

Approved: \_\_\_\_\_  
Date

## MINUTES OF THE HOUSE HEALTH AND HUMAN SERVICES COMMITTEE

The meeting was called to order by Chairman Brenda Landwehr at 1:30 p.m. on February 5, 2009, in Room 784 of the Docking State Office Building.

Committee Members: All members were present except: Representatives Schultz, Mast, and Slattery whom were excused.

Committee staff present:

Norm Furse, Office of the Revisor of Statutes  
Melissa Calderwood, Kansas Legislative Research Department  
Reed Holwegner, Kansas Legislative Research Department  
Janet Grace, Committee Assistant

Conferees appearing before the committee:

Dr. John Leatherman, Kansas State University  
Angela Kreps, Kansas Bioscience Authority  
Jeff Southard, Vasogenx

Others attending:

See attached list.

Dr. John Leatherman, Kansas State University ([Attachment 1](#))  
Angela Kreps, Kansas Bioscience Authority  
Jeff Southard, Vasogenx ([Attachment 2](#))

Chairman Landwehr called the meeting to order.

The minutes presented were passed and carried. Representative Finney provided the motion with Representative Neighbor seconding the motion.

Chad Austin, Kansas Hospital Association, introduced Dr. John Leatherman from Kansas State University. Dr. Leatherman provided the committee with an overview of the report "The Importance of the Health Care Sector to the Kansas Economy" ([Attachment 1](#)). This program mimics the one at Oklahoma State University. Rural communities struggle to maintain affordable, quality health care systems. The health care sector can have a large impact on the local economy. People find it more difficult to get health care coverage. Their insurance premiums are increasing and rural health care providers are reimbursed at rates less than their urban counterparts for doing the same work. Rapid increases in health care costs have driven these changes. Health care facilities such as hospitals and nursing homes provide jobs and income to people in the community. As these employees spend their income in the community, a ripple spreads throughout the economy, creating additional jobs and income in other economic sectors. The health care sector is one of the few sectors that continue to grow during a down economy. A strong health care system can help attract and maintain business and industry growth, attract and retain retirees, and also create jobs in the local area. The economic contribution of the health care sector accounts for 10.5% employment in Kansas which equates to \$121,958,000 in total income. To date, the Rural Health Works Community Engagement process has been offered in seven counties: Trego, Osborne, Cloud, Oakley-Tri-County, Stafford, Republic, and Sherman. Two additional programs are currently underway, Rice and Neodesha counties. The county determines the level of participation in this program. The more committed the county is to the program, the more successful the program. The Health Services sector plays a large role in the state's economy. Health Services represents one of the largest employers in the state and also serves as one of the largest contributors to income. It also has an indirect impact on the local economy, creating additional jobs and income in other sectors.

Dr. Leatherman addressed the issue of how the insured and uninsured have an economic impact on the community. There are multiple types of issues that cause the economic drag. It is better for health and economic growth overall if the community members were insured as opposed to uninsured.

Angela Kreps from the Kansas Bioscience Authority (KBA) provided the bioscience industry overview and its impact on healthcare in our state and the world. Ms. Kreps discussed information on a national drug accelerator. An initiative between KBA has launched with a private industry country. They represent clinical and non-clinical research as well as drug substance competitor, manufacturing, and regulatory areas. The

## CONTINUATION SHEET

Minutes of the House Health And Human Services Committee at 1:30 p.m. on February 5, 2009, in Room 784 of the Docking State Office Building.

pharmaceutical expertise in our state is the highest in the world. Clinical trials have more than doubled in the past few years. Our region is in the top five per capita for clinical research. This sector is growing faster anything else in Kansas and the United States. KBA's work pertains to education and working to partner industry and academia.

Jeff Southard, founder of Vasogenx, discussed how his company is an example of the collaboration and partnership with academia and industry. Mr. Southard provided statistics on heart failure health care costs. Their goal with a controlled released product for heart failure is to:

- It reduces the hospital readmission rate by half
- Reduces annual hospital costs by \$6 billion
- Provides a longer and healthier quality of life

Kansas City is one of the few places in the country that allows a pharmaceutical companies to develop new products through the accelerator program.

The committee will become electronic starting Monday, February 9, 2009. We will begin hearing bills every day next week and the following Monday.

The next meeting is scheduled for February 9, 2009.

The meeting was adjourned at 02:15 p.m.