

Texas Health Care Policy Council

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

COUNCIL MEETING
TUESDAY, NOVEMBER 7, 2006
9:30 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Alexia Green, Ronnie Jung, and Dan Perugini

CALL TO ORDER/WELCOME AND INTRODUCTIONS

Chair Nancy Dickey called the meeting to order at 9:32 a.m. Chair Dickey welcomed the Council members and guests, and asked Mr. Tony Gilman, executive officer of Council, to take roll. She also noted that Ms. Betsy Jones, Director of Special Projects for the Teacher Retirement System would be representing Mr. Ronnie Jung.

REPORTS, UPDATES AND POSSIBLE ACTIONS

Approval of Minutes from the October 3, 2006 Meeting

Chair Dickey asked if there were any additions or corrections to the minutes of the October 3, 2006 meeting. Dr. Ken Shine made a motion to pass the meeting minutes. Maureen Milligan seconded the motion. The motion was approved by a unanimous voice vote. Chair Dickey also advised members that the Council would consider the Durable Medical Equipment (DME) policy paper following the discussion of the health information technology policy papers.

Discussion and Consideration of Health Workforce Strategic Plan

Chair Dickey asked Mr. Gilman to brief the Council on the health workforce strategic plan entitled *Commitment to Health Workforce Challenges: A Strategy for Addressing Texas' Health Workforce Needs*. Mr. Gilman reviewed the Council's statutory charge on health workforce and provided members with an overview of the strategic plan. He also discussed staff activities to coordinate the Council's work on health workforce issues with the Statewide Health Coordinating Council.

Chair Dickey thanked Mr. Gilman for his presentation, and asked if there was anyone in the audience that would like to comment on the strategic plan. Hearing none, Chair Dickey asked if there was a motion to approve the health workforce strategic plan as amended by the Council. Dr. Shine made a motion to approve the strategic plan as amended. Ms. Milligan seconded the motion. The motion was approved by a unanimous voice vote.

Discussion and Consideration of Consumer Empowerment Policy Paper

Chair Dickey noted that Governor Perry asked the Council to study consumer access to price and quality information and asked Mr. Stephen Palmer, policy analyst for the Council, to brief members on the consumer empowerment policy paper entitled *Empowering Texas Health Care Consumers*. Mr. Palmer provided the Council with an overview of the policy paper and reviewed the recommendations and strategies included in the paper to increase consumer behavior in the health care system. Mr. Palmer also noted that in response to the Council's deliberation during the July 21 and October 3 meetings, Council staff worked with the Texas Department of Insurance to develop Texas Health Compare, a single Internet portal on price and quality information. He provided an overview of Texas Health Compare (www.texashealthoptions.com/compare).

Council members reviewed the policy paper, offered comments and suggested edits, and discussed the Texas Health Compare Web site. Chair Dickey thanked Mr. Palmer for his presentation, and asked if there was anyone in the audience that would like to comment on the policy paper. Hearing none, Chair Dickey asked if there was a motion to approve the policy paper as amended by the Council. Dr. Shine made a motion to approve the policy paper as amended. Ms. Stacey Silverman seconded the motion. The motion was approved by voice vote.

Discussion and Consideration of Pharmaceutical Purchasing Policy Paper

Chair Dickey noted that the next item on the agenda was a briefing by Mr. Palmer on the pharmaceutical purchasing policy paper entitled *Improving State Pharmaceutical Purchasing in Texas*. Mr. Palmer reviewed the Council's charge relating to purchasing of health care products and services, and provided an overview of the policy paper. He noted that the proposed policy paper is a compilation of the staff's work on this issue to date and includes a list of preliminary findings and areas that could be evaluated in the future.

Council members reviewed the policy paper, and offered comments and suggested edits. Chair Dickey thanked Mr. Palmer for his presentation, and asked if there was anyone in the audience that would like to comment on the policy paper. Ms. Marsha Jones, with Pharmaceutical Research and Manufacturers of America (PhRMA), reviewed a letter PhRMA sent to Mr. Gilman on November 6, 2006 on the draft policy paper reviewed by the Council on October 3, 2006. Council members reviewed the letter and discussed Ms. Jones' concerns.

Chair Dickey asked if there was a motion to approve the policy paper as amended by the Council. Dr. Shine made a motion to approve the policy paper as amended. Mr. Jon Weizenbaum seconded the motion. The motion was approved by unanimous voice vote.

Discussion and Consideration of Health Information Technology Policy Papers

Chair Dickey asked Mr. Palmer to brief members on the two health information technology policy papers entitled *State of Health Information Technology in Texas* and *Value of Health Information Technology in Texas*.

Chair Dickey thanked Mr. Palmer for his presentation. Council members reviewed the *State of Health Information Technology in Texas* policy paper, and offered comments and suggested edits. Chair Dickey asked if there was anyone in the audience that would like to comment on the policy paper. Hearing none, Chair Dickey asked if there was a motion to approve the policy paper as laid out before the Council. Dr. Shine made a motion to approve the policy paper. Mr. Seth Chandler seconded the motion. The motion was approved by unanimous voice vote.

Council members also reviewed the *Value of Health Information Technology in Texas* policy paper, and offered comments and suggested edits. Members discussed the methodology used by the Center for Information Technology Leadership (CITL) to determine the effect of health information exchange on the Texas health care system. Members requested the executive summary of the policy paper note that the Council did not independently validate the models discussed in the policy paper, or the application of the data to the Texas health care system.

Chair Dickey asked if there was anyone in the audience that would like to comment on the policy paper. Hearing none, Chair Dickey asked if there was a motion to approve the policy paper as amended by the Council. Mr. Chandler made a motion to approve the policy paper as amended. Dr. Shine seconded the motion. The motion was approved by unanimous voice vote.

Discussion and Consideration of Competitive Acquisition of Durable Medical Equipment and Medical Supplies Policy Paper

Chair Dickey advised members that the next item on the Council's agenda was discussion and consideration of a policy paper entitled *Containing Costs for Durable Medical Equipment and Supplies in the Texas Medicaid Program*. Mr. Gilman reviewed the Council's charge relating to purchasing of health care products and services, and provided an overview of the policy paper. He noted that the policy paper includes:

- An overview of Texas Medicaid benefits for durable medical equipment (DME) and supplies, Medicaid models of care, and DME cost considerations;
- A summary of the CMS DME Prosthetics, Orthotics, and Supplies Competitive Bidding Demonstration;
- Presentation of various policy options for consideration by the Council; and
- Potential cost savings estimates for the policy options.

Mr. Gilman also noted that staff incorporated key principles that should be considered during the development of any competitive bidding process in Texas, as requested by the Council during the October 3, 2006 meeting.

Council members reviewed and discussed the policy paper, and offered comments and suggested edits. Chair Dickey noted that there were individuals in the audience that would like to comment on this policy paper. She invited the following individuals to address the Council:

- Chris Yule, Travis Medical;
- Michael Bird, Marshall Mobility Plus and TXRPC;
- Robert Morgan, United Rehab Specialists;
- Foster Davis, All Star Medical;
- Rudy Davia, Davia Pharmacy;
- Mary Klentzman, Children's Special Needs Network and parent of child with a disability;
- Michele Harris, PT, ATP; and
- John Calhoun, Medco Medical Supply, Inc.

Chair Dickey announced the Council would recess for lunch starting at 12:57 p.m. The Council resumed work at 1:35 p.m.

Council members discussed the information and concerns raised during public comment on this policy paper. Members also discussed a letter sent to Mr. Gilman on November 3, 2006 from LifeScan, Inc., a Johnson & Johnson company, requesting blood glucose monitoring systems and supplies be excluded from a competitive bidding program.

Chair Dickey asked if there was a motion to approve the policy paper as amended by the Council. Dr. Shine made a motion to approve the policy paper as amended. Ms. Jennifer Ahrens seconded the motion. The motion was approved by unanimous voice vote.

Discussion and Consideration of the Council's Final 2006 Report

Chair Dickey advised members that the next item on the agenda was discussion of the Council's final report for 2006. Mr. Gilman reviewed the Council's enabling statute and noted that it requires the Council to submit a report to the Governor, Lieutenant Governor, and Speaker prior to December 31 of each even numbered year. It further directs the Council to include in the report any recommendations made by the Texas Health Workforce Planning Partnership or any other advisory group formed by the Council. Mr. Gilman advised members that the final report would include the following information:

- Cover letter signed by the chair and vice chair of the Council;
- One-page document noting the Council's mission, duties (as assigned by the Governor for 2006), and composition;
- Document summarizing the meetings of the Council and Texas Health Workforce Planning Partnership; and
- The health workforce strategic plan and policy papers approved by the Council.

The Council members discussed the final report. Chair Dickey asked staff to send copies of the final report to each member of the Council. Chair Dickey asked if there was a motion to approve the final report. Dr. Shine made a motion to approve the final report. Ms. Milligan seconded the motion. The motion was approved by unanimous voice vote.

Briefing on Health Care System Integrity Executive Order

Chair Dickey advised members that the next item on the agenda was a briefing from Mr. Palmer on the health care system integrity executive order issued by Governor Perry in October. Mr. Palmer advised members that Governor Perry issued an executive order in October establishing the Texas Health Care System Integrity Partnership (THCSIP) to develop the finance and governance structures for a public-private collaborative, tentatively named the Texas Health Care System Integrity Authority (THCSIA). He noted that the mission of the THCSIA is to promote a safe, high-quality, and efficient health care system by:

1. Enabling the electronic exchange of health information;
2. Providing consumers with access to health care provider quality measurements and pricing information; and
3. Fostering a robust small-employer health insurance market.

Chair Dickey thanked Mr. Palmer for the briefing. Council members discussed the executive order.

Briefing on and Discussion of 2007-08 Work Plan

Chair Dickey noted the next item on the agenda was a discussion of the Council's work plan for 2007 and 2008. Mr. Gilman reviewed the Council's enabling statute and discussed a work plan flow chart. Council members discussed and offered feedback on the draft work plan.

INFORMATION ITEMS

Chair Dickey asked Mr. Gilman to provide the Council with information on the Council's schedule for 2007 and 2008. Mr. Gilman noted that the Council would not meet while the Texas Legislature was in session and that the next meeting of the Council would be in the Fall of 2007. Chair Dickey also asked members if they had any questions about the expenditure report contained in their briefing book.

PUBLIC COMMENT

The following individuals provided public comment during the meeting:

- Marsha Jones, PhRMA;
- Chris Yule, Travis Medical;
- Michael Bird, Marshall Mobility Plus and TXRPC;
- Robert Morgan, United Rehab Specialists;
- Foster Davis, All Star Medical;
- Rudy Davia, Davia Pharmacy;
- Mary Klentzman, Children's Special Needs Network and parent of child with a disability;
- Michele Harris, PT, ATP; and
- John Calhoun, Medco Medical Supply, Inc.

ADJOURN

Chair Dickey asked for a motion to adjourn. A motion was made by Ms. Ahrens and seconded by Mr. Weizenbaum. The meeting adjourned at 4:30 p.m.