

ANNUAL REPORT
OF THE
HEALTH FINANCE COMMISSION



Indiana Legislative Services Agency
200 W. Washington Street, Suite 301
Indianapolis, Indiana 46204

November, 2013

INDIANA LEGISLATIVE COUNCIL

2013

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Fort Wayne

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HEALTH FINANCE COMMISSION

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Staff

Casey Kline
Attorney for the Committee
Kathy Norris
Fiscal Analyst for the Committee
Al Gossard
Fiscal Analyst for the Committee

I. STATUTORY AND LEGISLATIVE COUNCIL DIRECTIVES

The Indiana General Assembly enacted legislation (IC 2-5-23) establishing the Health Finance Commission to study health finance in Indiana. The Commission may study any topic:

- (1) directed by the chairperson of the Commission;
- (2) assigned by the Legislative Council; or
- (3) concerning issues that include: the delivery, payment, and organization of health services, rules that pertain to health care delivery, payment, and services that are under the authority of any board or agency of state government, the implementation of long term care services, the state Medicaid program, and the Children's Health Insurance Program.

The Legislative Council assigned the Commission the following additional issues to study:

- (1) health care reform;
- (2) the disposal of unused prescription drugs;
- (3) biosimilar biological products;
- (4) whether to amend statutes to allow certified registered nurse anesthetists to be classified as advanced practice nurses;
- (5) issues concerning ambulatory outpatient surgical centers;
- (6) Medicaid false claims and whistle-blower protection;
- (7) issues concerning dental care;
- (8) electronic medical records; and
- (9) immunizations.

See Legislative Council Resolution 13-01, available on the Legislative Services Agency website: <http://www.in.gov/legislative/>

III. SUMMARY OF WORK PROGRAM

The Commission met five times over the interim: June 25, 2013; July 22, 2013; August 21, 2013; September 16, 2013; and October 22, 2013. For more detailed information concerning the testimony at a meeting, please see the Commission's minutes which are available on the Legislative Services Agency website: <http://www.in.gov/legislative/>

June 25, 2013

Secretary Debra Minott, Family and Social Services Administration (FSSA), briefed the Commission on enrollment statistics for the Healthy Indiana Plan (HIP) and FSSA's request to the federal government to extend HIP past its December 31, 2013 expiration. Secretary Minott stated that FSSA is focusing first on the extension of HIP before negotiation on the expansion of Medicaid. FSSA provided an update on Indiana's Medicaid waivers and each waiver's waiting list status. FSSA and the Office of the Attorney General provided information about each agency's role in preventing and investigating Medicaid fraud.

July 22, 2013

Mr. Logan Harrison, Indiana Department of Insurance, provided information concerning Indiana insurance rate projections for the 2014 plan year and other individuals testified concerning the importance of providing health insurance coverage for certain services. Information was provided concerning fraud and the School Free and Reduced Price Lunch Program. Testimony was provided concerning ambulatory outpatient surgical centers, the scope of practice for Certified Registered Nurse Anesthetists, and Indiana's use of electronic health data.

August 21, 2013

Testimony was given regarding the lack of traumatic brain injury services, specifically post-acute care facilities, available in Indiana. Dr. Virginia Caine, Marion County Department of Health, provided recommendations to increase the number of Indiana residents who are immunized. The Commission also heard testimony concerning the regulations governing ambulatory outpatient surgical centers, the use of tanning beds by minors, concerns with the disposal of unused prescription drugs, and follow-up information concerning the School Free and Reduced Price Lunch Program. Mr. Lance Rhodes, FSSA, updated the Commission on a programming error by a contractor that resulted in the unauthorized release of personal information of some individuals who participate in programs administered by FSSA.

September 16, 2013

Secretary Debra Minott, FSSA, provided an update on negotiations with the federal government that resulted in a one-year renewal of the Healthy Indiana Plan (HIP). Commission members also heard testimony concerning food handling and entities that are exempt from food handling requirements, the use of telehealth and telemedicine, various midwifery issues, and a report from the Division of Mental Health and Addiction concerning Indiana Methadone clinics.

October 22, 2013

Mr. Logan Harrison, Indiana Department of Insurance, provided an update on the implementation of the federal Affordable Care Act and the federal Health Insurance Exchange Marketplace. The Commission heard testimony opposing and supporting legislation to allow for the substitution of interchangeable biosimilar drugs. Proponents of the substitution of interchangeable biosimilar drugs testified that physician notification of the substitution was not onerous and should be included in the legislation. Opponents of the legislation stated that consideration of substitution of interchangeable biosimilar drugs was premature since the federal Food and Drug Administration has not yet approved any interchangeable biosimilar drugs and physician notification of a substitution is unnecessary. The Commission also heard testimony concerning dental service organizations and dental support organizations (DSOs) and legislation that failed last year allowing the State Board of Dentistry to regulate DSOs.

IV. COMMITTEE ACTION

The Commission made the following recommendations in the Commission's Final Report:

- The Commission recommends that the issue concerning the disposal of unused prescription drugs continue to be considered and that any necessary action be taken once the federal government finalizes regulations in this area.
- The Commission recommends that the Office of the Attorney General and stakeholders continue

to work on reaching an agreement on language to address Medicaid fraud and whistleblower matters.

- The Commission recommends that the Legislative Council grant permission for Dr. Jack Shonkoff of Harvard University to present to a joint meeting of the standing Health and Education committees of both Houses concerning the subject of brain development.

The Commission approved the Final Report with a vote of 18-0.

The Commission considered the following Preliminary Drafts (PD):

PD 3352

PD 3352 requires the Commission for Higher Education of the state of Indiana to study and make recommendations concerning the issue of the high cost of dental education. The Commission approved PD 3352 18-0.

PD 3296

PD 3296 requires, before September 1, 2014, the State Department of Health to: (1) adopt rules concerning the regulation of facilities for treatment of traumatic brain injuries; and (2) make recommendations to the Legislative Council and Health Finance Commission concerning food handling law changes. The Commission approved PD 3296 18-0.

PD 3364

PD 3364 prohibits a person less than 16 years of age from using a tanning device in a tanning facility and repeals a provision requiring a person less than 16 years of age to be accompanied by a parent or guardian when using a tanning device in a tanning facility. PD 3364 requires the State Department of Health to adopt standards concerning the safe use of tanning devices by individuals. The Commission approved PD 3364 17-2.

PD 3341

PD 3341 allows a pharmacist to substitute an interchangeable biosimilar product for a prescribed biological product if certain conditions are met. This PD requires the Board of Pharmacy to maintain an Internet web site that lists the biosimilar biological products that are determined to be interchangeable and allows the Board of Pharmacy to adopt rules. This PD provides that a written or electronic prescription for a biological product must comply with the existing prescription form requirements. The Commission considered two amendments to this PD which failed. The Commission approved PD 3341 without amendments 14-5.

PD 3361

PD 3361 requires the State Department of Health and the Office of the Secretary of Family and Social Services to establish a work group to study uniform access to electronic health data by health providers. The Commission approved PD 3361 19-0.

WITNESS LIST

Dr. Jerome Adams, Anesthesiologist
Dr. Leila Aiter, dentist
Mr. Tom Arkins, Indy EMS
Ms. Mary Helen Ayres, Certified Professional Midwife
Mr. John Barnes, Department of Education
Mr. John Barth, MHS
Mr. Fritz Bitenbender, BIO
Ms. Allyson Blandford, Express Scripts
Ms. Polly Boehnlein, Kool Smiles
Mr. Mike Brady, Indiana State Medical Association
Ms. Lisa Brooking, Tanning bed provider
Dr. Virginia Caine, Marion County Department of Health
Mr. Vince Caponi, St. Vincent Health
Mr. John Cardwell, Indiana Homecare Task Force
Ms. Libby Cierzniak, Indiana Society of Anesthesiologists, Indianapolis Public Schools
Ms. Brynna Clark, Generic Pharmaceutical Association
Dr. Carrie Davis, Indiana Academy of Dermatology
Mr. John Dickerson, Arc of Indiana
Ms. Katie Donnar, Melanoma survivor
Dr. Clark Downey, dentist
Ms. Jan Ferris, Lupus Foundation
Ms. Susan Fitt, parent
Dr. Robert Flint
Dr. Tom Frank, dentist
Mr. Tony Gillespie, Indiana Minority Health Coalition
Mr. Scott Gilliam, Indiana State Department of Health
Ms. Kimberly Greco, AMGEN
Ms. Mary Ann Griffin, Certified Professional Midwife
Ms. Nancy Griffin, advocate
Ms. Candice Hager, Ft. Wayne Community Schools
Ms. Christina Hamby, CRNA
Ms. Cornelia Hammerly, CRNA
Mr. John Hammond, Ice Miller
Mr. Logan Harrison, Indiana Department of Insurance
Ms. Patty Hebenstreit, MDwise
Dr. John Hinton, Advantage Health Solutions
Ms. June Holt, parent
Ms. Angela Hoover, Walgreen Co.
Mr. Randy Hountz, Purdue Healthcare Advisors
Dr. Dick Huber, parent
Mr. John Kansky, Indiana Health Information Exchange (IHIE)
Mr. Jeff Kidd, family member
Mr. David King, NCDR, LLS
Ms. Faith Laird, FSSA
Mr. Joe Levy, American Suntanning Association
Dr. Lisa Lombard, Rehabilitation Hospital of Indiana
Ms. Ambre Marr, AARP
Mr. Jim McKay, Sandroz/Novartis

Mr. David McCormick, Indiana State Department of Health
Ms. Pat McGuffey, Indiana State Chiropractic Association
Ms. Kristen Metzger, Anthem
Mr. Chris Mickens, Indiana State Department of Health
Mr. David Miller, Office of the Attorney General
Mr. Eric Miller, Advance America
Secretary Debra Minott, FSSA
Dr. Charles Miramonti, Indy EMS
Mr. Kevin Moore, FSSA
Mr. Alan Neuenschwander, parent
Dr. Jonathan Neufeld, Upper Midwest Telehealth Resource Center
Ms. Nicole Norvell, FSSA
Dr. Pat O'Neil, Indiana Society of Anesthesiologists
Mr. Greg Pachmayr, Indiana Board of Pharmacy
Dr. Matthew Pate, dentist
Ms. Nancy Penn, Indiana Federation of Ambulatory Surgical Centers
Dr. Neil Pinney, Professor, Indiana School of Dentistry
Dr. Charles Poland, DDS
Mr. Ed Popcheff, Indiana Dental Association
Mr. Alan Pope, Office of the Attorney General
Mr. Lance Rhodes, FSSA
Mr. Mike Rinebold, Indiana State Medical Association
Mr. Mark Scherer, Indiana Association of Nurse Anesthetists
Ms. Roberta Schmidt, Neuro Restorative
Dr. Keeter Sechrist, Dermatologist
Ms. Connie Shella
Ms. Adrienne Shields, FSSA
Mr. Dan Skinner, Advocate
Mr. Andrew Spiegel, Global Colon Cancer Association
Mr. Robert Spolyar, CVS
Dr. Kristen Stevens, dentist
Ms. Julie Sutton, Department of Education
Dr. Brent Swinney, dentist
Mr. Eric Thieme, IHIE
Dr. Steve Towns, dentist and instructor, Indiana School of Dentistry
Dr. Drew Trobridge, Anesthesiologist
Mr. Andrew VanZee, FSSA
Ms. Connie Vickery, Indiana Restaurants and Lodging Association
Mr. Shawn Walters, FSSA
Ms. Susan Waschevski, FSSA
Mr. Terry Whitson, Indiana State Department of Health
Mr. Joey Wohlhieter, Global Healthy Living Foundation
Mr. Scott Zarazee, Indiana State Department of Health
Mr. Jim Zieba, Indiana Optometry