

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

COUNCIL MEETING
FRIDAY, JULY 21, 2006
9:30 a.m.

MEMBERS PRESENT

Nancy Dickey (Chair), Ann Fuelberg (Vice Chair), Rick Danko, Alexia Green, Larry Jones, Michelle Massey, Maureen Milligan, Dan Perugini, Ken Shine, Stacey Silverman, and Jon Weizenbaum

MEMBERS ABSENT

Jennifer Ahrens, Seth Chandler, Ronnie Jung, and John Monk

CALL TO ORDER/WELCOME AND INTRODUCTIONS

Chair Nancy Dickey called the meeting into order at 9:32 a.m. Chair Dickey welcomed the Council members and guests. She also noted that Ms. Pattie Featherstone, Chief Operating Officer for the Teacher Retirement System would be representing Mr. Ronnie Jung during the meeting, and Ms. Dianne Longley, Special Projects Director for Health, Life and Licensing at the Texas Department of Insurance, would be representing Ms. Jennifer Ahrens.

REPORTS, UPDATES AND POSSIBLE ACTIONS

Approval of Minutes from the May 24, 2006 Meeting

Chair Dickey asked if there were any additions or corrections to the May 24, 2006 minutes. Council members offered non-substantive changes to the minutes to further clarify member remarks. Dr. Ken Shine made a motion to pass the May 24, 2006 meeting minutes. Mr. Larry Jones seconded the motion. The motion was approved by a unanimous voice vote.

Report from the Texas Health Workforce Planning Partnership Subcommittee

Chair Dickey asked Ms. Stacey Silverman, chair of the Texas Health Workforce Planning Partnership Subcommittee, to brief the Council on the June 20, 2006 meeting of the subcommittee.

Ms. Silverman provided a brief overview of the meeting and discussed the preparation of a strategic plan to serve as a framework for future health workforce planning and development in Texas. She also noted that the subcommittee will be considering an initial draft of the strategic plan on August 24, 2006.

Ms. Silverman advised the Council that the subcommittee received presentations from the following individuals:

- Presentation by Dr. Shine on the *Code Red* report and its workforce findings;
- Presentation by Steve Murdock with the Institute for Demographic and Socioeconomic Research at the University of Texas at San Antonio, and Antonio Furino, with the Regional Center for Health Workforce Studies at the University of Texas Health Science Center at San Antonio on workforce supply and demand trends;
- Presentation from Patti Patterson, with the Office of Rural and Community Health, Texas Tech University Health Sciences Center, on rural health workforce;
- Presentation from Mary Wainwright, with the East Texas Area Health Education Center, on public health diversity conferences that will take place in 2007; and
- Presentation from Bruce Gunn with the Health Provider Resources Branch, Center for Health Statistics, Texas Department of State Health Services, on the Minimum Data Set developed by the Statewide Health Coordinating Council

Ms. Silverman also noted that Dr. Virginia Kennedy with the Texas Public Health Training Centers, School of Public Health, University of Texas at Houston, was also invited to present on public health workforce issues. Although Dr. Kennedy was not able to present due to weather conditions in Houston, Ms. Silverman advised members that a copy of her presentation has been sent to members of the Council.

Chair Dickey asked Mr. Gilman to discuss the Workforce Partnership Subcommittee's charge and how it relates to the statutory charge of the Statewide Health Coordinating Council (SHCC). Mr. Gilman noted that both the SHCC and Workforce Partnership Subcommittee are charged with monitoring and conducting workforce planning activities. He further noted that in order to avoid duplication of effort and to ensure both the SHCC and Workforce Partnership Subcommittee meet their respective statutory charges, Council staff has and will continue to coordinate closely with Dr. Ben Raimer, chair of the SHCC, and Department of State Health Services staff. He advised Council members that the 2007-2008 Texas State Health Plan Update will be sent to Governor Perry prior to November 1. In November, staff will work with Dr. Raimer and other members of the SHCC to conduct joint meetings so that the Texas State Health Plan Update and health workforce strategic plan being prepared by the Workforce Partnership Subcommittee are presented to the Texas Legislature at the same time. Mr. Gilman also provided the Council with an update on the status of the Texas State Health Plan Update.

Chair Dickey discussed the health workforce strategic plan being developed by the Workforce Partnership Subcommittee and asked members to review it once it is released in August and be prepared to comment on it during the Council's October 3rd meeting.

Council members discussed the future meeting schedule of the Council and timeline for action on the strategic plan. Mr. Gilman advised members that the Workforce Partnership Subcommittee would review the plan on August 24, 2006 and then be asked to approve the plan on October 3rd. The Council, which is also scheduled to meet on October 3rd, will be asked to consider the strategic plan following the Workforce Partnership Subcommittee meeting.

Council members discussed formula funding for higher education and other workforce funding challenges. It was noted that the Texas Board of Nursing Examiners is up for review by the Sunset Commission this year and that the funding issues being discussed by the Council may be part of the Sunset Commission's review process.

Report on Health Information Technology Initiatives

Chair Dickey asked Mr. Stephen Palmer to brief the Council on Health Information Technology Initiatives. Mr. Palmer reviewed the Council's statutory charge relating to health information technology (HIT) and provided the Council with an update on staff activities relating to statewide coordination and promotion of HIT. Mr. Palmer discussed the work of the Health Information Technology Advisory Committee (HITAC) and reviewed the HITAC's preliminary report, which was presented to the SHCC on July 20, 2006. He also provided the Council with an update on staff participation in the Gulf Coast HIT Task Force through the Southern Governors' Association (SGA). The Task Force, which is charged with charting a digital recovery for the health information infrastructure in the Gulf Coast region, had its first full meeting in June at the Vanderbilt Center for Better Health. The primary focus of the meeting was electronic health information as a component of disaster response. He also noted that as part of their support of the Task Force, the SGA will be financing an economic analysis of the effect of health information exchange on the Texas health care system. Mr. Palmer concluded his briefing with an update on a staff proposal for an inter-agency interoperability workgroup to assess the scope of work and likely cost associated with developing interoperability capability across and among the miscellaneous agencies and programs that currently collect health information electronically.

Mr. Palmer was asked if there are other inter-agency interoperability initiatives occurring in other states. He responded that he is not aware of any state initiatives that have been put forth as best practices. He also provided the Council with information on federal initiatives to develop data bridges to share clinical information between certain federal programs. Council staff was asked to review a mental health research initiative being led by Fernando Trevino, Dean of the School of Public Health at the University of North Texas Health Science Center.

Council members discussed the HITAC's preliminary report and asked if the report addresses language, definitions, and connectivity issues. Mr. Palmer noted the state planning activities relating to those items and reviewed the federal initiatives focused on facilitating the transition to a fully integrated, electronic health information infrastructure. Council members discussed the need to establish common HIT definitions and standards at the state level and suggested the state should be leading this effort rather than following federal initiatives.

Briefing on Competitive Acquisition of Durable Medical Equipment and Medical Supplies

Chair Dickey invited Ms. Ann-Marie Price, Special Assistant to the Associate Commissioner for Medicaid and CHIP, Texas Health and Human Services Commission, to provide a presentation to the Council on competitive acquisition of durable medical equipment (DME) and medical supplies. Ms. Price provided the Council with background on Texas Medicaid benefits for DME and supplies, Medicaid health care delivery models (*i.e.* managed care, Primary Case Care Management [PCCM], fee-for-service), and an overview of the Centers for Medicare and Medicaid Services (CMS) DME pilot, which was implemented in San Antonio. Ms. Price also

provided several options for the Council to consider relating to targeted populations (*e.g.* populations in areas of the state that are not managed by HMOs), types of DME and medical supplies (*e.g.* focusing on standard supplies that can be provided without individualized fitting), and possible assessment and implementation approaches.

Council members inquired about the various cost-containment options discussed in Ms. Price's presentation. They also requested additional information on other state DME policies and cost control initiatives, and asked staff to determine whether it is possible to control HMO payments/fee structure for DME. Members further requested that staff "normalize" the DME data presented in the policy paper so that it is relative to the number of eligible individuals in each category. Members suggested several additional options to consider, including a pilot of selected counties, a focus on items with the highest cost to the state, and a focus on items for specific diseases or conditions.

Ms. Price concluded her presentation by summarizing the Council's discussion and indicating that she would provide additional information to the Council in October.

Chair Dickey thanked Ms. Price for her presentation.

Briefing on the Consumer Empowerment Charge to the Council

Chair Dickey noted that Governor Perry asked the Council to study consumer access to pricing and quality information, and asked Mr. Palmer to brief the Council on this issue. Mr. Palmer reviewed staff activities to gather information about consumer empowerment tools and strategies being used in Texas and other states. He noted that staff has placed particular emphasis on strategies considered more feasible based on existing resources and capabilities. He also provided the Council with a brief overview of rising health care expenditures, discussed the underlying dynamics of the health care system that prevent rational consumer behavior and limit competition, and reviewed common strategies to increase consumer behavior in the health care system. Mr. Palmer noted and discussed why the following organizations were invited to present to the Council:

- Presentation from the Texas Public Policy Foundation (TPPF) on Consumer Driven Health Care – Access to Price and Quality Information
- Presentation from Texas Department of State Health Services (DSHS) on Hospital Performance Reporting
- Presentation from the Texas Hospital Association (THA) on Access to Hospital Pricing and Quality Information
- Presentation from Texas Department of Aging and Disability Services (DADS) on the Long-Term Care Quality Reporting System

Dr. Dickey thanked Mr. Palmer for the briefing.

Presentation from the Texas Public Policy Foundation on Consumer Driven Health Care – Access to Price and Quality Information

Dr. Dickey invited Ms. Mary Katherine Stout, Director of the Center for Health Policy Studies at the Texas Public Policy Foundation, to present on consumer-directed health care.

Ms. Stout provided the Council with background information on the Texas Public Policy Foundation and reviewed a policy paper she prepared on this subject entitled *Consumer-Driven Price Transparency: Making Health Care Prices Transparent Through the Free Market*.

Ms. Stout noted that health care prices are complex and that patients are often shielded from the cost of their health care because of the prevalence of third-party payment and the unintended consequences of actions taken by legislators and other governmental officials. She provided examples of how consumerism and competition have driven down costs and increased quality. She also noted that access to price information is becoming more important with the growth of consumer-directed health care.

Council members discussed the presentation of pricing information to consumers and whether or not consumers would use pricing information when making health care decisions. Members discussed the distortions in the current market and why prices are not transparent. Members discussed Health Savings Accounts (HSAs) and whether or not incentives would be necessary to ensure individuals with consumer directed health plans seek preventative care.

Chair Dickey thanked Ms. Stout for her presentation and noted that the Council would recess for lunch starting at 12:20 p.m. and resume work at 12:35 p.m.

Presentation from the Texas Department of State Health Services on Hospital Performance Reporting

Chair Dickey advised the Council that the next presentation was from the Texas Department of State Health Services' Center for Health Statistics on hospital performance reporting. She invited Dr. Ramdas Menon, who serves as the director of the Center, and Ms. Sylvia Cook and Dr. Bruce Burns with the Texas Health Information Collection Council (THCIC) to present to the Council. Ms. Cook and Dr. Burns provided the Council with an overview of the THCIC, including its history, major stakeholders, powers and duties, data collected from hospitals, and the hospital quality reports prepared by THCIC. They also identified opportunities, such as improving and expanding data collection, and increasing the use of datasets with other programs. They also noted statutory and other challenges in fulfilling the duties of the THCIC.

Council members generally discussed the validity of hospital quality measures and noted the need to review this issue in more detail. Members also inquired about the range of quality data collected from hospitals.

Chair Dickey thanked Ms. Cook and Dr. Burns for their presentation.

Presentation from the Texas Hospital Association on Access to Hospital Pricing and Quality Information

Chair Dickey invited Mr. Charles Bailey, general counsel for the Texas Hospital Association (THA), to present THA's perspective on access to hospital pricing and quality information. Ms. Starr West, THA's Director for Health Care Quality, also participated in the presentation. Mr. Bailey and Ms. West provided the Council with information on the quality information Texas hospitals report at both the state and national levels. They indicated that hospitals support the collection and dissemination of useful information but also noted concerns about additional administrative costs and its potential impact on the cost of health care. Ms. West provided the Council with an update on an advisory panel created by the Texas Legislature in 2005 to study and develop recommendations for the collection and reporting of health care-associated infection rates. Ms. West also provided the Council with information on Price Point, a hospital price-reporting website, and the Wisconsin Hospital Association's pricing transparency initiative.

Council members discussed and inquired about the quality information collected by the Joint Commission on Accreditation of Health Care Organizations (JCAHO) and whether it provides a good indication of the level of care provided at hospitals.

Chair Dickey thanked Mr. Bailey and Ms. West for their presentation.

Presentation from the Texas Department of Aging and Disability Services on the Long-Term Care Quality Reporting System

Chair Dickey next invited Dr. Leslie Cortez with the Texas Department of Aging and Disability Services (DADS) to present to the Council on DADS' Long-Term Care Quality Reporting System (QRS). Dr. Cortez provided Council members with an overview of the QRS website, which allows users to find and compare long-term care providers in Texas. Dr. Cortez explained that searches can be done by county, ZIP code, telephone area code, or city. QRS displays demographics, ownership information, services provided, and performance indicators similar to Consumer Reports that can be helpful in assessing the quality of care.

Council members inquired about the cost of creating the QRS site and whether it could serve as a template for future state quality reporting websites. Members inquired about the process for provider review of the information displayed on the QRS website and discussed the value of having a single Internet portal on price and quality information.

Vice Chair Fuelberg provided the Council with a brief update on the Employee Retirement System's interim charge to look at Health Savings Accounts and discussed the hospital provider searches that can be done to price procedures through BlueCross BlueShield of Texas.

Information Items

Chair Dickey asked members if there were any questions or concerns with future meeting dates and referred members to an information briefing item prepared by Council staff on state agency pharmaceutical purchasing. Chair Dickey also asked members if there were any questions about the Council's expenditure report.

Public Comment

There was no public comment.

Adjourn

Chair Dickey asked for a motion to adjourn. A motion was made by Dr. Dan Perugini and seconded by Mr. Larry Jones. The meeting adjourned at 2:30 p.m.