Approved: 04/09/10
Date

MINUTES OF THE SENATE PUBLIC HEALTH AND WELFARE COMMITTEE

The meeting was called to order by Chairman Jim Barnett at 1:30 p.m. on February 3, 2010, in Room 546-S of the Capitol.

All members were present.

Committee staff present:
Nobuko Folmsbee, Office of the Revisor of Statutes
Renae Jefferies, Office of the Revisor of Statutes
Iraida Orr, Kansas Legislative Research Department
Terri Weber, Kansas Legislative Research Department
Amanda Nguyen, Intern, Kansas Legislative Research Department
Jan Lunn, Committee Assistant

Conferees appearing before the Committee:
Dr. Andrew Allison, Acting Director, Kansas Health Policy Authority

Others attending:
See attached list.

Chairman Barnett called committee members' attention to follow-up information furnished by Dr. Andrew Allison (Attachment 1),Kansas Health Policy Authority (KHPA), and Brad Smoot, representing Blue Cross Blue Shield of Kansas and Blue Cross Blue Shield of Kansas City (Attachment 2), related to questions submitted at the January 21, 2010 meeting concerning federal mammography guidelines.

Senator Barnett recognized Dr. Allison to respond to lingering questions from the meeting on January 28, 2010, related to dispensing controlled substances to Medicaid beneficiaries, as well as what alternative sources of savings to Medicaid might exist.

Dispensing Controlled Substances - Medicaid

Dr. Allison referred to materials distributed at the January 28th meeting (see attachments distributed at the 01/28/10 meeting). Dr. Allison indicated various strategies exist to monitor and control fraud and abuse. One strategy is to attack reimbursement for the product itself; while another is to target the individuals involved: providers and beneficiaries. In terms of the product itself, the Drug Utilization Review Board (DUR) recently released new recommendations for standards that define the term "appropriate use." The DUR process will lead to a "lock-in" of a single provider and/or a single pharmacy. In terms of providers and beneficiaries, the Surveillance and Utilization Review (SURS) is federally mandated in order to safeguard against unnecessary or inappropriate use of services and excess payments. The SURS process exists to assess the quality of service as well as to identify providers who may be billing inappropriately. Dr. Allison addressed lingering questions relative to how upper dosage limits are set by the DUR. The DUR utilizes specified criteria based on FDA recommendations, pain society guidelines, and accepted standards. Dr. Allison reported restrictions on short-acting opiods will be finalized within six months. Long-acting opiods undergo the pharmacy's clinical editing process at the point of sale. Dr. Allison outlined the SURS review process which focuses on product limitations and identification of potential abuse. The term "lock-in" was defined and discussion was heard on referrals that generate review. The appeal process was also reviewed. When fraud is identified, the case is referred to the state attorney general.

Senator Schmidt asked for a comparison of FDA pain recommendations to those from the American Pain Society versus what occurs in Kansas. Dr. Allison indicated that would be provided at a later date.

Senator Schmidt indicated that system clinical edit limitations are at 30 days, and asked at what juncture a prescription can be refilled (75% limit, 80%, etc.). Dr. Allison deferred to Leann Bell, PharmD, KHPA, who indicated pharmacists receive an alert that can be overridden at 80% on a 30-day prescription; however, certain medication have "hard limit" which cannot be overridden. Senator Schmidt clarified that in practice, the alert does not require the manual interface process. Dr. Bell indicated she would investigate clinical editing related to the interface process and provide a response at a later time. Senator Schmidt asked whether edits can be set on Schedule II-V drugs apart from legend drugs. Dr. Bell responded it is possible to set them differently for narcotics. Senator Schmidt asked what process the state uses to ensure crossovers of narcotics at maximum limits are not being filled. Dr. Bell indicated that without implementation of an automated prior authorization system, software programming would be necessary to retrofit the current system with capability for that particular functionality. Senator Schmidt asked whether there are any SURS reports concentrating on narcotics only. Dr. Bell could not respond to that question. Senator Schmidt inquired whether KHPA had thought about extending the Multiple

Pharmacies and Multiple Prescribers Reports for greater than a one month period. Dr. Bell will provide an answer at a later time. Senator Schmidt asked about the time line for developing Oxycontin maximum dosage limits. Dr. Bell responded the DUR board will consider that in early summer. Senator Schmidt closed her comments with reflection on why a Medicaid beneficiary can afford to go to a non-Medicaid provider, pay cash for an office visit, and obtain a narcotic prescription for which is paid for by the State of Kansas. Dr. Allison indicated he would evaluate which expert panel to whom he would refer this question for judgment on possible restriction.

Chairperson Barnett questioned how prescriptions for Hospice patients were handled. Dr. Allison indicated that had been reviewed during the last year and he would provide that information.

Alternative Sources for Savings - Medicaid
Dr. Allison reported on optional services and optional populations. The largest dollar amount under the optional covered population is State Childrens Health Insurance Program (SCHIP) services themselves are one-third of the program. There are other optional services provided. Dr. Allison indicated predictions for savings by cutting optional services would create a consequence both in short- and long-term healthcare expenditures.

Senator Colyer asked whether there are programs included in Medicaid optional services (i.e., disproportionate share adjustments (DSH), graduate medical education), typically thought not to be reimbursed through Medicaid, that experienced a ten percent reduction in funding. Dr. Allison described some of the optional services in this category and affirmed that those services (DSH, graduate medical education) did receive the funding reduction.

Senator Kelly asked Dr. Allison to explain "local health department" listed under the optional services category. Dr. Allison responded that optional services for local health departments refers to the levels of payment for services. Dr. Allison reported that he would clarify this item, and respond at a later time.

Senator Schmidt inquired about the ten percent Medicaid reduction in the pharmacy dispensing fee and requested Dr. Allison clarify why 0.5% was also taken off the remittance advice. Dr. Allison clarified that this was the "administrative simplicity" method chosen to eliminate rate recalculation.

Senator Kelly inquired whether there are occasions when a Medicaid drug is dispensed and the pharmacist is not reimbursed. Dr. Allison affirmed that occasionally drugs and pharmacists are not reimbursed. Senator Kelly's point was that all Medicaid providers suffer from the same type of retrospective review to recoup expended funds; therefore, many providers incur a greater than 10% (Governor's November allotment) reduction.

Senator Barnett indicated, that in recent floor debate, it was inferred that Dr. Allison recommended a 10% Medicaid cut; he asked Dr. Allison if he recommended a 10% Medicaid cut. Dr. Allison emphatically denied recommending such a cut nor did he know about the 10% cut until it was announced by the Governor.

Chairperson Barnett asked whether there were any waivers or options, or any combination of those, for the State to draw down more federal dollars. Dr. Allison indicated there were opportunities for arbitrage between match rates and rules for SCHIP and Medicaid and those could be pursued. Chairman Barnett requested a subsequent report on that issue. Senator Barnett questioned whether the state is doing the best it can insofar as rebates for generic and brand-name drugs. Dr. Allison indicated that process was ongoing and supplemental rebates are obtained when a drug class is brought into a preferred drug list. Chairman Barnett recommended pursuit of those opportunities and requested KHPA provide a supplemental report at a later time.

The meeting was adjourned at 2:30pm

PUBLIC HEALTH AND WELFARE
GUEST LIST
February 3, 2010

NAME	AFFILIATION
Dustin Moyer	KHPA
Aron East KAFP	Doctor of the Day
Chris Gigstad	Federico Consulting
Jarrod Forbes	United Health Group
Marlee Carpenter	KAHP
Brad Smoot	CMH / FHP
Michelle Peterson	Capitol Strategies

Coordinating health & ...lth care for a thriving Kansas

KHPA™
KANSAS HEALTH POLICY AUTHORITY

January 29, 2010

Senator Jim Barnett, Chair
Senate Public Health and Welfare Committee
234-E Statehouse

Senator Barnett,

During my January 21 testimony to the Senate Public Health and Welfare Committee regarding mammography policy, Senator Colyer requested some information about the State Employee Health Plan (SEHP). Specifically, he asked to have a copy of the clinical guidelines that our wellness vendor, Alere, uses to advise our members about their health choices. Senator Colyer also asked if the findings of the U.S Preventive Services Task Force had caused Alere to change changing their advice to SEHP members about the frequency of mammograms or the appropriate age to start receiving mammograms.

The findings of the U.S. Preventive Services Task Force have not caused Alere to change its advice to SEHP members regarding mammography. Further, all of Alere's clinical guidelines can be access through the following portal: http://www.alerecares.com/pl/Clinical_Guidelines/index/cgindex.aspx

I believe that this satisfies all of the questions that arose during my January 21, 2010 testimony. If you or other Committee members have any questions, please let me know.

Sincerely,

Andy Allison
Acting Executive Director

Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220
www.khpa.ks.gov

Medicaid and HealthWave:
Phone: 785-296-3981
Fax: 785-296-4813

State Employee Health Plan:
Phone: 785-368-6361
Fax: 785-368-7180

State Self Insurance Fund:
Phone: 785-296-2364

Senate Public Health and Welfare
Date: 02/03/10
Attachment: 1

BRAD SMOOT
ATTORNEY AT LAW

800 SW JACKSON, SUITE 808
TOPEKA, KANSAS 66612
(785) 233-0016
(785) 234-3687 (fax)
bsmoot@nomb.com

10200 STATE LINE ROAD
SUITE 230
LEAWOOD, KANSAS 66206

February 2, 2010

The Honorable James Barnett
Kansas Senate
State Capitol
300 SW 10th Ave
Topeka, KS 66612

Subject: Mammography

Dear Mr. Chairman:

During the January 21 during the Senate Public Health & Welfare hearing regarding new federal guidelines for mammograms, Senator Colyer asked some important questions regarding BCBSKS policies not addressed in our written remarks. Below are the questions as we understood them, and the answers based on formal company policies. Internet links are also available for further information on each inquiry.

Do BCBSKS policies require copays for mammograms?

Blue Cross and Blue Shield of Kansas' policies cover mammograms for 100% of the allowed charge when services are received by a network provider. There is no cost to the member.

See also : http://www.bcbsks.com/CustomerService/Members/State/pdf/Benefits_Summ%200908.pdf.

Does BCBSKS promote self-exams & mammograms to members?

Blue Cross and Blue Shield of Kansas promotes annual preventative health for people of all ages. Women between ages 19-49 are urged under the physical exam guidelines to receive a clinical breast exam and under the lab guidelines to receive a mammogram as indicated. Further preventative health encourages annual mammograms for women over the age of 39 and beginning at age 35 if the patient is at high risk for breast cancer.

See also: http://www.bcbsks.com/BeHealthy/HealthWellness/PreventiveHealth/19yr-49yr.htm; and http://www.bcbsks.com/BeHealthy/HealthWellness/PreventiveHealth/50plus.htm

Does BCBSKS allow women with implants to get an MRI rather than a mammogram? If so, what is the protocol? If not, what is the rationale?

Our medical policy guidelines do not provide that women with implants will ordinarily be allowed to get an MRI rather than a mammogram. Breast MRI is considered experimental/investigative as a screening technique in average risk patients. Therefore, it is used only when medically necessary.

The BCBSKS medical policy guidelines state that MRI of the breast, using scanners equipped with breast coils, is medically necessary in the following situations: For evaluation for ruptured breast implants when there is breast pain and/or abnormal ultrasound on the breast.

See also: http://www.bcbsks.com/CustomerService/Providers/MedicalPolicies /institutional/policies/3-07_MRIBreast.pdf.

We trust that this responds to Senator Colyer's inquiries. Please feel free to contact us if you or others or your committee has additional question or concerns.

Sincerely,

Brad Smoot
Legislative Counsel
Blue Cross Blue Shield of Kansas

cc: Senator Colyer
Sunee Mickle