

Texas Health Care Policy Council

Teacher Retirement System of Texas, 5th Floor Boardroom
1000 Red River Street, Austin, Texas 78701

COUNCIL MEETING
TUESDAY, NOVEMBER 6, 2007
9:30 a.m.

MEMBERS PRESENT

Nancy Dickey (Chair), Ann Fuelberg (Vice Chair), Seth Chandler, Rick Danko, Alexia Green, Larry Jones, Ronnie Jung, Maureen Milligan, John Monk, Ken Shine, Stacey Silverman, and Jon Weizenbaum

MEMBERS ABSENT

Jennifer Ahrens, Michelle Moritz, Scott Ransom

CALL TO ORDER/WELCOME AND INTRODUCTIONS

Chair Nancy Dickey called the meeting to order at 9:34 a.m. Chair Dickey welcomed the Council members and guests, and asked Mr. Tony Gilman, executive officer of Council, to take roll. Chair Dickey advised Council members that Dr. Scott Ransom, President of the University of North Texas Health Science Center, will be joining the Council this year as the representative of the University of North Texas System. She also noted that Ms. Dianne Longley, Special Projects Director for Health, Life, and Licensing at the Texas Department of Insurance, would be representing Ms. Jennifer Ahrens.

Chair Dickey also recognized Mr. Gilman to introduce two new staff members. Mr. Gilman introduced Ms. Ann-Marie Price as a Governor's Advisor and new policy analyst to the Council. He also introduced Mr. Brian Garrett and indicated he would be providing administrative support to the Council.

REPORTS, UPDATES AND POSSIBLE ACTIONS

Approval of Minutes from the November 7, 2006 Meeting

Chair Dickey asked if there were any additions or corrections to the minutes of the November 7, 2006 meeting. Dr. Ken Shine made a motion to pass the meeting minutes. Seth Chandler seconded the motion. The motion was approved by a unanimous voice vote.

Council Member Reports and Discussion of 80th Session of the Texas Legislature

Chair Dickey noted that the first item on the agenda was Council member reports and discussion of legislation considered by the Texas Legislature in 2007. She asked each member to provide their perspective on the last legislative session. Dr. Dickey, Dr. Ken Shine, and Stacey Silverman discussed funding levels and other issues impacting the state's Graduate Medical Education programs. Dean Alexia Green provided an overview of nursing legislation, including SB 138 (relating to nursing retention), HB 3443 (relating to hospital-based partnerships), SB 289 (relating to the Professional Nursing Shortage Reduction Program), and SB 992 (relating to the Nursing Innovation Grant Program). Vice Chair Ann Fuelberg and Mr. Ronnie Jung reviewed Pharmacy Benefit Management (PBM) legislation considered by the Texas Legislature. Dianne Longley provided a brief overview of SB 1731 relating to price transparency and SB 22, which establishes a Long-Term Care Partnership

Program in Texas (SB 22). Mr. John Monk provided an update on SB 29, which expands the workforce planning data collected from certain health professionals licensed in Texas. Dr. Maureen Milligan provided the Council with an update on Medicaid Reform legislation (SB 10) and the Frew Advisory Committee. Ms. Price reviewed other, non-PBM related pharmaceutical legislation. Mr. Stephen Palmer, Governor's Advisor and policy analyst for the Council, provided an overview of key health information technology bills approved by the Texas Legislature.

Briefing and Discussion of Health Care Information Clearinghouse Goals and Objectives

Chair Dickey asked Ms. Price to brief Council members on a staff proposal to create an information clearinghouse. Ms. Price noted that the Council is required by statute to establish and maintain a clearinghouse of information to assist communities in assessing the needs of local health care systems. She advised Council members that the purpose of the information clearinghouse is to assist policy makers with health care system assessments by featuring innovative models for health care delivery for selected populations; state and community-based health care-related initiatives; best health care-related business practices; and selected health care topics. She noted that the information clearinghouse would be part of Governor Perry's website and would serve as a "one-stop-shop" information resource and feature innovations in health care. Chair Dickey thanked Ms. Price for her presentation. Council members reviewed the staff recommendations, and provided feedback and direction to staff on the proposal.

Briefing and Discussion of Health Information Technology Goals and Objectives

Chair Dickey asked Mr. Palmer to brief Council members on health information technology (HIT). Mr. Palmer briefed members on recent legislative activity relating to HIT and staff activities in support of the Council's HIT charge. The Council also received background information in support of their discussion of future HIT activities involving the Council.

Mr. Palmer discussed HB 921, which directs the Council to identify data standards for agencies providing health and social services in order to enable greater continuity of care services. Mr. Palmer reviewed a proposal to meet the requirements of HB 921 through the development of a State Health Information Architecture (SHIA) to guide the development and procurement of HIT by participating state agencies. He also proposed the establishment of a technical workgroup composed of representatives of the relevant agencies to assist in the identification of appropriate data standards and the development of the architecture.

Mr. Palmer also discussed an Executive Order issued by President Bush in August 2006 directing federal agencies to adopt several principles, collectively referred to as the Four Cornerstones of Value-Driven Health Care (*i.e.*, HIT, price transparency, quality reporting, and value-oriented incentives.) Mr. Palmer reviewed a staff proposal to promote the Four Cornerstones of Value-Driven Health Care through the Council and implementation of the Four Cornerstones by agencies represented on the Council to guide their delivery and purchase of health care goods and services.

Chair Dickey thanked Mr. Palmer for his presentation. Council members reviewed the staff recommendations, and provided feedback and direction to staff on the proposals.

Briefing and Discussion of Health Care Purchasing Goals and Objectives

Chair Dickey asked Ms. Price to brief the Council on pharmaceutical purchasing optimization options. Ms. Price provided an overview of the purchasing strategies that had been discussed by the Council in past meetings, reviewed staff research activities, and discussed several pharmaceutical purchasing optimization options for the Council's consideration. She also identified the following options for

further pursuit and analysis:

1. Establish a dedicated Council workgroup to address concerns about rising pharmaceutical costs;
2. Continue to monitor other states' (e.g. California, New York, Florida) Medicaid multi-state drug purchasing activity;
4. Further analyze and research the feasibility of joining with other states to pool state employee populations to lower pharmaceutical purchase prices. This work should include assessing the feasibility of joining the RxIS pool;
5. Ensure all Disproportionate Share Hospital (DSH) pharmacies eligible for 340B pricing advantages seek 340B program participation. Currently 44 Medicaid Vendor Drug Program-contracted pharmacies are 340B providers, which include clinics in DSH hospitals. In 2006, there were 12 state and 174 non-state DSH providers in Texas;
6. Continue to seek opportunities to partner more eligible covered entities with qualified populations and pharmaceutical providers to expand 340B pricing opportunities;
7. Direct state agency staff to explore the possibility of implementing a State Pharmaceutical Assistant Program (SPAP) for community mental health centers and to determine how such an agreement would affect PAP participation among pharmaceutical manufacturers;
8. To the extent that they are not prohibited from doing so, state agencies should regularly communicate their best practices about PBM contracts with other state agencies;
9. Agencies with multiple PBM contacts should review them to ensure they are: (1) economical for their beneficiaries; and (2) effectively and efficiently utilizing state funds;
10. To best determine whether pooled purchasing could increase savings to the state, discussion between state agencies and university systems about the possibility of a single PBM contract should be encouraged and an earnest feasibility analysis pursued; and
11. Pursue all opportunities to reduce or control future costs of state prescription drug purchases.

Chair Dickey thanked Ms. Price for her presentation. Council members discussed the optimization options presented by Ms. Price, and provided feedback and direction to staff on the proposals.

Briefing and Discussion of Health Workforce Goals and Objectives

Chair Dickey asked Mr. Gilman to brief the Council members on health workforce. Mr. Gilman advised members that SB 10 requires the Council, in coordination with the State Demographer and Texas Medical Board, to conduct an interim study regarding increasing: (1) the number of medical residency programs and medical residents in Texas; and (2) the number of physicians practicing medical specialties. He noted that the results of the study must be reported to the Governor, Lieutenant Governor, and Speaker by December 1, 2008. Mr. Gilman proposed a stakeholder forum to collect information and advise the Council on the preparation of the study.

Mr. Gilman also briefed members on nursing initiatives, including a new requirement that the Texas Board of Nursing (BON) develop, in cooperation with nursing stakeholders, the Higher Education

Coordinating Board, and Health Care Policy Council, innovative models of nursing education. He noted that the BON has prepared a statewide plan and is conducting an inventory of initial licensure programs to identify current partnerships between academic institutions and partnerships between academic institutions and hospitals. He also reviewed the Higher Education Coordinating Board's activities through the Nursing Innovation Grant Program to promote public-private partnerships in nursing education. He also briefed members on the work plan for the Statewide Health Coordinating Council and discussed progress on the health workforce strategic plan adopted by the Council in 2006.

Chair Dickey thanked Mr. Gilman for his presentation. Council members discussed the information presented, and provided feedback and direction to staff.

Briefing and Discussion of Governor's Office Health Care Projects

Chair Dickey asked Mr. Palmer to brief Council members on other health care projects within the Office of the Governor. Mr. Palmer provided members with an update on a business process review of the administrative functions of the health professions regulatory agencies and the Texas Health Service Authority (HB 1066). Mr. Palmer also advised members that the State of Texas was selected to participate in the Coverage Institute, a project funded by the Robert Wood Johnson Foundation and organized by the State Coverage Initiatives program administered by AcademyHealth. He noted that the purpose of the Coverage Institute is to assist state policymakers with the development of substantial and comprehensive health care reform proposals, particularly focused on reducing the number of uninsured residents.

Chair Dickey thanked Mr. Palmer for his presentation. Council members discussed the information presented by staff.

Discussion and Consideration of 2007 – 2008 Work Plan

Chair Dickey asked Mr. Gilman to brief members on the 2007-2008 work plan for the Council. Mr. Gilman advised members that the 2007-2008 work plan organizes the Council's work for the remainder of calendar year 2007 and all of 2008 into four categories that reflect the primary roles of the Council: health care purchasing, health information technology, health care information clearinghouse, and health workforce.

He noted that in each of the four categories, work planned for 2007 and 2008 is grouped into goals and objectives. The work plan also identifies staff activities and work schedule. He advised members that the final deliverables or products noted in the work plan are consistent with the primary purpose of the Council, which is to facilitate greater coordination and collaboration between state agencies and institutions of higher education on health care issues. He further advised members that the following six deliverables are identified in the work plan:

- Policy paper on pharmaceutical purchasing optimization options;
- Policy paper summarizing state agency activities in support of value-driven health care (e.g., HIT standards, quality standards; price standards; and promotion of quality and efficiency of care);
- Publish clinical information sharing standards pursuant to HB 921 (80th Texas Legislature) by September 1, 2008;
- Establish information clearinghouse website;
- Prepare physician workforce study pursuant to SB 10 (80th Texas Legislature); and
- Report on health workforce strategic plan implementation progress.

Chair Dickey thanked Mr. Gilman for his presentation. Council members reviewed and discussed the 2007-2008 work plan.

Discussion and Consideration of FY 2008-2009 Council Budget

Chair Dickey asked Mr. Gilman to brief members on the Council budget for FY 2008-2009. Mr. Gilman noted that effective September 1, 2007 the Office of the Governor agreed upon a Memorandum of Understanding and Agreement (MOU) to provide funds for the support of the Council with the following agencies:

- Health and Human Services Commission (HHSC)
- Department of State Health Services (DSHS)
- Department of Aging and Disability Services (DADS)
- Texas Workforce Commission (TWC)
- Texas Higher Education Coordinating Board (the CB)
- Texas Department of Insurance (TDI)

The total Council budget of \$624,000 for FY 2008-2009 will fund the operations of the Council, including four (4) FTE positions: the executive officer, two policy analysts, and one administrative position. HHSC, DSHS, and DADS will each contribute \$83,200 in both FY 2008 and FY 2009. TWC, the CB, and TDI will each contribute \$20,800 in both FY 2008 and FY 2009.

Chair Dickey asked if there was a motion to approve the Council's budget for FY 2008-2009. Dr. Ken Shine made a motion to approve the Council's FY 2008-2009. Dr. Milligan seconded the motion. The motion was approved by a unanimous voice vote.

INFORMATION ITEMS

Chair Dickey asked Mr. Gilman to provide members with information on the Council's schedule for 2008. Mr. Gilman advised members that the following dates have been scheduled for future Council and Partnership Workforce Subcommittee meetings:

- March 7, 2008 (Friday) - Council & Partnership Workforce Subcommittee Meetings
- July 18, 2008 (Friday) - Partnership Workforce Subcommittee Meeting
- August 21, 2008 (Thursday) - Council Meeting
- October 30, 2008 (Thursday) - Council & Partnership Workforce Subcommittee Meetings

Chair Dickey also asked members if there were any questions about the Council's expenditure reports.

PUBLIC COMMENT

There was no public comment.

ADJOURN

Chair Dickey asked for a motion to adjourn. A motion was made by Mr. Seth Chandler and seconded by Dr. Milligan. The meeting adjourned at 2:41 p.m.