

Texas Health Care Policy Council

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

COUNCIL MEETING
THURSDAY, AUGUST 21, 2008
9:30 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Ann Fuelberg (Vice Chair), Alexia Green, Michelle Moritz, Scott Ransom

CALL TO ORDER/WELCOME AND INTRODUCTIONS

Chair Nancy Dickey called the meeting to order at 9:38 a.m. Chair Dickey welcomed the Council members and guests, and asked Mr. Tony Gilman, Executive Officer of the Council, to take roll.

Chair Dickey advised members that Jennifer Ahrens recently left the Texas Department of Insurance and that Dianne Longley was the agency's new designee to the Council. She also noted that Kenneth Hobbs, Assistant Director of Benefit Contracts at the Employee Retirement System (ERS), was representing Ann Fuelberg and ERS. Finally, she noted that Dr. Mary Fenton, Professor and Director of the Doctor of Nursing Practice Program in the School of Nursing at the Texas Tech University Health Science Center in the Permian Basin, was representing Alexia Green and the Texas Tech University System.

REPORTS, UPDATES AND POSSIBLE ACTIONS

Approval of Minutes from the March 7, 2008 Meeting

Chair Dickey asked if there were any additions or corrections to the minutes of the March 7, 2008 meeting. Council members requested staff correct a typo on the date of the minutes from the previous Council meeting. Dr. Ken Shine made a motion to pass the meeting minutes. Mr. Seth Chandler seconded the motion. The motion was approved by a unanimous voice vote.

Council Member Reports

Chair Dickey noted that the first item on the agenda was Council member reports, and recognized Dr. Maureen Milligan to provide the Council with an update on Medicaid Reform and the Frew settlement. Dr. Milligan discussed the Health and Human Service Commission's (HHSC) work on the Medicaid waiver and discussed the work of the Frew Advisory Committee. Chair Dickey thanked Dr. Milligan for her update. Council members discussed the status of Medicaid Reform and the work of the Frew Advisory Committee.

Following Dr. Milligan's presentation, Ms. Longley provided a brief overview of the implementation status of SB 1731, 80th Texas Legislature, relating to price transparency. Chair Dickey thanked Ms. Longley for her update.

Briefing and Discussion of Pharmaceutical Purchasing Optimization Policy Paper

Chair Dickey asked Ms. Ann-Marie Price, Governor's Advisor and Policy Analyst to the Council, to brief members on optimizing pharmaceutical purchasing in Texas. Ms. Price summarized the information and strategies identified in the report that had been discussed by the Council in previous meetings, including:

- Interagency Council on Pharmaceuticals Bulk Purchasing duties and challenges;
- Survey of current pharmaceutical purchasing strategies;
- Multi-state drug purchasing pools;
- 340B pricing;
- State Pharmaceutical Assistance Programs;
- Use of reverse auctions; and
- Leveraging Pharmacy Benefit Management (PBM) contracts.

Ms. Price also discussed several new items for the Council's consideration, including: (1) a drug price comparison across state agencies and systems represented on the Council's Pharmaceuticals Workgroup; (2) mail order and retail sales; and (3) overall conclusions based upon a general assessment of the strategies that had been presented and discussed by the Council. She also provided an overview of the overall conclusions of the report and two additional recommendations relating to continued coordination among agencies and systems of higher education, and the sharing of contract information between state agencies that indirectly purchase pharmaceuticals through PBMs.

Chair Dickey thanked Ms. Price for her presentation. Council members reviewed, discussed, and provided input to staff on the information presented.

Presentation by the State Auditor's Office on Pharmacy Benefit Management Contracts

Chair Dickey invited Mr. Willie Hicks and Ms. Lisa Collier from the State Auditor's Office (SAO) to present to the Council on the SAO's report titled *Pharmacy Benefit Manager Contracts at Selected State Agencies and Higher Education Institutions*. Mr. Hicks reviewed the objectives of the audit report and the recommendations.

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

Consideration of State Health Information Architecture/House Bill 921 Implementation Report

Chair Dickey asked Mr. Stephen Palmer, Governor's Advisor and Policy Analyst to the Council, to brief members on the implementation of HB 921, 80th Texas Legislature, and development of the State Health Information Architecture. Mr. Palmer advised Council members that pursuant to HB 921, Council staff coordinated the identification of a set of interagency data exchange standards to be the preliminary component of a State Health Information Architecture (SHIA). Staff established 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. He noted that Council members had reviewed a whitepaper during the Council's March 7, 2008 meeting on the State Health Information Architecture that included a set of proposed interagency data sharing standards. Mr. Palmer reviewed a draft HB 921 implementation report and the interagency data sharing standards included as Appendix 1 of the report. He also advised members that HB 921 requires the interagency data sharing standards to be published by September 1, 2008.

Council members reviewed the report and interagency data sharing standards, and offered comments and suggested edits. Chair Dickey thanked Mr. Palmer for his presentation. Chair Dickey asked if there was a motion to approve the interagency data sharing standards as amended by the Council. Mr. Chandler made a motion to approve the interagency data sharing standards as amended. Dr. Milligan seconded the motion. The motion was approved by a unanimous voice vote.

Briefing and Discussion of the Physician Workforce Study

Chair Dickey noted that the next item of business was a briefing by Mr. Gilman on the physician workforce study. Mr. Gilman advised members that Section 26 of SB 10, 80th Texas Legislature, requires the Council to conduct a study on graduate medical education (GME) needs in preparation for the 81st legislative session. He further noted that the bill directs the Council to coordinate the study with the Institute of Demographic and Socioeconomic Research at the University of Texas at San Antonio, the Regional Center for Health Workforce Studies at the Center for Health Economics and Policy of the University of Texas Health Science Center at San Antonio, and the Texas Medical Board. Mr. Gilman also provided an update on a physician workforce stakeholder forum held with the Texas Medical Association in April 2008 to assess the physician workforce needs for Texas and the role of GME, and on testimony provided by Dr. Dickey before the House Committees on Appropriations, Public Health, and Border and International Affairs. He also provided an overview of the presentations made by the Office of the State Demographer, Texas Medical Association, Texas Medical Board, Texas Academy of Physician Assistants, and Texas Coalition of Nurses in Advance Practice to the Partnership Workforce Subcommittee on July 18, 2008. Finally, Mr. Gilman reviewed the draft report, including key findings and recommendations.

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

Briefing on Other Health Care Projects within the Office of the Governor

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 the status of the Texas Health Services Authority (HB 1066, 80th Texas Legislature). Mr. Palmer also advised members on the work of the state Coverage Institute team.

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

INFORMATION ITEMS

Chair Dickey asked Mr. Gilman to provide members with information on the Council's schedule for 2008.

PUBLIC COMMENT

There was no public comment.

ADJOURN

Chair Dickey asked for a motion to adjourn. A motion was made by Dr. Milligan and seconded by Mr. Chandler. The meeting adjourned at 1:16 p.m.