

Members

Rep. Charlie Brown, Chairperson
Rep. Brian Hasler
Rep. William Crawford
Rep. Susan Crosby
Rep. John Day
Rep. Win Moses
Rep. Scott Pelath
Rep. Peggy Welch
Rep. Vaneta Becker
Rep. Timothy Brown
Rep. Mary Kay Budak
Rep. Gary Dillon
Rep. David Frizzell
Rep. Randy Borrer
Sen. Patricia Miller, Vice-Chairperson
Sen. Greg Server
Sen. Ron Alting
Sen. Beverly Gard
Sen. Steve Johnson
Sen. Connie Lawson
Sen. Marvin Riegsecker
Sen. Allie Craycraft
Sen. Billie Breaux
Sen. Earline Rogers
Sen. Vi Simpson



HEALTH FINANCE COMMISSION

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Authority: IC 2-5-23

MEETING MINUTES¹

Meeting Date: October 8, 2002
Meeting Time: 1:00 P.M.
Meeting Place: 850 North Barnhill Dr., Cancer
Research Institute, First Floor
Auditorium
Meeting City: Indianapolis, Indiana
Meeting Number: 3

Members Present: Rep. Charlie Brown, Chairperson; Rep. Brian Hasler; Rep. William Crawford; Rep. John Day; Rep. Peggy Welch; Rep. Vaneta Becker; Rep. Mary Kay Budak; Rep. Gary Dillon; Sen. Patricia Miller, Vice-Chairperson; Sen. Ron Alting; Sen. Beverly Gard; Sen. Steve Johnson; Sen. Connie Lawson; Sen. Allie Craycraft; Sen. Billie Breaux.

Members Absent: Rep. Susan Crosby; Rep. Win Moses; Rep. Scott Pelath; Rep. Timothy Brown; Rep. David Frizzell; Rep. Randy Borrer; Sen. Greg Server; Sen. Marvin Riegsecker; Sen. Earline Rogers; Sen. Vi Simpson.

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Chairman Charlie Brown called the Health Finance Commission meeting to order at approximately 1:00 p.m. Representative Brown stated that the Commission would begin the meeting by considering legislative proposals while the Commission had a quorum.

PD 3556

Representative Brown informed the Commission that he authored PD 3556 which creates the Department of Healthcare, consisting of: (1) the office of Medicaid; (2) the office of mental health and addiction; (3) the office of health; and (4) the office of health professions. The current State Department of Health's responsibilities are transferred to this new agency, as are the Health Professions Bureau's responsibilities. The current Office of Medicaid, Policy and Planning and the Division of Mental Health and Addiction within the Office of the Secretary of Family and Social Services are also transferred to this new agency. PD 3556 creates a legislative committee to prepare any legislation needed to implement the transfer of responsibilities. PD 3556 does not require the Commissioner to be a licensed physician. (See Exhibit 1.)

The Commission discussed the role the Governor has over the Commissioner of this new agency and whether the Commissioner would have enough autonomy. While the draft contained an executive board of health that had the power to adopt administrative rules, some members of the Commission felt that the board should be mandated to adopt rules. Some members of the Commission also felt that the Commissioner of this new agency should be a licensed physician. The Commission also discussed how large this new agency would be and whether the size would affect the efficiency of the agency since the Family and Social Services Administration (FSSA) is often criticized for being too large.

Rep. Brown asked Commission members to contact staff with any amendments to PD 3556. The Commission did not take any further action on PD 3556.

Document 1553.003

Representative Becker presented this preliminary draft on behalf of Senator Server. Document 1553.003 requires: (1) the legislative evaluation and oversight policy subcommittee to direct staff in performing an audit of the organizational structure of the Office of the Secretary of Family and Social Services (office) in 2003; (2) the office to cooperate with the subcommittee and provide specified information for the study; and (3) the chairman of the legislative council to appoint a committee in 2004 to perform specified duties. (See Exhibit 2).

The Commission noted that this in depth audit of FSSA would not result in any legislation until 2005. A motion was made and seconded for the Commission to recommend passage of this draft. The Commission voted 14-0 to support passage of this draft.

PD 3591

Representative Becker authored PD 3591 which requires that if the director of the Division of Mental Health and Addiction decides to make a final placement decision for a mentally ill person, the person who makes the decision must be a psychiatrist or psychologist. (See Exhibit 3).

The Commission discussed amending the draft to require that, in making a final placement decision, the patient's psychologist or psychiatrist must be consulted and voted, by consent, to amend the draft in this manner. Upon a motion that was seconded, the Commission voted to recommend passage of PD 3591, as amended, by a vote of 13-0.

Final Report Draft

The Commission reviewed the draft final report. (See Exhibit 4). Upon determining that

there were no further recommendations to add, the Commission voted 14-0 to approve the final report, with the addition of the October 8, 2002 meeting minutes and the vote tally on the preliminary drafts.

West Nile Virus Update- Dr. Gregory Wilson, State Health Commissioner, State Department of Health

Dr. Wilson described West Nile Virus as a virus that causes human illness and is transmitted by mosquitoes. (For a more complete description of Dr. Wilson's testimony, see Exhibit 5). Symptoms of West Nile Virus include mild illness with fever, headache, and body aches, referred to as West Nile fever. In a small number of cases, a more severe infection develops, West Nile encephalitis, with the following symptoms: headache, high fever, stiff neck, stupor, disorientation, coma, and other central nervous system problems. A severe case, especially in the elderly, may result in death. Indiana has currently reported 159 cases (as of Sept. 27, 2002) of West Nile virus, including five deaths in the following counties: Allen County (3 deaths), Lake County (1 death), and Delaware County (1 death). Use of personal protective actions, such as wearing DEET containing mosquito repellent, wearing long sleeves and pants, and avoiding the outside at dusk when mosquitoes are most active may reduce the risk of exposure to the West Nile virus.

Indiana has conducted tests of dead birds throughout the state. Due to limited resources, the Indiana State Department of Health (ISDH) has stopped testing dead birds from counties where it is known the West Nile virus exists. ISDH uses the recommended test for West Nile virus which takes between 48-72 hours to complete. Mosquito control occurs at the local level and is funded by the local jurisdictions. Control includes larviciding, adulticiding, and identification and removal of breeding sites.

ISDH has received a CDC grant of \$556,000 to be used for public education and surveillance. The money may not be used for direct control. Federal legislation is currently being considered to provide \$100 million nationwide for control of the West Nile virus. In response to a question from the Commission, the Commission was told that a vaccine for the West Nile virus is still three to five years away, in part due to questions of liability of the drug manufacturers.

Health Insurance Flexibility and Accountability Initiative- Kim Stoneking, Indiana Association of Insurance and Financial Advisors, Carolyn Cutter, National Association of Health Underwriters

The Health Insurance Flexibility and Accountability Initiative (HIFA) demonstration initiative encourages private health insurance options targeted to people with incomes below 200 percent of the federal poverty level. HIFA uses current Medicaid and Children's Health Insurance Program (CHIP) resources under a Section 1115 waiver. (See Exhibit 6 for handouts concerning HIFA). HIFA is targeted at the following population groups: (1) mandatory populations that the state is required to cover under Medicaid; (2) optional populations depending on the state's Medicaid and CHIP eligibility standards; and (3) expansion populations who are groups that are not eligible for Medicaid or CHIP (*i.e.* non-disabled adults without children).

The Commission requested information concerning private insurance providers that provide insurance coverage similar to Medicaid. Ms. Cutter was also asked to testify before the Select Joint Commission on Medicaid Oversight concerning HIFA.

FSSA, Secretary John Hamilton

Secretary Hamilton commented that the states that have currently been able to take

advantage of HIFA are those states that have not completely utilized their CHIP money. Since Indiana has completely utilized its CHIP money for individuals up to 200% of the federal poverty level, FSSA is currently trying to determine how Indiana could use HIFA without taking away benefits from Medicaid recipients. FSSA received a \$1 million grant from Health Resources and Services Administration (HRSA) to study the uninsured.

Secretary Hamilton acknowledged that current Indiana law prohibits FSSA from closing the Evansville State Psychiatric Treatment Center for Children (EPCC) and stated that FSSA will not be pursuing legislation to allow such a closure. FSSA has been meeting with the Southeastern Regional Planning Commission in Southeast Indiana concerning needs in the area regarding the full continuum of care for individuals with disabilities and the mentally ill. FSSA is also planning to begin a Southwestern Regional Planning Commission. Secretary Hamilton further stated that FSSA is going forward with closing youth beds in Madison. The Commission asked Secretary Hamilton where children in the southwest part of the state could go to get these services. When asked whether FSSA has tried to sabotage EPCC by telling community mental health centers to not refer children to EPCC, Secretary Hamilton responded that he was not aware of any such directive. Secretary Hamilton stated that FSSA has met with community mental health centers that have a higher percentage of hospitalization rates than other community mental health centers to determine the need for services in that area. The Commission informed Secretary Hamilton that the Commission is concerned about mental health services in Indiana and will be watching the performance of the Division of Mental Health and Addiction. The Commission also stated that FSSA needs to improve its communication and public relations efforts.

FSSA distributed FSSA: A Report on Families which offers statistics on Indiana's families and children. (See Exhibit 7) Eleven percent of Indiana children lived in poverty in 2000 compared to 15% of Indiana children who lived in poverty in 1990. Thirty-five percent of Indiana high school seniors admitted to smoking cigarettes.

Secretary Hamilton briefly updated the Commission on a recent federal case ruling, Collins v. Hamilton et al., concerning whether the state Medicaid program or local counties are responsible for paying residential services for special needs children. The court ruled that these expenses are the state Medicaid program's responsibility. Secretary Hamilton stated that more detail on this case would be given at the next Select Joint Commission on Medicaid Oversight meeting.

In response to a question concerning whether the First Steps co-payment requirement which passed last legislative session has been implemented, Secretary Hamilton stated that a voluntary co-payment system is currently in place and that the mandatory co-payment will be implemented by the end of this year.

The Commission adjourned at 2:30 P.M.