

Texas Health Care Policy Council

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

COUNCIL MEETING
FRIDAY, MARCH 7, 2008
11:30 a.m.

MEMBERS PRESENT

Nancy Dickey (Chair), Ann Fuelberg (Vice Chair), Jennifer Ahrens, Rick Danko, Larry Jones, John Monk, Ken Shine, Stacey Silverman, and Jon Weizenbaum

MEMBERS ABSENT

Seth Chandler, Alexia Green, Ronnie Jung, Maureen Milligan, Michelle Moritz, Scott Ransom

CALL TO ORDER/WELCOME AND INTRODUCTIONS

Chair Nancy Dickey called the meeting to order at 12:26 p.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 Lisa Kirsch was representing Maureen Milligan and the Health and Human Services Commission (HHSC). Ms. Kirsch is a Senior Advisor in the Office of Health Services at HHSC. Chair Dickey noted that Betsey Jones was representing Ronnie Jung and the Teacher Retirement System (TRS). Ms. Jones is the Director of Special Projects at TRS. Former State Representative Patricia Gray represented Seth Chandler and the University of Houston System. Representative Gray is the Director of Research and External Affairs at the University of Houston Health Law & Policy Institute. Chair Dickey also noted that Dr. Marc Hahn would be representing Dr. Scott Ransom and the University of North Texas System. Dr. Hahn is the Dean of the Texas College of Osteopathic Medicine and Senior Vice President for Health Affairs at the University of North Texas Health Science Center.

REPORTS, UPDATES AND POSSIBLE ACTIONS

Approval of Minutes from the November 6, 2007 Meeting

Chair Dickey asked if there were any additions or corrections to the minutes of the November 6, 2007 meeting. Dr. Ken Shine made a motion to pass the meeting minutes. Dr. Stacey Silverman 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 Ms. Kirsch to provide the Council with an update on Medicaid Reform and the Frew settlement. Ms. Kirsch discussed HHSC's work on the Medicaid waiver, including the submission of a draft concept paper that outlines the Texas reform plan to the Centers for Medicare & Medicaid Services (CMS) and ongoing work with CMS on specific issues relating to the waiver, including the financing structure and benefits package for low-income adults. She also briefed the Council on the Frew Advisory Committee, which was created by HHSC, to help the agency determine how to best use the \$150 million appropriated by the Texas Legislature for the fiscal years 2008-2009 budget period for strategic initiatives to expand children's access to Medicaid services. Chair Dickey thanked Ms. Kirsch

for her update. Council members discussed the status of Medicaid Reform and the work of the Frew Advisory Committee.

Chair Dickey asked Ms. Ann Fuelberg to provide the Council with an update on the Pharmacy Benefit Management (PBM) interim legislative hearing held in February 2008, as well as the new PBM contract recently announced by the Employees Retirement System of Texas (ERS). Ms. Fuelberg discussed the House interim charge and presentations made during the joint hearing of the House Government Reform and Pensions and Investments Committees on state contracts with PBMs. She also provided members with an update on the new PBM contract the ERS board tentatively approved with Caremark which will save the state nearly \$265 million over the next four years.

Chair Dickey thanked Ms. Fuelberg for her update. Council members discussed ERS's PBM contract and generic programs being established by large retailers.

Report from Texas Health Workforce Planning Partnership

Chair Dickey asked Dr. Stacey Silverman to brief members on the Partnership Workforce Subcommittee meeting that occurred earlier that morning. Dr. Silverman advised members that the Partnership Workforce Subcommittee discussed the goals and objectives of the subcommittee's work plan for 2008. She noted that the subcommittee also discussed a physician workforce study required under Senate Bill 10, 80th Texas Legislature, and an April 8, 2008 stakeholder forum the Council will be holding with the Texas Medical Association to assess the physician workforce needs for Texas and the role of graduate medical education. Dr. Silverman also reviewed the presentation provided by Ms. Kathy Thomas, Executive Director of the Texas Board of Nursing, on innovations in nursing education. Council members discussed the physician workforce study and potential models to determine the actual need for physician specialists in Texas.

Chair Dickey thanked Dr. Silverman for her briefing. Members also reviewed and discussed progress on the implementation of the health workforce strategic plan adopted by the Council in 2006 and provided input to staff.

Briefing on Health Information Technology Projects

Chair Dickey asked Mr. Stephen Palmer, Governor's Advisor and Policy Analyst to the Council, to brief members on health information technology projects. Mr. Palmer reviewed the planning and policy development activities relating to health information technology (IT) in Texas. He also briefed members on the staff's activities relating to the statewide coordination and promotion of health IT, including participation in the State Alliance for eHealth, the Health Information Security and Privacy Collaboration, the National Health Information Technology Summit in Houston, and monthly calls with individuals representing state-level stakeholder associations, regional health information exchange initiatives, and academic health science centers. Mr. Palmer reviewed the staff's activities relating to House Bill 921, 80th Texas Legislature, and the development of a State Health Information Architecture. He also briefed Council members on a staff recommendation relating to the promotion of the Four Cornerstones of Value-Driven Health Care (health IT, price transparency, quality reporting, and value-oriented principles) through state agencies. Dr. Shine stated his support for House Bill 921 and the development of a set of data standards, protocols, and principles to support the sharing of health information among state agencies in order to improve continuity of care provided to clients of state health care programs.

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

Briefing on Health Care Information Clearinghouse

Chair Dickey asked Ms. Ann-Marie Price, Governor's Advisor and Policy Analyst to the Council, to brief members on the health care information clearinghouse. Ms. Price presented a "mock up" of the information clearinghouse web page and noted that the web page would feature topics and information central to the statutory charge of the Council. She noted that the site would also feature innovative health care models to showcase successful practices affecting health care policy.

Chair Dickey thanked Ms. Price for her presentation. Council members reviewed, discussed, and provided input to staff on the "mock up" of the health care information clearinghouse web page.

Briefing on Pharmaceuticals Workgroup

Chair Dickey asked Ms. Price to brief members on the activities of the Pharmaceuticals Workgroup. Ms. Price discussed the staff recommendations made during the November 6, 2007 Council meeting and provided a brief update on each recommendation. She also reviewed the results of a survey assessment of select state agency and university system pharmaceutical purchasing practices, and stated that the survey sought information about five main themes: (1) pharmaceutical purchasing requirements (i.e., programs and services); (2) pharmaceutical expenditures for fiscal years 2005-2007; (3) methods utilized to control spending; (4) recommendations for strategies the state could pursue to optimize purchasing; and (5) recommendations or other comments the Council should consider with regard to pharmaceutical purchasing. Ms. Price advised members that the Pharmaceuticals Workgroup met January 28th and February 21st, and that the survey results provided the basis for discussions. She also reviewed areas where Council staff could take further action, including bulk purchasing opportunities, use of reverse auctions, utilization of best practices developed by the Interagency Council on Pharmaceuticals Bulk Purchasing, and the development of a comprehensive information document that describes the advantages, disadvantages, and likely affect on the state of various optimization initiatives being considered by the Council.

Chair Dickey thanked Ms. Price for her 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 a business process review of the administrative functions of the health professions regulatory agencies and the status of the establishment of the Texas Health Service Authority (HB 1066, 80th Texas Legislature). Mr. Palmer also advised members on the work of 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. She also asked if members had 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 Larry Jones and seconded by Ann Fuelberg. The meeting adjourned at 3:57 p.m.