for your consideration:

**Functions**

| Health Care Alliances | KS State Employees Health Care Commission |
|---|---|
| 1) Provide information to compare plans--report cards. | 1) Provide benefits; does not provide "report cards." Proposed legislation speaks of practice parameters. |
| 2) Enforce rules of competition, monitor marketing, prevent risk selection. | 2) The bid process is competitive, monitors risk selection. |
| 3) Enroll people in plans. | 3) Communicate through personnel staffs; enrolls persons into programs. |
| 4) Collect premiums. | 4) Collects premiums. |
| 5) Distribute premiums. | 5) Distributes premiums. |
| 6) Administer risk adjustment. | 6) Limited work related to risk adjustment; proposed amendments make this task more specific. |
| 7) Act as ombudsman. | 7) Acts as ombudsman to a limited extent; proposed legislation sets forth a specific complaint mechanism. |

Additionally, the proposed legislation expands the membership of the Alliance and the Advisory Committee to make it more representative of the constituents to be served by the Alliance.

The proposed legislation envisions the Alliance as the point of contact for monitoring and implementing health care reform. It sets a deadline for the implementation of universal access in Kansas as of July 1, 1997. The Alliance will have the authority to define the comprehensive health plan in keeping with federal mandates.

The proposed Alliance will have the authority to develop criteria for providers to meet to do business with the Alliance. It will have responsibility to make recommendations to the Governor and the Legislature concerning tort reform and antitrust measures. It will have the authority to purchase medical services for all state agencies. The Alliance will have the task of exploring the issues related to integrating medical Worker's Compensation and medical auto insurance with a basic health plan.

The proposed Alliance will have the authority to work with other states related to the delivery and payment of health services. It will have the authority to purchase health insurance for small companies and businesses, not to exceed 100 employees.

The proposed Alliance shall be expected to take into account issues related to providing public health services and improve upon the health status of our residents.

In conclusion, this bill provides a framework for continued discussion related to health care reform. If passed, it will provide the state with significant checkpoints for making meaningful changes in terms of how health care is provided, especially to those individuals without health insurance at the present time.

The program outlined in this bill takes into account the existing health care framework, but also envisions pathways to the future. It leaves a great deal of the responsibility for good health upon each individual citizen. We are moving in a time when it appears that the public is disenchanted with reliance upon government for providing the various kinds of services. This bill provides a delicate blend between the private and public sector in the interest of making maximum use of the good qualities of both entities. It keeps the state on target in terms of health care reform without predetermining or locking the state into one particular way in which health care reform is to take place within the state. The proposed legislation viewed from five years hence is apt to be viewed in historical perspective as transitional legislation setting the framework for continued discussion and preparing the state for an even more refined and sophisticated way for delivering health services to all Kansans.

Robert C. Harder
Secretary
KS Department of Health and Environment
January 11, 1994

January 11, 1994

**Explanation of An Act Concerning the Kansas Health Alliance**

New Section 1: provides definitions as used throughout the act.

New Section 2: indicates the composition of the Kansas health alliance to be nine (9). The stated designated positions would be the commissioner of insurance, the secretary of administration, the secretary of health and environment, and six (6) members appointed by the Governor who are representative of the entities receiving the insurance.

RATIONALE

In that we are talking about major health policy within our state, the legislation does propose adding the secretary of health and environment to provide health input in terms of the work of the alliance. Additionally, the membership is broadened to be representative of individuals beyond state employment.

New Section 3: sets forth a mandatory advisory committee not to exceed 100, made up of 51% consumers and 49% providers. Fifty-one (51) percent consumers would be drawn from the constituent groups securing insurance; providers would be from the medical community. The advisory committee would be chaired by the Director of Health.

RATIONALE

The advisory committee is made mandatory and has a much broader representation both from the consumer and provider standpoint because the legislation is suggesting a broader plan than previously noted under the existing Health Care Commission. The Director of Health is the designated chairperson because we need to have the work directed toward health issues rather than the more mechanical issues of how the contract is processed.

New Section 4: provides that the alliance and the advisory committee will maintain ongoing study and review of state health care benefits.

RATIONALE

For the program to be responsive to the needs of individuals represented in the various groups, there is the need for ongoing study and deliberation to insure that the program is meeting the needs of the constituents.

**New Section 5:** the Kansas health alliance shall cooperate with the federal government in matters related to health care.

**RATIONALE**

This provides a mechanism for a designated agency within the state to be conversant with federal requirements and to take advantage of federal changes whenever it is going to be beneficial to the state of Kansas.

**New Section 6:** the Kansas health alliance shall be the official agency in the state of Kansas to cooperate with and interact with its counterpart of the federal government responsible for health care reform.

**RATIONALE**

There needs to be a specific checkpoint within the state to coordinate all of the activities as it relates to federal health care reform.

**New Section 7:** the Kansas health alliance may enter into agreements with appropriate authorities of other states having similar kinds of statutes.

**RATIONALE**

Because of the need for insuring health security to the citizens of the state of Kansas as well as other states within our country and neighboring states and provinces of Mexico and Canada, it is important to have a mechanism for Kansas to interact with other states in developing mechanisms to insure easy access and delivery of services across state lines.

**New Section 8:** the Kansas health alliance is directed to develop a health care plan for all Kansans.

**RATIONALE**

One of the tasks of the alliance will be to develop a comprehensive plan which will include benefits as well as attainment mechanisms which will be in keeping with federal legislation and designed to be unique to the needs of Kansans. It also will provide implementation not later than July 1, 1997.

**New Section 9:** the Kansas health alliance shall adopt a basic minimum package of health benefits.

**RATIONALE**

The legislation is geared to health care reform. It is imperative that the alliance be given the authority to develop a comprehensive health care package and to bring it into conformity with any federal legislation.

**New Section 10:** the Kansas health alliance shall develop a schedule of its work.

**RATIONALE**

This section provides that the alliance is charged with tasks to be done related to health care reform and to report to the Governor and the Legislature on a timely basis. The report will be on the implementation of the health care plan, including expected expenditures.

**New Section 11:** the Kansas health alliance shall prescribe and publish the basis upon which the alliance will certify various participating groups doing business with the alliance.

**RATIONALE**

The various insurance companies and/or medical providers need to know in advance the way in which their programs will be considered by the alliance.

**New Section 12:** the Kansas health alliance shall work in cooperation with representatives of health care providers and the health care data governing board to develop practice parameters to insure adequate, quality medical services to all Kansans.

**RATIONALE**

This provision indicates that the health alliance will work cooperatively with other interested parties to insure the development of guidelines related to medical practice parameters so evaluation can be made as to the outcomes of the delivery of medical services within the state. Additionally, it will provide a mechanism for insuring continued high quality of medical services provided in Kansas.

**New Section 13:** the Kansas health alliance may contract for and purchase medical services for companies having at least three (3) and not more than 100 employees.

**RATIONALE**

This section provides a mechanism for the alliance to purchase on behalf of individuals who are in the private sector.

**New Section 14:** the Kansas health alliance shall develop plans for health care cost containment.

**RATIONALE**

In working through health care reform issues, it is imperative that attention be given to issues related to cost containment; quite likely those issues will need the further attention of a governor and legislature. This section provides a mandate to the alliance to work in this area and to provide necessary guidance to the governor and the legislature.

**New Section 15:** the Kansas health alliance shall study and make recommendations concerning tort reform and anti-trust measures.

**RATIONALE**

It is understood that there will need to be work done in the area of tort reform and anti-trust measures. The alliance will be expected to explore these areas and provide the governor and the legislature with recommendations.

**New Section 16:** the Kansas health alliance shall appoint a representative to receive complaints and attempt to resolve such complaints.

**RATIONALE**

This section provides a mechanism for individuals to come to the alliance with complaints and for the alliance to have a way to resolve problems related to the operation of the various plans under contract to the alliance.

**New Section 17:** the Kansas health alliance shall work with the department of health and environment related to core public health functions.

**RATIONALE**

As we progress toward some type of health care reform, it is essential that we keep in mind certain basic public health functions which will continue to need the attention of state government and other interested parties.

**New Section 18:** provides a statutory mechanism to transfer staff, property, and power from the existing health care commission to the health care alliance.

**RATIONALE**

This is a transition section and provides for continuity of work between the existing health care commission and the proposed health care alliance.

**Section 19:** provides a mechanism for the health alliance to purchase health care services for other state agencies.

**RATIONALE**

The alliance should be in the best possible position to purchase health care services at the lowest possible cost. This amendment would make it possible for the alliance to purchase on behalf of all other state agencies.

**Section 20:** sets forth that the authority of the previous Kansas state employees health care commission is now designated as the Kansas health alliance and it is in the position to establish a state health care benefits package and a purchasing program.

**RATIONALE**

The modification in language is to make it possible for the health care alliance to purchase health care services in behalf of other state agencies. This is conforming language.

**Section 21:** deals with technical amendments related to language and the newly established state health care services purchasing program.

**RATIONALE**

These changes are necessary to bring existing language into conformity with the new language as proposed in this bill.

**Section 22:** provides certain technical changes related to the health care alliance.

**RATIONALE**

The amendments are necessary for purposes of conforming language.

**Section 23:** conforming amendments.

**Section 24:** conforming amendments.

**Section 25:** deals with the authority of the Secretary of Social and Rehabilitation Services and the provision for purchase of health care services under the state medical assistance program by the health care alliance.

**RATIONALE**

A significant part of the federal discussion is that acute care under the medicaid program is to be integrated into any type of health care reform at the state level. This amendment provides for that to be done.

**Section 26:** repealers.

**Section 27:** effective date.

## THE JOINT COMMITTEE ON HEALTH SYSTEMS REFORM

**Section 1. Preamble.** Health care reform for all Kansans is a matter of general public interest. It is therefore a matter that should be addressed by those persons elected by the voters to make public policy. The prospect of federal legislation affecting state laws and regulations requires that the state have the legislative and administrative expertise to promptly make the necessary adjustments in both laws and regulations as required by federal law. Further, regardless of the federal proposal enacted, each such proposal relies ultimately on the state for implementation in the crucial areas of insurance reform, quality assurance, availability of service, and administrative structure to implement the reform program. The legislature must be prepared to respond timely but deliberately to safe guard the public health and welfare of all Kansans.

**Section 2. Health Care Reform Legislative Oversight Committee.** There is hereby created the Kansas health care reform legislative oversight committee, hereinafter "committee," to oversee the necessary changes in state laws and regulations made necessary by federal law and, to the fullest extent possible, implement health care reform specific to Kansas needs. The committee shall be composed of two persons appointed by the speaker of the House, one appointed by the minority leader of the House, two appointed by the president of the senate and one appointed by the minority leader of the Senate. The Secretary of Health and Environment and the Commissioner of Insurance shall be advisors to the committee and shall serve as directed by the chairperson, including work with related subcommittees created by the committee. The chairperson shall be elected annually by the committee and alternate between the senate and the house. The committee shall take action only by majority vote of the entire committee whether present and voting or not and in case of a tie vote, the vote of the chair shall decide the issue. The committee shall be designated a standing joint committee of the legislature and shall have such powers and duties as hereinafter provided. Funding of operations of the committee shall be made by appropriation of the legislative coordinating council and approved by the council. Administrative support for the committee shall be provided by the division of legislative services.

**Section 3. Powers and duties.** The committee shall examine changes in federal laws affecting Kansas and shall propose such changes in Kansas laws and regulations as are necessary to meet the federal requirements. . The committee may also recommend legislation which concerns health care matters beyond federal law changes, including health care matters relating to

Senate P H & W
attachment # 2
2-23-94

committee

professional credentialing, insurance, taxation, public assistance, long-term care, governmental reorganization, corporations, local governments, medical products and services. The shall have authority to introduce legislation which may be directly referred to the floor of either house by the president or speaker. The committee may appoint advisory subcommittees as it deems appropriate but shall at least name the following:

1. Administrative subcommittee. This subcommittee will be composed of the secretary of health and environment, the secretary of social and rehabilitation services, the secretary of ageing, and such other state or local governmental agencies as are named by the committee.

2. Insurance subcommittee. This subcommittee shall be composed of the commissioner of insurance, a representative of a domestic insurance carrier, a representative of a foreign insurance company, a representative of the managed care industry, and such others as are named by the committee.

3. Employer subcommittee. This subcommittee shall be composed of a representative of statewide business organization having large and small employer members, a representative of an organization having only small employer members, a representative of organized labor, and such other members as are named by the committee; and

4. Provider subcommittee. This subcommittee shall be composed of a representative of a statewide physician group, a statewide nursing group, a statewide hospital group, and such other provider groups as the committee shall name.

All subcommittees shall meet and report at the direction of the committee, but in no event shall the subcommittees report less than quarterly. All meetings shall be subject to the Kansas open meetings act.

**Section 4. Funding and Staff.** From moneys appropriated for the legislature, the committee shall employ an executive secretary who shall be in the unclassified civil service and receive compensation as approved by the legislative coordinating council. The executive secretary shall act as staff to the committee and its subcommittees and shall serve as liaison with the state agencies and the office of the governor. All officers and employees of the state shall provide such information and assistance as may be deemed necessary by the joint committee. Other staff assistance shall be provided by the office of the

revisor of statutes, the legislative research department and such other legislative offices and employees as may be directed by the legislative coordinating council.

**Section 5. Committee designated contact.** The health care reform legislative oversight committee is hereby designated the contact committee for the state of Kansas with reference to federal health care reform measures. All official acts of the state of Kansas, not otherwise required by another statute, with regard to health care reform, will be performed by the chairperson of the committee or the chairperson's designee.

**Section 6. Sunset.** The provisions of this act shall expire on June 30, 1998

**7. Effective date.** This act shall be in force and effect from and after its publication in the *Kansas Register*.

PROPOSED AMENDMENTS TO SENATE BILL NO. 521

Be amended:

On page 1, following line 20, by inserting the following:

(d) "Council" means the Kansas health council established by section 2;";

Also on page 1, by relettering subsections (c) through (f) as subsections (d) through (g), respectively; following line 29, by inserting the following:

"New Sec. 2. (a) There is hereby established the Kansas health council. The council shall have 11 members, seven of whom shall be appointed by the governor, subject to confirmation by the senate as provided in K.S.A. 75-4315b and amendments thereto. One member shall be appointed by the speaker of the house of representatives; one member shall be appointed by the minority leader of the house of representatives; one member shall be appointed by the president of the senate; and one member shall be appointed by the minority leader of the senate. Members appointed by legislative leaders shall not be legislators. Of the members initially appointed by the governor, two shall be appointed for terms of one year, three shall be appointed for terms of two years and two shall be appointed for terms of four years. Of the members appointed by the governor, not more than four members shall be of the same political party. All terms of members shall commence on July 1, 1994. Thereafter all members shall have terms of four years and until a successor has been appointed and qualified. Members are eligible for reappointment for a second four-year term. Not more than one member of the council shall be representative of the provider community. If a vacancy occurs on the council, the governor shall appoint a successor to fill the vacancy for the unexpired term, and such appointee shall have qualifications as required by this section.

(b) Any member of the council may be removed by the governor for cause, after a public hearing conducted in accordance with

Senate PH&W
Attachment #3
2-23-94

the Kansas administrative procedure act.

(c) Annually in July the council shall elect one of its members to be chairperson of the council. Members are eligible for reelection to successive terms as chairperson. Meetings may be called by the chairperson or by any four members.

New Sec. 3. Members of the Kansas health care council shall receive compensation, subsistence allowances, mileage and expenses as provided by K.S.A. 75-3223 and amendments thereto.

New Sec. 4. (a) There is hereby established the office of executive director of the Kansas health council. The executive director shall be in the unclassified service of the Kansas civil service act and shall receive an annual salary fixed by the Kansas health council and approved by the governor within appropriations therefor.

(b) The Kansas health council may appoint such other officers and employees as it shall determine, and such officers and employees shall be in the classified service of the Kansas civil service act.

New Sec. 5. Duties of the council shall be to:

(a) To cooperate and interact with agencies of the federal government responsible for health care reform.

(b) Consider all health care financing and delivery options now in effect taking into account the actions of other states and the federal government.

(c) Work cooperatively with all relevant state and federal agencies, health care providers, payors and consumer groups in the development of an integrated health plan for all Kansans for expected implementation not later than July 1, 1998. Evaluate the requirements and advantages of a state-specific plan for recommendation to the governor and legislature for enactment.

(d) Comply with any required federal and Kansas standard mandated benefits. Formal public participation and legislative action are required for the final adoption of a state health care benefit package.

(e) Receive, analyze and make recommendations related to the

state health care data base developed by the health care data governing board. The council will use such state specific data and data available from other sources for purposes of performing assigned functions, and reporting to the governor and the legislature and others on an as needed, but not less often than annually, the total health expenditures and deficiencies in data for purposes of discharging council duties.

(f) Monitor trends in health care spending, and to make recommendations to the legislature.

(g) Develop plans for health care cost containment for consideration by the legislature.

(h) Define and recommend methods of certification and decertification of health service networks to the legislature, and implement any such certification if and when such requirement is enacted by the legislature. Certification should be based on the health service network having the resources to provide the benefits prescribed in the benefit package for the enrollees, and on demonstration of fiscal solvency of the network.

(i) Coordinate the integration of other health providers and clinics into the state health care system. These providers should include, but shall not be limited to, community health centers, community mental health centers, state health care institutions, public hospitals, migrant workers, and military and veteran health care facilities.

(j) Study and make recommendations for legislative action to integrate health care financing and coverage with other states.

(k) Recommend legislative actions necessary to assure accessibility of services to residents of underserved areas.

(l) Negotiate fee schedules and determine capitation amounts including the recommendation of actuarially based adjustments to capitation payments. The council shall also study and make recommendations about other health provider payment mechanisms.

(m) Develop copayment schedules for both fee-for-service and capitation payment methods.

(n) Provide recommendations if federal or state law require

inclusion of the medical care component of workers compensation and automobile insurance into all inclusive health care coverage.

(o) Make recommendations on tort reform for medical liability and for state antitrust reform and federal antitrust modifications.

(p) Take action as necessary to assure effective and equitable function by the Kansas health care alliance, and may adopt rules and regulations thereof.

(q) Discharge such other duties as requested by the chairs of legislative committees with jurisdiction over health issues and the governor.

New Sec. 6. (a) Within appropriations therefor, the council shall establish advisory committees to study certain subjects or subject areas. The chairperson of the council, with the approval of the council, shall appoint the members of the advisory committees and chairpersons thereof.

(b) Each advisory committee shall be assisted by staff persons designated by the council. The staff shall give proper notice of advisory committee meetings, prepare minutes of each meeting and assist in preparing the final report of the advisory committee to the council.

(c) Members of advisory committees attending meetings authorized by the council shall be paid amounts authorized in subsection (e) of K.S.A. 75-3223 and amendments thereto.

New Sec. 7. The council may request legal assistance from the attorney general and other state departments for the purpose of discharging council duties.

New Sec. 8. The council may apply for, receive and administer governmental and private and public foundation grants and gifts as provided by the grantor or giver. The application and receipt of such grants shall be reported to the director of the budget and legislature.";

And by renumbering subsequent sections accordingly;