SUBJECT: Creating a pilot program for the management of children's asthma

COMMITTEE: Public Health — favorable, with amendment

VOTE: 8 ayes — Gray, Coleman, Capelo, Delisi, Longoria, Maxey, Uresti, Wohlgemuth

0 nays

1 absent — Glaze

SENATE VOTE: On final passage, March 29 — 30-0, on Local and Uncontested Calendar

WITNESSES: *(On House companion bill, HB 1434:)*
For — Alec Lewis; *Registered but did not testify:* Karen Reagan, Texas Federation of Drug Stores and Texas Retailers Association; David Gonzales, Texas Pharmacy Association; Anne Dunkelberg, Center for Public Policy Priorities; Susan Jones, Texas Hospital Association; Linda Rushing, Texas Conference of Catholic Health; Lisa McGiffert, Consumers Union; Marc Samuels, Texas Academy of Internal Medicine; G.K. Sprinkle, American Lung Association; Candie Phipps, Texas Pediatric Society

Against — None

On — *Registered but did not testify:* Linda Wertz, Texas Health and Human Services Commission; Beverly Koops, Texas Department of Health; Mario Salinas, Comptroller's Office

DIGEST: SB 616, as amended, would require the Health and Human Services Commission (HHSC) to develop a Medicaid disease-management pilot program for children's asthma. The program would have to be implemented in counties that the Texas Department of Health (TDH) identified as having a high incidence of children's asthma and a high rate of hospital emergency-room care for treating children's asthma.

The pilot program would have to provide continuous care, case management, and asthma education to Medicaid recipients younger than 19 years of age

who had been treated for asthma. It also would have to provide education for health-care providers to ensure appropriate use of specialized asthma treatments. HHSC would have to consider modeling the pilot program after the programs in Virginia and Florida.

TDH would have to administer the pilot program under HHSC's direction. It would have to implement the program not later than November 1, 2001, using the services of local health professionals to the extent possible.

Not later than December 1, 2004, HHSC would have to submit a report to the lieutenant governor and the House speaker discussing the program's cost-effectiveness, evaluating the program's effects on the hospitalization rates and emergency room admissions of program participants, and recommending changes in or expansion of the program. The pilot program would expire September 1, 2005.

SB 616 would require the health commissioner to establish an asthma and allergy research advisory committee. This committee would be composed of nine members appointed by the governor, who would have to select members on the basis of their experience, expertise, and special interest in asthma and allergy education, indoor air quality, the public school system's method of dealing with children with asthma and allergy, epidemiology, pharmacology, immunology, and parenting a child with asthma or allergies. The health commissioner would select the committee's presiding officer, who could not be a state officer or employee. A committee member could not be paid for committee service but could be reimbursed for travel expenses incurred for committee purposes.

The committee would have to meet at least four times. A professional facilitator with experience in strategic planning would have to facilitate the meetings. The committee would have to:

- develop a plan to research asthma and allergy and their associated conditions in Texas;
- assess the resources and talents of institutions as possible sites for research opportunities;
- analyze the impact of asthma and allergy on the Texas economy and on the health of Texas residents; and

- make recommendations to the Legislature and the governor concerning research programs and funding alternatives.

Not later than December 1, 2002, the commissioner would have to submit a report prepared by the committee to the governor, lieutenant governor, and House speaker. The governor would have to appoint members to the advisory committee within 90 days after the bill's effective date. The committee would be abolished January 1, 2003.

This bill would take effect September 1, 2001.

SUPPORTERS SAY:

SB 616 would help Texas battle the serious disease of asthma, the prevalence of which has increased dramatically. Nationwide, about 17 million people now suffer from asthma. In Texas, death from asthma has doubled in all age groups since 1980, according to TDH. More than 1 million Texans have asthma, and about one-third are children.

Children's asthma is very debilitating and is the leading cause of chronic illness and school absenteeism. The level of children's asthma in Texas has increased dramatically in recent years. Asthma is most prevalent among low-income children, especially along the Texas-Mexico border.

Disease management is an important development in health-care delivery because of its potential to improve health care, lower costs, increase efficiency, and improve satisfaction of care. Similar programs, such as in New Mexico, have been successful in reducing lost workdays and schooldays due to asthma illnesses. The pilot program created by SB 616 would study the problems of unexplained clinical variation in treatments and inconsistency among physicians in following established treatment recommendations. The program would provide valuable information for designing future preventive care programs, hospitalization, and emergency care.

SB 616 would save the state money in the long run. Unmanaged or improper treatment of asthma leads to children going to emergency hospital rooms. Managed care of asthma would lead to fewer emergency hospital visits.

A pilot program would be appropriate for the study of asthma. Research on asthma needs to be developed methodically and based on community needs. The pilot program would bring together all the important components needed to take care of children with asthma. It would provide continuous care, case management, and asthma education.

The program would provide needed education on this disease. Many asthma patients are not receiving the appropriate levels of care to manage their conditions effectively. Noncompliance with medication regimes is a major contributing factor. Many people with asthma also do not know the proper way to use their medications. Under- or overuse of medication can lead to complications. The program would educate children on the proper way to use their asthma medications. It also would teach them to recognize signs indicating that they may need to have their medicine adjusted.

The costs of the pilot program probably would be absorbed by the Texas Medicaid program. However, the pilot program likely would save Medicaid money in the long run. In fiscal 1999, Texas' Medicaid program provided treatment for more than 123,000 asthma patients at a cost of $41.6 million. The asthma management pilot program should lead to lower costs associated with asthma treatment.

OPPONENTS SAY:

No apparent opposition.

NOTES:

The committee amendment would add the provisions regarding the asthma and allergy research advisory committee.

A related bill, SB 283 by Nelson, would require HHSC to study the benefits and costs of applying disease-management principles in the delivery of Medicaid managed care to recipients with chronic health conditions. SB 283 passed the Senate on May 3 on the Local and Uncontested Calendar and was referred to the House Public Health Committee, which scheduled a public hearing for May 16.