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Sen. Beverly Gard
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HEALTH FINANCE COMMISSION

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MEETING MINUTES¹

Meeting Date: August 20, 2003
Meeting Time: 10:00 A.M.
Meeting Place: State House, 200 W. Washington St.,
Room 431
Meeting City: Indianapolis, Indiana
Meeting Number: 2

Members Present: Sen. Patricia Miller, Chairperson; Sen. Greg Server; Sen. Gary Dillon; Sen. Beverly Gard; Sen. Sue Landske; Sen. Connie Lawson; Sen. Billie Breaux; Sen. Vi Simpson; Rep. David Orentlicher; Rep. John Day; Rep. Craig Fry; Rep. Brian Hasler; Rep. Carolene Mays; Rep. Scott Reske; Rep. Peggy Welch; Rep. Robert Behning; Rep. David Frizzell; Rep. Donald Lehe.

Members Absent: Sen. Marvin Riegsecker; Sen. Connie Sipes; Sen. Timothy Skinner; Rep. Charlie Brown, Vice-Chairperson; Rep. Vaneta Becker; Rep. Timothy Brown; Rep. Mary Kay Budak.

Chairperson Senator Patricia Miller called the second meeting of the Health Finance Commission to order at 10:05 A.M.

Indiana Arthritis Initiative

Douglas McKeag, M.D., M.S., Chairman, Indiana Arthritis Initiative

Dr. McKeag reviewed the organizations and members involved in assembling an arthritis strategic action plan for the state. The state strategic action plan is included in Exhibit A. Dr.

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.

McKeag gave a brief overview of the strategic action plan including a definition of conditions that are generally included in the term “arthritis.” He emphasized that arthritis is not an inevitable consequence of aging; it can be treated. Arthritis is a leading cause of disability in Indiana. Obesity is a contributing factor, and body weight is directly correlated to the incidence of arthritis.

Dr. McKeag emphasized that the state strategic plan is a community-oriented care plan that stresses public education regarding the prevention of arthritis, early treatment, and personal responsibility. In the discussion that followed, Dr. McKeag observed that people look for a magic pill to treat the condition rather than modifying their behavior. He commented that treatment could consist of a \$5-per-day, anti-inflammatory medication, or the patient could walk two miles per day. Walking is the more effective treatment in preventing premature loss of function, and mild exercise actively contributes to healing the condition. The medication treats only the symptoms of inflammation and pain.

Fireworks Injury Reporting

Zach Cattell, Indiana State Department of Health

Mr. Cattell distributed a preliminary fireworks injury report prepared by the State Department of Health (Exhibit B). The reporting period covered approximately 10 weeks, including the 4th of July. Mr. Cattell reviewed the information in the report regarding the 261 fireworks injuries that were reported. Members of the Commission asked several questions regarding additional information that might be collected from the reports regarding severity of injuries and how the incidence of fireworks-related injuries in Indiana compares to that of other states. Information regarding injuries related to the use of sparklers was of interest to the Commission members. Rep. Mays asked if there is an age limit for the purchase of sparklers.

Senator Miller asked Mr. Cattell if he would respond to the member’s additional questions in writing to the Commission staff for distribution to the members.

FSSA Administrative Structure

Robert Agronoff, Professor Emeritus

Senator Miller commented on the general concern that has been expressed regarding the effectiveness of the Family and Social Services Administration’s organizational structure and introduced Professor Robert Agronoff.

Professor Agronoff reviewed his involvement in the activities that led to the formation of the Agency that is now the Family and Social Services Administration (FSSA). Professor Agronoff distributed a description of the basic philosophy for the necessary service integration that should drive the structure of the organization (Exhibit C). Professor Agronoff emphasized that the organizational structure needs to focus on the problems needing solutions; not on creating a huge agency. He reported that initially three objectives were agreed to in the creation of FSSA: (1) the structure of the agency should work to facilitate interactive programs with department heads being on equal levels; (2) operating managers needed to have the capacity to make operating decisions including working out “turf problems” among themselves; and (3) service delivery linkages needed to be created in the communities where the clients were. This model embraced the concept of one-stop shopping for ease of access to services for clients.

Professor Agronoff reviewed the three organizational models that have been used in other states to consolidate human services activities. The three models are: (1) cabinet secretary of human services; (2) the Florida model which abolishes divisional lines, program services, and

management offices; and (3) the consolidated approach, chosen by Indiana for FSSA. Professor Agronoff referred to the chart in Exhibit C that was prepared for a study published by the Rockefeller Foundation showing states that reorganized and integration strategies that were pursued.

Professor Agronoff concluded his remarks with the observation that FSSA has achieved some integration success but they have much more to do. The 317 Plan and Medicaid home care waivers were given as examples of integration that could not have occurred as easily without the organizational structure of FSSA. He cited the Office of Medicaid Policy and Planning as most instrumental in helping with these success stories. Professor Agronoff suggested that integration of information systems will be a major objective in moving the process of service integration forward.

Discussion followed regarding tenure of the Secretaries, the advisability of dismantling the current structure, and suggested activities that would move the agency forward.

Implementation of SEA 493-2003

Doug Beebe, FSSA

Mr. Beebe reviewed the implementation of SEA 493-2003 (see Exhibits D and E).

Senator Miller asked the bill authors, Senators Server, Lawson, and Simpson, for comments. Senator Server observed that the term "immediate risk" (of institutionalization) had achieved a calcified status in its use by the agency. The strict interpretation applied by the agency does not accomplish the legislative intent. Senator Simpson asked for clarification with regard to what was being done with the savings attributable to the reported 395 diversion slots that had been filled. She asked if the funds saved were actually being set aside for later use in increasing the waiver eligibility standards to 300% of poverty or if the funds were being used to address the overall Medicaid funding shortfall. Senator Simpson asked Mr. Beebe to find out what was happening with the savings. Senator Lawson asked why the agency was allowing the waiting lists to expand. At Representative Welch's request, Mr. Beebe reviewed the chart in Exhibit E.

Senator Miller asked Mr. Beebe to be available at the next meeting of the Commission.

The final meeting of the Health Finance Commission was scheduled for 10:00 A.M. on October 30, 2003.

There being no further business to conduct, the meeting was adjourned at 11:45 A.M.