

MINUTES

HOUSE & SENATE INTERIM COMMITTEES ON PUBLIC HEALTH, WELFARE AND LABOR

May 19, 2011

The House and Senate Interim Committees on Public Health, Welfare and Labor met Thursday, May 19, 2011 at 10:00 a.m. in Room 130 at the State Capitol, Little Rock, Arkansas.

Public Health Senate members attending were: Senators Percy Malone, Chair; Randy Laverty, Vice Chair; Cecile Bledsoe, Jack Crumbly, Jonathan Dismang, and Missy Irvin.

Public Health House members attending were: Representatives Linda Tyler, Chair; Jon Woods, Vice Chair; Billy Gaskill, Clark Hall, Barry Hyde, Sheilla Lampkin, Andrea Lea, Greg Leding, Buddy Lovell, Stephanie Malone, Andy Mayberry, Garry Smith, Butch Wilkins, and James Word.

Non-Voting Public Health House members attending were: Representatives Jonathan Barnett, Bruce Cozart, Jody Dickinson, Keith Ingram, Lane Jean, Uvalde Lindsey, and Tommy Thompson.

Other legislators attending were: Senator Johnny Key; Representatives Tommy Baker, Lori Benedict, John Burris, Les Carnine, Eddie Cheatham, David Fielding, Betty Overbey, Mike Patterson, and Terry Rice.

Senator Percy Malone called the meeting to order, and recognized Representative Linda Tyler, House Chair for the 2011-2012 Interim Public Health, Welfare & Labor Committee. Representative Tyler encouraged committee members to visit the Mission of Mercy event sponsored by Arkansas dentists this Friday and Saturday at the Statehouse Convention Center in Little Rock. It is estimated that Arkansas dentists and their staff will serve over 2,000 Arkansas residents in need of dental treatment.

REVIEW OF MINUTES FROM THE DECEMBER 2, 2010 HOUSE & SENATE MEETING (EXHIBIT B)

Senator Percy Malone stated that without objection the minutes would be approved.

REVIEW OF MINUTES FROM THE JULY 21, 2010, & DECEMBER 10, 2010 HOUSE MEETINGS

(EXHIBITS C-1 & C-2)

Senator Percy Malone stated that without objection the minutes would be approved.

UPDATE ON HEALTHCARE PAYMENT REFORM (Handout #1)

John Selig, Director, Arkansas Department of Human Services (DHS), gave a brief update on *healthcare payment reform*. Mr. Selig also extended an invitation to legislators to attend the Medicaid Stakeholders Meeting on May 26, 2011 at 1:00 p.m., in the Blue Flame Room of the CenterPoint Building in downtown Little Rock. Mr. Selig said he and his staff would come back to the committees for a more thorough discussion on *healthcare payment reform*.

Mr. Selig said DHS has been working on bending the cost curve so Arkansas' healthcare system will not fall into a financial crisis like many other states. This payment reform plan is designed to avoid deep program cuts in the healthcare system of Arkansas by eliminating duplication of services, and improving coordination and effectiveness of the delivery of healthcare. The strategy for this transformation is to move to a system that pays teams of healthcare providers for episodes or bundles of care which will in turn reduce system costs and result in better fiscal stewardship of the Arkansas Medicaid Program.

Senator Malone stated that contrary to the rumor that DHS 'already has a plan', he said that DHS, in fact, do not have a plan. DHS has a concept—not a plan. Senator Malone asked Mr. Selig to clarify this misconception. Mr. Selig stated that DHS does not have a plan, but CMS likes Arkansas' concept of moving away from a "fee-for-service" and moving to more coordinated care which will strengthen our connect care system.

Senator Malone stated that he will appoint a subcommittee to study the Medicaid transformation. In addition, Senator Malone said the Public Health Committees would schedule a special meeting to discuss only Medicaid and the coming changes to the Arkansas Medicaid Program.

Legislators voiced concerns on the following issues:

- ◆ Medicaid savings versus healthcare providers going out of business
- ◆ Current physician shortages
- ◆ Time it takes for a provider to get paid

WORKERS' COMPENSATION COMMISSION QUARTERLY REPORTS FOR OCTOBER, 2010 – DECEMBER, 2010 AND JANUARY, 2011 – MARCH, 2011 (AS REQUIRED BY ACT 1179 OF 1999)
(EXHIBITS E-1a & E-1b)

James Daniel, Assistant CEO, Workers' Compensation Commission (WCC), presented two (2) quarterly reports to the committees. There were no questions from the committee members, so Senator Malone stated that without objection the reports will be accepted.

CENTRALIZED CREDENTIAL VERIFICATION SERVICE (CCVS), ARKANSAS STATE MEDICAL BOARD QUARTERLY REPORTS FOR JULY, 2010 – SEPTEMBER, 2010; OCTOBER, 2010 – DECEMBER, 2010; AND JANUARY, 2011 – MARCH, 2011 (EXHIBITS E-2a, E-2b & E-2c)

Peggy Cryer, Executive Secretary, Arkansas State Medical Board, presented three (3) quarterly reports. Ms. Cryer stated that all their programs are at 100% with the exception of one program which is at 96.3%.

Senator Malone stated that the Centralized Credential Verification Service reports are being presented for the last time, and without objection these reports will be accepted.

ARKANSAS TOBACCO SETTLEMENT COMMISSION QUARTERLY PROGRAM REPORTS FOR JULY, 2010 – SEPTEMBER, 2010, AND OCTOBER, 2010 – DECEMBER, 2010 (*Handouts 2A & 2B*)

Paul Halverson, Director, & State Health Officer, Arkansas Department of Health, presented the two quarterly reports for the Tobacco Settlement Commission. The commission is pursuing a new strategic plan for the six tobacco-funded programs.

Senator Malone stated that without objection the reports will be accepted.

ARKANSAS DEPARTMENT OF HEALTH, TRAUMA SYSTEM QUARTERLY REPORT FOR JANUARY, 2011 – MARCH, 2011 (EXHIBIT E-4)

Bill Temple, Branch Chief, Injury Prevention & Control, Arkansas Department of Health, and Todd Maxson, M.D., Trauma Medical Consultant, Arkansas Department of Health, presented the quarterly report for the trauma system.

Dr. Maxson stated that in 2006 Arkansas had the highest mortality rate in the United States. The Arkansas Department of Health was largely responsible for implementing the Trauma System through Act 393 of 2009. Components of the trauma system currently in place are:

- ◆ Educating providers (EMS, physicians, & nurses)
- ◆ Providing continuous equipment upgrades to keep pace with the national standards
- ◆ Provide a baseline education for trauma physicians & nurses regionally across Arkansas
- ◆ Trauma providers have been equipped with AWIN radios that work hand-in-hand with hospital call centers to place trauma patients at the appropriate facility in the shortest amount of time (18 Arkansas hospitals are now designated as trauma centers).
- ◆ Treatment for burn care, re-implantation for amputated limbs, complex hand injuries
- ◆ Telemedicine
- ◆ Trauma Registry (currently receives records from over 35 hospitals)
- ◆ Rehabilitative care

In fiscal year 2012, The Arkansas Department of Health anticipates the following:

- ◆ American College of Surgeons will come to Arkansas in June to do a system-wide analysis of Arkansas' Trauma System
- ◆ Expansion of the tele-radiology process
- ◆ Continue to update Arkansas trauma system regulations to keep abreast of the national standards

Representative Andrea Lea requested a total breakout of the trauma budget emailed to her—hard figures, not percentages. Dr. Maxson agreed to furnish Representative Lea these figures.

So committee members may see how Trauma System funds are being used, Senator Malone suggested scheduling another meeting with Dr. Maxson to discuss the trauma system budget facts & figures. Senator Malone also requested that Dr. Maxson submit this information to the committee staff prior to the meeting.

DEPARTMENT OF HUMAN SERVICES, DIVISION OF MEDICAL SERVICES (DENTAL PROVIDERS ACCEPTANCE OF NEW MEDICAID OR CHIP PATIENTS) (EXHIBIT F-1)

Marilyn Strickland, Chief Operating Officer, Medical Services Division, Department of Human Services, presented the federally mandated regulation requiring dental providers to post whether or not they are accepting new Medicaid or CHIP patients and whether or not they are equipped to handle special needs.

Senator Malone stated that without objection this regulation will stand as being reviewed.

DEPARTMENT OF HUMAN SERVICES, DIVISION OF MEDICAL SERVICES (CLARIFIES THAT ASSISTED LIVING FACILITIES, LEVEL I & LEVEL II, MAY USE UNIVERSAL WORKERS IN ALZHEIMER'S SPECIAL CARE UNITS) (EXHIBITS F-2 & F-3)

Ms. Strickland presented the proposed change to these two regulations which provides for the insertion of the term “universal workers”. This change allows for better care of assisted-living residents.

Senator Malone stated that without objection this regulation will stand as being reviewed.

DEPARTMENT OF HUMAN SERVICES, DIVISION OF MEDICAL SERVICES (AMENDMENT TO STATE MEDICAID PLAN 2011-001, ADD RECOVERY AUDIT CONTRACTORS TO THE MEDICAID PROGRAM) (EXHIBIT F-4)

Ms. Strickland stated that this is a federally mandated change. Sheena Olson, Assistant Director, and Trish McClendon, Program Integrity Manager, both of Medical Services, Department of Human Services, provided additional testimony. After much discussion, Representative Barry Hyde suggested that Exhibit F-4 be pulled down and brought back at another time. Senator Malone and Ms. Strickland agreed.

DEPARTMENT OF HUMAN SERVICES, DIVISION OF MEDICAL SERVICES (PRIOR AUTHORIZATION FOR PROCEDURE CODES 87901, 87903 AND 87904) (EXHIBIT F-5)

Ms. Strickland presented the proposed changes to prior authorization requirements for Procedure Codes 87901 87903 and 87904.

Senator Malone stated that without objection this regulation will stand as being reviewed.

DEPARTMENT OF HUMAN SERVICES, DIVISION OF MEDICAL SERVICES, (REMOVES PRIOR AUTHORIZATION CODE REQUIREMENT FOR PROCEDURE CODE 93980 AND 93981), PHYSICIAN UPDATE MAY, 2010 AND HOSPITAL UPDATE JUNE, 2010 (EXHIBIT F-6)

Ms. Strickland presented the proposed change for Procedure Codes 93980 and 93981.

Senator Malone stated that without objection this regulation will stand as being reviewed.

ARKANSAS DEPARTMENT OF HEALTH (HOSPITAL DISCHARGE DATA) (EXHIBIT F-7)

Lynda Lehing, Section Chief, Hospital Discharge Data, Arkansas Department of Health, presented the proposed changes to the Hospital Discharge Data Submittal Guide which were mainly language and typographical errors.

Senator Malone stated that without objection this regulation will stand as being reviewed.

The meeting adjourned at 11:40 a.m.