Paying for value, not volume, in health care

States are experimenting with innovative delivery and payment reforms focused on more-efficient, high-quality care

by Kate Tormey (ktormey@csg.org)

In most industries, consumers pay more for receiving more goods and services. But in health care, more isn’t necessarily better — sometimes it’s just more expensive, some policy experts say.

That’s why states around the country are currently testing new ways to deliver and pay for health care, with the goal of fostering quality, cost-effective services.

“Right now there is an effort in the states to get away from simply paying fees per service without linking payment to quality,” says Michael Stanek, a policy analyst with the National Academy for State Health Policy. “There is lots of inefficiency and fragmentation of delivery that can drive up health care costs.”

Such a dramatic shift from the fee-for-service system, which has been used for decades in the United States, won’t happen overnight, experts say. But they agree that states are the ideal laboratories for testing new delivery models that could transform health care.

‘Triple aim’ of health reform

Sometimes delivering more-efficient health care is simply about stepping back and thinking about what a patient needs to lead a healthy life.

Take the example of “Mrs. Johnson,” an anecdote that Illinois Department of Healthcare and Family Services director Julie Hamos uses to describe a significant change her state is making to its Medicaid program.

Johnson was elderly and had limited mobility after a hospital visit, so returning to her home without extra help would have been daunting, and potentially dangerous.

She was assigned to a managed-care company that handles Medicaid cases. The company made a home visit and found a host of potential health hazards and problems: unsteady front steps, unfilled prescriptions, and outdated glasses that limited her sight. Plus, her food stamps had been stolen.

“All of these issues are very typical for someone in Medicaid,” Hamos says. “She had no home support and was left to just sit in her house by herself.”

But managed care dealt with all of the various issues that were identified — right down to fixing those wobbly front steps — “not because they are a charitable organization, but because it was cheaper to do all of the above than to have [Mrs. Johnson] end up in the hospital or a nursing home,” Hamos says.

That’s the theory behind coordinated care: treating all of a patient’s needs, including preventive and specialty care, chronic-condition management, behavioral-health treatment and social services. Experts and policymakers agree that this type of care helps achieve the “triple aim” of health care reform: improving patient satisfaction, achieving better outcomes, and reducing the cost of care.

The ‘triple aim’ of health care has long enrolled Medicaid beneficiaries into managed-care plans, which first became popular in the 1990s.

Proponents of these plans, commonly known as health maintenance organizations, or HMOs, offer price stability because states pay a flat fee per enrollee. This is often

New provider groups forming

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Midwest-Canada Relations

Legislators to Obama: Support customs plaza needed to open new Detroit-Windsor bridge

I n the largest binational trading relationship in the world, no crossing matters more than the link between Detroit and Windsor, Canada. Currently, about 25 percent of the goods that move between the United States and Canada do so across the Detroit River via the 85-year-old, privately owned Ambassador Bridge. It is the busiest commercial crossing in North America, and one where users often face long delays and where traffic has steadily risen since the last recession. A new bridge, the New International Trade Crossing, is scheduled to open by 2020, but as leaders of a group of the Midwest’s state and provincial legislators note, this binational infrastructure project still requires action from the U.S. government.

In a letter sent to President Barack Obama in August, the two chairs and two co-chairs of the Midwestern Legislative Conference Midwest-Canada Relations Committee ask for a federal commitment to support and staff a U.S. customs plaza at the New International Trade Crossing. Without such a commitment, the new bridge cannot open. The U.S. government has thus far indicated to Canada and to the state of Michigan that funding is unavailable for the plaza, and Obama did not include plaza funding in his proposed budget.

“Canada and the U.S. already have the world’s largest trading relationship, and as trade continues to increase, the infrastructure must be in place to support that growth,” the letter says. “Bilateral trade in goods between Canada and the 11 states in the Midwestern Legislative Conference exceeded $243 billion last year.”

The letter was signed by Kansas House Speaker Ray Merrick and Saskatchewan MLA Wayne Elhard (co-chairs of the committee) as well as Indiana Sen. Ed Charbonneau and Manitoba MLA Drew Caldwell (co-vice chairs of the committee).

Increasingly, Canadian and U.S. companies rely on cross-border supply chains to make things together, and this is especially true in the Midwest. The auto industry is a good example of this, with components crossing the border six or seven times on the way to completing a vehicle, according to Earl Fry, a professor of Canadian studies at Brigham Young University.

The MLC committee leaders noted, too, that support for the bridge and the customs plaza would complement Obama’s National Export Initiative, the goal of which has been to double U.S. exports.

“One of the ways to reach this goal is to make it easier for Canadian and U.S. companies to do business together, and this starts with expanding the busiest commercial border crossing in the U.S.,” according to the letter.

The Canadian government has agreed to cover the costs of building the bridge. It will be reimbursed later from toll revenue for the U.S. share of construction costs.

In July, Michigan Gov. Rick Snyder and Canadian Transport Minister Lisa Raitt announced their appointments to the two agencies that will oversee bridge construction and management.

One of the agencies, the Windsor-Detroit International Authority, has equal numbers of members from Canada and the United States. The other agency, the Windsor-Detroit Bridge Authority, is a Canadian corporation.

However, cross-border traffic will be unable to use the bridge until the United States has a facility to process people and cargo crossing the border.

Education

Illinois, Minnesota expand the scope of anti-bullying laws, seek to crack down on ‘cyberbullying’

O ver the past seven years, every state in the Midwest has established policies that aim to prevent bullying in the schools. But how detailed and far-reaching should these policies be?

On that question, there is considerable variation among the states, especially in light of new laws now in place in Minnesota and Illinois.

In both of those states, the legislatures chose this year to significantly expand the role of states — and their local school districts — in bullying prevention and intervention.

New statutory language, for example, will have schools in Minnesota and Illinois investigating certain forms of bullying that occur off school grounds. In particular, lawmakers in these states are trying to crack down on “cyberbullying”: bullying behavior that takes place through the use of computers, smartphones or other electronic technologies.

Under Minnesota’s HF 826, such student behavior is now prohibited even if it is done off-campus. Schools can intervene and punish students for any cyberbullying

% of high school students who reported being bullied over past 12 months

<table>
<thead>
<tr>
<th>State</th>
<th>Electronically bullied</th>
<th>Bullied on school grounds</th>
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<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>Illinois</td>
<td>22.6%</td>
<td>11.2%</td>
</tr>
<tr>
<td>Kansas</td>
<td>25.2%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Michigan</td>
<td>25.2%</td>
<td>12.5%</td>
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<tr>
<td>Nebraska</td>
<td>22.2%</td>
<td>9.7%</td>
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<tr>
<td>North Dakota</td>
<td>22.6%</td>
<td>11.9%</td>
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<tr>
<td>Ohio</td>
<td>22.1%</td>
<td>8.5%</td>
</tr>
<tr>
<td>South Dakota</td>
<td>21.8%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>24.0%</td>
<td>15.9%</td>
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Meanwhile, a separate anti-bullying measure passed in Illinois (HB 5707) will require more of local schools: for example, investigate cases within 10 days, designate staff members to receive anonymous reports of school bullying, protect student privacy, establish intervention strategies, and inform parents of the policies.

Minnesota’s new law is also much more detailed in what it asks of schools and school personnel, and it creates a new School Safety Technical Assistance Center within the state Department of Education. The center will gather data on bullying in Minnesota schools, help with teacher training, review best practices, and assist school districts in developing new anti-bullying policies.

Among the concerns raised about expanding state laws on bullying is that they are too broad in scope and will infringe on students’ free speech, particularly when states and schools try to regulate activities done outside of school and via electronic communication.

Sponsors of the bills in Illinois and Minnesota tried to address some of these concerns. A section of Minnesota’s HF 826, for example, says the anti-bullying provisions do not “interfere with a person’s rights of religious expression and free speech.”

Brief written by Tim Anderson, who can be reached at tanderson@ning.org. The Midwestern Legislative Conference Education Committee’s co-chairs are Illinois Sen. Michael Ferrichs and South Dakota Rep. Jacqueline Sly.
Agriculture & Natural Resources

As prohibition thaws, 3 states in region investigate economic potential of industrial hemp

W ill industrial hemp eventually become a viable cash crop for the Midwest’s agricultural producers and rural communities? Three states in the region have taken initial steps to begin exploring the possibility, and the new farm bill is also opening up the opportunity for research and pilot programs across the country.

Changes to federal law, in fact, are what prompted Indiana and Nebraska to adopt hemp laws of their own this year. Indiana now allows production of industrial hemp, with growers required to obtain a license and subject to periodic inspections (SB 357). The Nebraska law (LB 1001) allows post-secondary institutions and the state Department of Agriculture to grow industrial hemp for research purposes. This language is in line with the new farm bill, which only permits state departments of agriculture and colleges to grow hemp (and only if state law allows it).

A third Midwestern state, North Dakota, also has an industrial-hemp law; its statute dates back to 2007 and was the first of its kind in the country.

Fast-forward to today, and 17 U.S. states now have laws that allow for hemp cultivation or research. Few if any states have advanced further than Colorado, which began a new registration and inspection process for hemp producers earlier this year.

“The hope is that hemp can provide a cash crop to growers and economic development to rural communities through processing facilities that produce the 25,000 products that can be made from hemp,” Ron Carleton, deputy director of the Colorado Department of Agriculture, said during a presentation this summer to the Midwestern Legislative Conference.

Right now, though, it is just a “hope” — even in states that have been at the forefront of legalizing industrial-hemp production and research.

Across the border in Canada, Jim Maloway, a member of the Manitoba Legislative Assembly, says it took almost 15 years for hemp to provide much value as a product in his home province. (Canada lifted its ban on hemp cultivation in 1998.)

“Today, hemp grows on about 12,000 acres in Manitoba,” he says. The province has four processors, he adds, and the biggest market for the products is China.

The seed from hemp can be used in various food products, while the oil is increasingly an ingredient in personal care products. And Indiana Rep. Bill Friend hopes new research could one day make hemp a medicinal tool as well — for example, to help children suffering from seizures.

“(That could be) one of the greatest opportunities provided by hemp production, both for potential patients and growers,” Friend says.

According to Carleton, a slew of issues had to be addressed in response to Colorado’s new law — for example, determining the cost of registration, the percentage of growers to test, and what to do with plants found to have unacceptably high levels of THC (the major psychoactive ingredient of the cannabis plant).

At least initially, growers in Colorado will not be suspended if their crops have THC levels that exceed state limits. “No one is willing to invest in a government structure until there is enough hemp to make it economically feasible,” he says, “and yet there probably won’t be enough hemp produced until there are processing facilities.”

Another major obstacle is the existing conflict between state and federal laws. Amid all of the recent state activity, the federal government still considers hemp production illegal. Enforcement of this ban is unlikely, however. Meanwhile, congressional proposals have been introduced to remove the federal prohibition on domestic cultivation and place such decisions in the hands of states.

Great Lakes

Drinking-water crisis in city of Toledo leads to new programs in Ohio — and calls to do more

Millions of people rely on the Great Lakes for their drinking water. But for a short time in early August, about 500,000 of those people — in the Ohio town of Toledo — were told not to use it due to an algae-related contamination.

The problem of algal blooms is nothing new in western Lake Erie (the shallowest of the Great Lakes), but as Joel Brammeier of the Alliance for the Great Lakes notes, the incident in Toledo still served as a wake-up call.

“I’m hoping this helps to states really stepping up and taking this as an opportunity to protect water quality in the Great Lakes,” says Brammeier, president and CEO of the alliance. “Because how we are going to build a ‘blue economy’ [for the Great Lakes region] with the national and international headlines we’ve seen around this?”

The immediate crisis in Toledo was short-lived, but questions remain about how Ohio and other Great Lakes states deal with a longer-term issue: limiting the amount of nutrients entering the Great Lakes system in order to prevent harmful algal blooms.

In the 1970s, policymakers faced similar challenges related to the rise of algal blooms; the agreed-upon solution was to target point sources of pollution — for example, stronger regulations governing wastewater treatment plants and factories and restrictions on the use of phosphorus in detergents.

These policy responses largely worked, and by the 1980s, harmful algal blooms had mostly disappeared. But more recently, the problem has resurfaced due to a host of factors, including new agricultural practices, the spread of invasive species such as zebra and quagga mussels, and changes in the climate that have led to warmer water temperatures.

“The one part we can control, at least over the short-term, is how much pollution we’re putting into the lake,” Brammeier says.

And this time around, much of the focus is on nonpoint sources of pollution from agriculture.

Even before the crisis in Toledo, Ohio legislators had passed a measure this year (SB 50) requiring farmers to be trained and certified before applying fertilizer to their land. That new requirement takes effect in 2017.

Immediately after the incident, Ohio Gov. John Kasich launched a $1.25 million grant program to help farmers implement practices that prevent nutrient runoff, those practices include the use of cover crops and installation of controlled drainage structures.

In a series of recommendations for state action, the Alliance for the Great Lakes and other groups are urging Ohio policymakers to do more. Their ideas include ending the agricultural practice of spreading manure on frozen or snow-covered ground and tightening the state’s rules on manure management.

Brammeier suggests that states take several steps to better protect the Great Lakes. First, establish water quality criteria that meet goals such as an elimination of harmful algal blooms. Next, use these criteria to set limits on how much phosphorus and other nutrients can enter a watershed. Finally, he says, spending on agricultural conservation should be tied to meeting the water quality criteria.

According to the U.S. Environmental Protection Agency, 26 million people rely on the Great Lakes for their drinking water.
Illinois, Iowa and Kansas among ‘states to watch’ in November

Some critical decisions-making in state government will move from the Midwest’s capitol to the ballot box this fall as voters weigh in on high-profile issues that range from the minimum wage to the future of transportation funding. As the table below shows, the fact that voters will be deciding directly on big policy issues is nothing new. Over the past decade alone, ballot measures in the Midwest have led to constitutional bans on same-sex marriage, the legalization of medical marijuana, an expansion of gambling, and changes in tax policy.

The use of ballot measures to make changes to state statute or the constitution is a policy tool available to all of the region’s legislatures (legislative referred measures). And in five Midwestern states (see map), citizens and interest groups can bypass legislatures altogether and go directly to voters. Upcoming votes on citizen-initiated measures in Nebraska and South Dakota are two cases in point.

Earlier this year, the Nebraska unicameral legislature voted down a proposal to raise the minimum wage for workers to $9 per hour by 2017. However, proponents of the wage hike prompted citizens to gather enough signatures to get the measure on the November ballot. The citizen-initiated proposal would raise the minimum wage to $9 per hour by 2016. South Dakota’s ballot measure calls for an increase to $8.25 per hour starting in 2015, along with annual cost-of-living adjustments. (A nonbinding minimum-wage proposal will be voted on this November in Illinois.)

In Wisconsin, voters will decide the fate of a legislatively referred constitutional amendment. It would bar gas tax revenues and vehicle registration fees from being used for non-transportation purposes.

The Illinois legislature is also seeking constitutional changes this fall. One amendment would strengthen the rights of crime victims. The second would add “right to vote” to language to the state Constitution: “No person shall be denied the right to register to vote or to cast a ballot in an election based on race, color, ethnicity, status as a member of a language minority, national origin, religion, sex, sexual orientation, or income.”

Nebraska’s ballot will have two measures on it — the minimum-wage question along with a legislatively referred constitutional amendment on horse racing. That second measure would allow licensed horse racing tracks in the state to offer another type of gambling: “historical gaming,” which allows people to bet on already-run horse races via a video terminal. (Identifying information on the time and location of the old race is taken away so the outcome is not known.)

Gaming-related measures will also appear on ballots in Kansas and South Dakota. In North Dakota, voters will decide on a number of proposals, including a legislatively referred constitutional amendment recognizing the “inalienable right to life of every human being at any stage of development.” Also on the ballot are two citizen-initiated statutory changes. The goal of the first measure is to give fathers more custody rights in divorce cases. The second measure would allow the North Dakota’s law on pharmacy ownership. Under current law, any pharmacy in North Dakota must have a licensed pharmacist as its majority owner.

In November, voters to decide fate of minimum wage, other big state issues

Notable recent changes in state law that have occurred as the result of ballot measures in Midwest: 2004-2014

<table>
<thead>
<tr>
<th>State</th>
<th>Change in state law and/or constitution</th>
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<tbody>
<tr>
<td>Illinois</td>
<td>Process for recalling governors established (2010)</td>
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<tr>
<td>Indiana</td>
<td>Property tax caps adopted (2010)</td>
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<tr>
<td>Iowa</td>
<td>Portion of future sales tax increases to be dedicated to natural resources (2010)</td>
</tr>
<tr>
<td>Kansas</td>
<td>Same-sex marriage banned in state Constitution (2005)</td>
</tr>
<tr>
<td>Minnesota</td>
<td>Sales tax increased to fund environment and the arts (2008)</td>
</tr>
<tr>
<td>Nebraska</td>
<td>Race- and gender-based hiring and admissions policies banned (2008), and portion of lottery revenue dedicated to State Fair (2008)</td>
</tr>
<tr>
<td>North Dakota</td>
<td>State Legacy Fund created with oil and gas tax revenues (2010) and same-sex marriage banned (2004)</td>
</tr>
<tr>
<td>South Dakota</td>
<td>Secret ballots required in union elections (2010), legislation banning most abortions repealed (2008), same-sex marriage banned (2006), and tobacco taxes increased (2006)</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>Governor’s veto authority limited (2010), and same-sex marriage banned (2006)</td>
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Sources: Ballotpedia and CSG “The Book of the States”

Ties that bind: The legislative experience of serving with a loved one

by Laura Kliewer (lkliewer@csg.org)

WHEN he first got elected to the South Dakota Legislature, David Novstrup became the youngest-serving member in the state’s history. But if the 23-year-old representative ever got overwhelmed, he knew from the start that he could always count on at least one legislative colleague for help. His father, Al, was serving right beside him.

“The best thing about serving with my father is I have a person that I can go to, if I need to, for advice [whom] I trust,” the younger Novstrup says. “And he knows me better than any other legislator.”

But as Al Novstrup notes, there is a line between the personal and political, even when it comes to immediate family members serving together in a state capitol or running for office on the same ballot. “David and I have always presented ourselves to the voters as separate individuals,” he says. “I don’t defend him and he doesn’t defend me. We treat each other as fellow legislators as we present ourselves to the public, not as father/son.”

The Novstups’ experience is uncommon, but not totally unique.

Six pairs of immediate family members currently serve together in four different Midwestern state legislatures. Michigan Sen. Mike Kowall and Rep. Eileen Kowall are the only husband and wife serving together; South Dakota Reps. Don and Jenna Haggard are the only father-daughter team. The other four pairings involve a father and his son.

“For me, it’s just fun,” North Dakota Rep. Kim Koppelman says. “I’m obviously very proud of him, and they can be more gratifying, more pleasing for a dad than to see his son follow in his footsteps in any endeavor!”

Rep. Ben Koppelman is proud to carry on the family tradition, but also cautions that such a decision isn’t for everyone.

“Make sure you’re doing it because you want to,” he says, “and not because your family member wants you to.”

And once they join the legislature, the children of lawmakers have to find their own way — from how they interact with colleagues and constituents to the policy interests they choose to pursue. It also means voting on bills in their own way.

All of the fathers interviewed for this story have gone through the mild “shock” of seeing their child vote differently on a legislative measure, but they also say that nothing done inside the state capitol has damaged their personal relationships. If anything, the experience of serving together has only strengthened the parent-child bond between them.

In turn, the chance to share information and seek advice on policy issues from a loved one can be an invaluable legislative asset — for example, sharing knowledge gleaned from serving on different committees or knowing different people.

“We each came into the Legislature with our own circle of influence; sharing that circle has helped us tremendously,” Kansas Rep. Ron Ryckman Sr. says about serving with his son Ron Jr.

They also are able to learn about the needs of their different constituencies — Ron Jr.’s densely populated district in the Kansas City area and Ron Sr.’s sparsely populated district in southwest Kansas.

“There are always different views with the rural/urban divide, but we share the same core beliefs in the function of government and social values,” the elder Rep. Ryckman says. “Their service together in the Kansas House marks the first time it has occurred in state history.

“There are opportunities in life more valuable than any material things you accumulate,” the younger Rep. Ryckman says. “Spending time working with my father in the Legislature is one of them.”

Six pairings of immediate family members in Midwest’s legislatures

Previous articles from CSG Midwest’s Capital Closeup series are available at www.csgmidwest.org. CSG Midwest thanks the region’s state legislative service agencies for helping collect information on immediate family members serving together in the legislature.

ILLINOIS, INDIANA, KANSAS AND Ohio have toll roads on part of their interstate highway systems, and a fifth Midwestern state, Minnesota, now offers express toll lanes to motorists who use some of the highly traveled interstates in the Twin Cities area.

Illinois’ tollway system is the region’s largest — 286 miles in length and mostly traversing the Chicago metropolitan area. It also collects the most toll revenue in the Midwest, about $1 billion in 2012. That amount is equal to more than 15 percent of the state’s total receipts for highways, according to the most recent federal “Highway Statistics” report. (Other sources of revenue for highways in Illinois, and other states, include gas and vehicle taxes, federal funds, bonds and general-fund dollars).

No other state in the Midwest comes close to Illinois’ numbers, but Ohio is second. The 241-mile Ohio Tumpeck had toll revenue of more than $250 million in 2012. The toll road in Kansas runs 236 miles through the state’s most populated and heavily traveled areas. In 2012, the Kansas Turnpike collected close to $87 million in toll revenue.

EIGHT years ago, Indiana leased its 157-mile toll road to a private consortium and used proceeds from the 75-year agreement to pay for transportation projects. More recently, Ohio lawmakers chose to leverage their state’s toll road’s assets to pay for other transportation projects. Under HB 51, passed in 2013, up to $1.5 billion in bonds can be issued — backed by future toll revenues. Soon after the legislation was passed, toll rates were increased for longer-distance trips on the Ohio Turnpike.

Minnesota’s use of express toll lanes was first authorized by the Legislature in 2003. These lanes are now in place on portions of I-35W and I-394. Drivers have the option of paying a toll to access these lanes. The fee for using these lanes depends on the level of traffic congestion. (On I-394, high-occupancy vehicles can access the express lanes free of charge.)

In Michigan and Wisconsin, the idea of adding toll roads has gained some interest among legislators as they look for ways to improve their state’s transportation infrastructure and pay for it. Under current federal law, though, states cannot establish new toll roads on existing interstate highways. The Obama administration has proposed easing this restriction in the next transportation reauthorization bill. Existing U.S. statute does allow states to add toll express lanes.

Article written by Tim Anderson, CSG Midwest publications manager. He can be reached at tanderson@csg.org. Question of the Month highlights an inquiry sent to the CSG Midwest Information Help Line. To request assistance, please contact us at csgmidwest.org or 630.925.1922.
New types of provider networks will reward coordinated, cost-efficient care

referred to as a “capitated” payment, and in exchange, the HMO is responsible for covering the cost of a patient’s care, even if it exceeds the fee. Critics, however, have argued that managed care has its faults: Patients have fewer choices of providers, they say, and quality is sometimes sacrificed in order to keep costs low.

In Illinois, serious budget constraints required a new and innovative approach, Hamos says. In 2011, lawmakers passed sweeping Medicaid-reform legislation that will significantly change the way Medicaid is delivered to enrollees and paid for by the state. By early next year, at least half of the program’s 3 million enrollees will be enrolled in either traditional managed care or three completely new types of provider arrangements.

“No one was sold on managed care being the best and only solution,” says Hamos, a former state legislator, “and Medicaid had to be redesigned.”

“We wanted to see if we could invent some different models and see what worked the best.”

Unlike managed care, the new delivery systems in Illinois are being organized by groups of health providers themselves. They will provide an array of services for a Medicaid enrollee — everything from laboratory work to inpatient care. One type of new provider network will be called an “accountable care entity.” The name comes from the fact that the network of physicians, nurses and other professionals agrees to be responsible for a certain number of patients’ care, eventually in exchange for a set fee per member. But it will be up to the providers themselves to find innovative ways to keep costs down, because if they don’t, they won’t be profitable.

This arrangement is sometimes called “full risk” because the provider or group of providers are responsible for not racking up more charges than the flat fee they receive; indeed, the more cost-efficient they are, the more they keep in revenue.

Another example is dubbed a “care coordination entity,” and it has the same basic purpose: to take on a set of Medicaid patients and manage their care. But, too, must find ways to offer the best care at the lowest price, because reimbursement is based on part on whether providers meet quality goals. If they don’t, part of their fee is withheld. All in all, these new models differ from fee-for-service, under which providers receive payment for every individual service, regardless of outcome.

“The Illinois experiment will allow policymakers to look at the different models and gauge their strengths and weaknesses, Hamos says. Residents who receive Medicaid are already getting letters asking them to choose a plan; if they don’t, they’ll be assigned to a new plan.

Different populations will have varying options, depending on factors such as geography and enrollment category (seniors or children and families, for example).

Regardless of their details, all of the new plans will have the same goal: to better coordinate care for Illinois Medicaid beneficiaries.

“We believe that the financial incentives are aligned with quality health care,” Hamos says. “If Mrs. Johnson has a mental illness ... it is going to cost the state money.”

Value over volume: Initiatives in Midwest aimed at better coordinating health care to trim unnecessary health costs

In 2011, the Illinois legislature passed HB 5420, a health reform bill crafted by a bipartisan committee of lawmakers. Among other provisions, the bill expands coordinated care in Medicaid by establishing three new types of provider networks. By early next year, at least half of all Medicaid beneficiaries must be enrolled in one of the new entities or in traditional managed care. The new provider-organized networks will be responsible for providing or coordinating most care for their patients, including primary care, diagnostic services, specialty care and mental health treatment.

Kansas offers an insurance program to low-income adults called the Healthy Indiana Plan. Enrollees pay modest premiums, and preventive care is free. Other health care needs can be paid for with a health savings account, encouraging beneficiaries to explore the lowest-cost, highest-quality option for medical care. A recent state study found that Healthy Indiana Plan members were less likely to visit the emergency room (where they are charged a co-pay for non-urgent care) than the general Medicaid population. Enrollees were also more likely to use less-costly generic drugs.

The Iowa Health and Wellness Plan was passed in 2013 as an alternative to simply expanding Medicaid under the Affordable Care Act; it was then approved by the federal government through a waiver. The program incorporates the concept of accountable-care organizations, which will be providers of care for patients they treat. The state also received a State Innovation Model grant to implement integrated care models, with the goal of holding the growth in health costs to 2 percent statewide.

Kansas received a grant from the U.S. Centers for Medicare & Medicaid Services to establish medical homes for Medicaid beneficiaries with a chronic condition. The Kansas Division of Health Care Finance (formerly the Kansas Health Policy Authority) is working to develop a state medical-home model after legislation calling for such an initiative was passed in 2008. Kansas is one of 11 states nationwide (including Minnesota) that have an all-payer claims database, according to Kaiser Health News. These databases require all commercial insurers to submit claims and prices paid for procedures, which can be used to measure the performance of the state’s health system and compare price and quality in different parts of the state.

Nevada’s Primary Care Transformation Project is the largest patient-centered medical-home project in the country. The three-year project is aimed at improving health in the state, in part by improving care for people with chronic diseases and preventing their illnesses from worsening, as well as better coordinating end-of-life care. Providers participating in the program have been receiving monthly, per-member performance incentives. The state has also received a State Innovation Model grant from the federal government to explore the use of new payment and delivery models in public insurance programs.

Minnesota launched a Health Care Delivery Systems Demonstration in its Medicaid program in 2011. The goal of the program was to find innovative ways to improve quality and lower costs through care and delivery reforms. Under the program, Minnesota has set up nine accountable-care organizations within Medicaid. In the first year, the ACOs can share in the savings they achieve through better coordinating care for their patients. In year two, the ACOs begin sharing risk for losses. The state also has more than 350 primary-care clinics that serve as medical homes and receive payments in exchange for coordinating patient care.

In Nebraska, a two-year, multi-payer medical-home project has been launched involving the state’s major health insurers and Medicaid managed-care plans. The plans were convened by the Nebraska Department of Health and Human Services, which passed legislation in 2012 requiring private insurance companies to pay care coordination fees to eligible patient-centered medical homes. Under the agreement facilitated by lawmakers, insurers must contract with at least 10 medical homes this year and 20 medical homes next year. Insurers can also request quality data from providers, using a list of quality measures such as rates of screening for depression or hospital admissions for preventable conditions.

Advanced-practice nurses in North Dakota are permitted to practice without the supervision of a physician. North Dakota is among the handful of states that have significantly relaxed restrictions on what advanced-practice nurses — or those with a graduate degree — can do in three practices, such as write prescriptions. Proponents of easing restrictions on non-physician providers say that doing so could decrease health care costs because, when appropriate, visits to an advanced-practice nurse are generally less expensive than seeing a doctor but offer a similar type of care. Advanced-practice nursing advocates add that these professionals are already trained in providing all but the most complex care, and that utilizing their expertise is getting the most value from their profession.

One received a federal grant of $3 million under the federal State Innovation Model program to design a payment and delivery system reform project. One goal was to expand the capacity and availability of medical homes, and to define and administer “episode-based payments” for acute medical events. These payments are based on the kind of medical event that occurs, not a set of interventions needed to treat the episode. And the state’s Education Pilot Project offers technical assistance to convert primary-care facilities in underserved areas to medical homes and use the sites for training in advanced primary care.

Payments to medical homes are underway in South Dakota as the result of a Medicaid waiver granted to the state by the federal government. Medicaid enrollees are eligible to receive care in a medical home if they have two chronic conditions, one chronic condition and high risk for a second, or a serious mental illness. States that apply for this waiver (including Iowa, Kansas, Minnesota, Ohio and Wisconsin) must receive 90 percent match for medical-home services provided to Medicaid beneficiaries.

In January 2013, the federal government approved a Medicaid waiver for the state of Wisconsin to assign beneficiaries to a medical home if they are HIV-positive and have a second chronic condition (or at least risk for one). The state set two specific goals for this initiative: to reduce the number of complications in HIV-positive patients and to better integrate oral health care with medical care. The state will track its performance in achieving these goals by analyzing claims, medical records and public health data. Wisconsin has also received a federal grant to test new methods of providing more-coordinated care to “dual-eligible,” or people eligible for both Medicare and Medicaid.

Source: National Academy for State Health Policy and CSG Midwest research

Michael Stanek, National Academy for State Health Policy

“... There is an effort in the states to get away from simply paying fees per service without linking payment to quality. ... There is lots of inefficiency and fragmentation of delivery that can drive up health care costs.”
Collaboration is key to savings

Iowa, for example, included some value-based programs last year in a Medicaid reform initiative. The legislation was a compromise aimed at providing the state an alternative to simply expanding Medicaid under the Affordable Care Act; Iowa’s plan was then approved under a federal waiver.

“Collaboration is key to savings and payment.”

The Iowa Health and Wellness Plan will use three key delivery systems to care for low-income Iowans. In addition to using traditional managed care, the state will provide special “care coordination” payments to primary-care practices. These fees are in addition to reimbursement for actual care, and are designed to help reimburse primary-care practices for taking a more active role in their patients’ overall care.

For example, these primary-care doctors would make sure patients are seeing specialists for chronic conditions or behavioral-health care, ensure that medications from multiple providers are safe and effective when taken together, and prevent duplicate tests from being ordered by different providers.

Under the Iowa legislation, too, Medicaid beneficiaries will be served by accountable care organizations, which will integrate clinical services with other social services.

Qualifying ACOs will receive bonuses, for example, in exchange for performing annual physicals on at least half of all patients; meeting expectations of quality primary care, such as providing a patient’s first contact with the health care system and providing coordinated care; offering “after hours” care, which may help patients avoid emergency room visits; and supporting patients in adopting healthy behaviors, such as encouraging them to complete preventive care.

These are just some examples of how one state is choosing to measure and incentivize quality. “Value-based purchasing links payment in some way to the quality of care,” Stanek says.

“Just as the Affordable Care Act’s requirement for most Americans to have health insurance is forcing the health care system to bend the cost curve, many previously uninsured Americans are placing more emphasis on preventive care,” Stanek says.

“We have to show it achieved savings, but it has to prove that it hasn’t harmed quality.” But with so many different areas of health care, determining the definition of “quality” can be a challenge.

In Illinois, the state built certain quality requirements into contracts with its new provider-led medical groups. Most of the benchmarks will be measured against claims data, which Hamos acknowledges isn’t a perfect method. These data explain which services providers are offering, but individual outcomes (such as whether a diabetic patient’s blood sugar was stabilized) are not available.

The state will convene a panel of experts and stakeholders to pare down the list of metrics and identify the indicators that give the most accurate picture of how providers are performing.

“The goal is to change the behavior of providers to have higher quality is to have fewer metrics and to be consistent [across the health system],” Hamos says.

“Io- is not the only state in this region experiment- ing with new models of health care delivery and payment.

“States are moving in the same direction Medicare is moving: using shared savings initiatives, accountable care organizations and shared financial agreements,” Stanek says. “These are strong carrots to promote collaboration.”

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In order to bend the health care cost curve, many previously uninsured Americans are having their first visit to a primary-care office in a long time.

Navigating the health care system can be overwhelming, but “medical homes” aim to serve as a single point of entry for their patients. And it turns out that they are not only more convenient for patients, but they can also result in healthier outcomes.

All but two Midwestern states (Indiana and North Dakota) have begun using the medical-home model in Medicaid and other public programs — sometimes with grants under the Affordable Care Act, the National Academy for State Health Policy reports.

Medical homes are designed for preventive care — and when a single entity is keeping track of a patient’s chart, these issues can be coordinated care; and meeting expectations of quality primary care, such as providing a patient’s first contact with the health care system and providing coordinated care; offering “after hours” care, which may help patients avoid emergency room visits; and supporting patients in adopting healthy behaviors, such as encouraging them to complete preventive care.

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South Dakota Sen. Jason Frerichs

Fourth-generation lawmaker is carrying on family tradition of serving in the Legislature — and protecting the family farm

by Tim Anderson (tanderson@cs3.org)

Jason Frerichs hadn’t always thought about carrying on the long family tradition of serving in the state Legislature. “It wasn’t anything I had on a trajectory in terms of where I wanted to be,” he says.

But as a cattle farmer in northeast South Dakota who spends a good amount of time with his herd, he also knows that some things just run in the genes. “I’m probably a political hybrid,” Frerichs quips. His family’s connection to the Legislature dates back to 1955, when his great-grandfather was a member of the South Dakota House. Frerichs’ father, Kent, and grandfather Bertrum Ellingson then served for long stretches in the 1970s and 1980s, including several years together.

Now it is his turn. Six years ago, at age 23, Frerichs was first elected to the South Dakota House, becoming one of the youngest-serving legislators in state history. After one term, in which he served as minority whip for the Democrats, he pursued a state Senate seat.

He ran unopposed that year, but 2010 was a much more difficult year for his party in other parts of the state. It was so difficult, in fact, that an already-smaller Senate Democratic caucus was cut in more than half — to only five members compared to 30 Republicans. “You have to be prepared to work twice as hard to get anything done or to get any of your legislative goals accomplished,” Frerichs says about serving in a heavily outnumbered caucus.

He decided early on to help lead those efforts, running for minority leader as both a young and still relatively new legislator. He won the vote of his caucus. “Ever since I joined the Legislature, there has at least been a handful of us who were younger,” Frerichs says, “and I think there was a recognition that we should be represented in leadership.”

“It was a contested race for leadership in the Senate,” he adds. “The younger members helped me out, and then everyone rallied behind me once it was all over.”

And just as he is carrying on a family tradition in the capital of Pierre, Frerichs is doing much the same back home. He helps run a family farm with his brothers and father — part of an agricultural legacy that also dates back four generations.

As a child, Jason Frerichs saw family, agriculture and politics all come together over a statewide campaign to pass Amendment F — a historic, highly contentious measure that was passed by voters in 1998 and referred to by advocates as the “Farm Family Amendment.”

“I got very involved with that with my dad,” Frerichs recalls. “It meant putting up signs, tagging along to the State Fair to discuss the issue with farmers. It showed how you really can make a difference.”

“Some people get down on whether there is an opportunity for citizens to make a true impact, or even rural legislators like myself who are four hours away from the state capital. But I really do think we can make an impact if we have a solid policy point to make and depth in our arguments.”

CSG Midwest recently interviewed Sen. Frerichs about his legislative priorities and his role as minority leader. Here are excerpts.

Q: What is your experience in the Legislature?
A: I have been to the Legislature for about 12 sessions now and I believe I’ve served on over 50 different committees. From my side, I’d hear, “Why are you giving handouts to the corporations.” For example, we opposed one of the governor’s signature economic development initiatives [HB 1230] because we thought it was giving handouts to corporations.

We were able to refer to the voters and get a no vote. What it meant was that the next legislative session, the Republicans opened their arms up to us and sought help in creating an economic development plan for the state. We wrote Building South Dakota [the state economic development plan] together, as Republican and Democratic legislators.

Q: What are your priorities? What are the litmus tests for this Congress?
A: I believe one of the big issues right now is water management, and that’s one that I’ve been spending a lot of time on as part of [the Legislature’s] Regional Watershed Advisory Task Force. We’ve met for the past three years, and we’re at a pivotal point. We’re getting set to embark on changing how we give out drainage and water permits. Instead of having the county involved, the idea is to shift to a watershed approach — by creating regional watershed councils.

Q: Who is on your team?
A: Right now, we have counties that spend more than half of their meeting time dealing with water disputes. We wanted to find a better way of resolving those disputes and keeping them out of the court system.

We looked at models in places like Nebraska, Iowa and Minnesota, and the more we looked at it, the more we liked the idea of moving to a watershed district — because water doesn’t follow the county or other political lines you see on a map. The idea is to create new districts that respect the flow of the water, and that take a scientific, engineering approach [to managing water].

In this era of anti-government, folks are going to question any new layer of government. But we’re going to have to fight through that and convince people this is for the better.

Q: How do you propose to work with the minority party in the Legislature?
A: When I was first elected to leadership, one of the first calls I got was from my counterpart [Majority Leader Russell Olson at the time]. I had always worked with him on bills in the past. So because of that, we had mutual respect and trust for one another.

From his side, he’d hear, “Why are you giving Democrats this or that, like a second committee seat?” At the same time, party loyalists on our side would beat us up a little for not being hard enough, not throwing enough bombs at the other side.

But even with that, we still chose to continue to work together on issues.

Q: What are the litmus tests for this Congress?
A: Sometimes it is our only option when you have very few if any statewide officeholders. For example, we opposed one of the governor’s signature economic development initiatives [HB 1230] because we thought it was giving handouts to corporations.

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When I meet with business leaders, I always ask, “What’s the No. 1 obstacle preventing businesses from growing in Iowa?”

The answer is almost never high taxes or excessive regulation. Instead, Iowa businesses consistently tell me that the biggest challenge they face is the shortage of skilled workers. It’s estimated that by 2018, 62 percent of all jobs in Iowa — not unlike the rest of the nation — will require some training or education beyond high school. That’s 1.1 million jobs, many of which are “middle-skill” jobs that require education and training beyond high school, but less than a bachelor’s degree.

There’s no shortage of people in Iowa who are looking for higher-skilled, better-paying jobs. What we needed to do was fix the mismatch between the skills they have and the skills businesses are seeking.

Lack of skilled workers hurts economy

In my experience, this is the most important economic development challenge America faces. Until we do a better job of helping workers “upskill” their abilities, Iowa (and most other states) won’t be able to fill those “middle-skill” jobs. The skilled-worker shortage will continue to be a drag on our entire economy.

Here in Iowa, we have a fairly strong educational infrastructure. The state supports more than 300 local schools, a strong community college system and world-class public universities. But one area where there is bipartisan agreement is that we can do better is helping Iowans who do not have education or training beyond a high school diploma.

Because of this, Iowa Republicans and Democrats have approved major new investments in our community colleges in the last two years. We’ve created tuition grants and funded coordinated social services to programs developed in close cooperation with local employers.

One area where there is bipartisan agreement that we can do better is helping Iowans who do not have education or training beyond a high school diploma.

There are already many success stories among Iowa apprentices, like Des Moines resident Ernie. Ernie was in high school when he enrolled in the Iowa Sen. Bill Dotzler, a Democrat from Waterloo, was first elected senator in 2002 after having served three terms as a state representative. Iowa Laborers’ Construction Program located in his school. A week after graduation, he entered the Iowa Laborers’ Education and Training Fund Apprenticeship program. Shortly after that, he started working with a local contractor laying storm-sewer pipe for $16.03 per hour. After completing his apprenticeship in June of this year, he became a journeyman pipe layer. He now earns $24 per hour plus a $10 benefit package.

Under the proposal introduced by the governor at the start of our session, spending on apprenticeships would triple from $1 million to $3 million per year. To receive state support, Iowa apprenticeship programs must be registered with the U.S. Department of Labor. The amount of funding that a specific program receives would be based on the total applicants, number of apprentices served and contact hours. Online instruction would be included as long as it did not make up more than 30 percent of the total instructional hours.

Gov. Branstad’s proposal got the ball rolling, but legislatures in both chambers had given strong support to an economic development bill that included tripling financial support for apprenticeships — without cutting other job training programs — and a compromise to let the Economic Development Authority administer the program while creating a new advisory board.

Compromise opens path to success

The budget process, though, gave us another avenue to get the job done. As chair of the Senate Economic Development Budget Subcommittee, I worked with my House Republican counterparts to find a compromise.

By the end of session, both chambers had given strong support to an economic development bill that included tripling financial support for apprenticeships — without cutting other job training programs — and a compromise to let the Economic Development Authority administer the program while creating a new advisory board.

Gov. Branstad approved the annual appropriation of $3 million for apprenticeships — including the $2 million in new funding, something we fought hard for.

I was disappointed when he vetoed creation of a Apprenticeship Training Program Advisory Board. It would have given various interests a seat at the table, helping organize support for the integration and expansion of apprenticeships into Iowa’s educational system in order to meet the needs of our state’s employers.

While we had disagreements, legislators in both chambers and the governor realized the importance of addressing Iowa’s skilled workforce needs. When the next legislative session begins in January, we will review our progress, look for ways to involve all stakeholders and suggest improvements.

It is important to build upon the program’s successes, like Ernie, who was able to obtain the skills needed to get a quality job.

This is the sort of success story that will keep legislators from both parties interested in expanding the role of apprenticeships in Iowa’s efforts to attract and support businesses by upskilling our workforce.

Submissions welcome

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Iowa legislators look to grow jobs by supporting apprenticeship programs ‘Upskilled’ workers earn more as better fit for businesses’ needs

by Iowa Sen. Bill Dotzler (bill.dotzler@legis.iowa.gov)

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Lack of skilled workers hurts economy

In my experience, this is the most important economic development challenge America faces. Until we do a better job of helping workers “upskill” their abilities, Iowa (and most other states) won’t be able to fill those “middle-skill” jobs. The skilled-worker shortage will continue to be a drag on our entire economy.

Here in Iowa, we have a fairly strong educational infrastructure. The state supports more than 300 local schools, a strong community college system and world-class public universities. But one area where there is bipartisan agreement is that we can do better is helping Iowans who do not have education or training beyond a high school diploma.

Because of this, Iowa Republicans and Democrats have approved major new investments in our community colleges in the last two years. We’ve created tuition grants and funded coordinated social services to programs developed in close cooperation with local employers.

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There are already many success stories among Iowa apprentices, like Des Moines resident Ernie. Ernie was in high school when he enrolled in the Iowa Laborers’ Construction Program located in his school. A week after graduation, he entered the Iowa Laborers’ Education and Training Fund Apprenticeship program. Shortly after that, he started working with a local contractor laying storm-sewer pipe for $16.03 per hour. After completing his apprenticeship in June of this year, he became a journeyman pipe layer. He now earns $24 per hour plus a $10 benefit package.

Under the proposal introduced by the governor at the start of our session, spending on apprenticeships would triple from $1 million to $3 million per year. To receive state support, Iowa apprenticeship programs must be registered with the U.S. Department of Labor. The amount of funding that a specific program receives would be based on the total applicants, number of apprentices served and contact hours. Online instruction would be included as long as it did not make up more than 30 percent of the total instructional hours.

Gov. Branstad’s proposal got the ball rolling, but legislators in both chambers had given strong support to an economic development bill that included tripling financial support for apprenticeships — without cutting other job training programs — and a compromise to let the Economic Development Authority administer the program while creating a new advisory board.

Gov. Branstad approved the annual appropriation of $3 million for apprenticeships — including the $2 million in new funding, something we fought hard for.

I was disappointed when he vetoed creation of a Apprenticeship Training Program Advisory Board. It would have given various interests a seat at the table, helping organize support for the integration and expansion of apprenticeships into Iowa’s educational system in order to meet the needs of our state’s employers.

While we had disagreements, legislators in both chambers and the governor realized the importance of addressing Iowa’s skilled workforce needs. When the next legislative session begins in January, we will review our progress, look for ways to involve all stakeholders and suggest improvements.

It is important to build upon the program’s successes, like Ernie, who was able to obtain the skills needed to get a quality job.

This is the sort of success story that will keep legislators from both parties interested in expanding the role of apprenticeships in Iowa’s efforts to attract and support businesses by upskilling our workforce.

Submissions welcome

This page is designed to be a forum for legislators and constitutional officers. The opinions expressed on this page do not reflect those of The Council of State Governments or the Midwestern Legislative Conference. Responses to any FirstPerson article are welcome, as are pieces written on other topics. For more information, contact Tim Anderson at 630.925.1922 or tanderson@csct.org.
As of May, Nebraska’s prisons were housing more than 5,000 people and operating at 158 percent of capacity. And the prison population is expected to grow by 12 percent by 2023, according to state figures.

To address these challenges, state policymakers requested intensive technical assistance from The Council of State Governments Justice Center using a data-driven, “justice reinvestment” approach that already has been successfully implemented in other states.

The goal of this approach is to reduce corrections spending and reinvest the savings in evidence-based strategies that can reduce recidivism and increase public safety. Nationwide, 21 states have employed the justice reinvestment model with assistance from CSG.

As part of its work in a state, the CSG Justice Center collects and analyzes data (crime statistics and corrections trends, for example) and engages stakeholders from across the criminal justice system. It then develops policy options for lawmakers. In Nebraska, work is being done in preparation for the unicameral legislature’s 2015 season.

The Justice Center is working with a 19-member working group made up of Nebraska officials from all three branches of government, as well as local stakeholders.

As part of that work, the Justice Center issued a report this summer which concludes that Nebraska could reduce its prison population and trim corrections costs by sentencing more low-level, nonviolent offenders to probation instead of prison.

Of felons sentenced to prison in Nebraska, 54 percent are for the lowest level of crime. While 87 percent of those were for nonviolent offenses, about three-fourths were given prison terms.

Compared with other states and the nation as a whole, Nebraska has a higher rate of incarceration for these low-level offenses, the report found.

The Justice Center found that one contributor to this trend is the state’s statutes on theft. Nebraska has a higher threshold for theft than other states. For example, 40 years ago, that threshold amounted to $1,184 in current dollars; today, $500 is equivalent to a lower-end iPhone.

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The Justice Center report to Nebraska’s Justice Reinvestment Working Group

The MLC is an association of all state and provincial legislators from the Midwest. CSG Midwest provides staffing support to this regional group and its various committees. The MLC Executive Committee is made up of legislators from 11 states and four Canadian provinces.

While in Alaska, members of the committee received an update from CSG’s Washington, D.C., office, which works in the nation’s capital on issues of interest to states and their elected officials. The committee also held roundtable discussions reviewing big policy issues in state government in 2014 and looking ahead to challenges and priorities for 2015.

The council also updated the MLC staff on a number of issues:

- Criminal justice reform
- Education
- Economic development
- Health care
- International commerce
- Tax policy
- Tourism
- Transportation
- Water and the environment
- Workforce development

CSG’s Justice Center helps launch data-driven corrections project in Nebraska

Many members of the Midwestern Legislative Conference traveled last month to Anchorage, Alaska, for CSG’s annual national meeting.

During the conference, the MLC Executive Committee met to receive updates and discuss ongoing governance of the organization. Its work included approval of the five standing MLC policy committees for the 2015-16 biennium. These committees provide a forum for legislators to learn from and work with one another on issues of shared interest — from agriculture and health care, to economic development, education and cross-border trade.

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MNL policy committees for 2015-16

- Agriculture & Natural Resources
- Staff contact: Carolynn Orr (corr@cg.org)
- Economic Development
- Staff contact: Laura Tomaka (l.tomaka@csg.org)
- Education
- Staff contact: Kate Tormey (ktormey@csg.org)
- Health & Human Services
- Staff contact: Rene Grossman (rgrossman@csg.org)
- Midwest-Canada Relations
- Staff contact: Rene Grossman (rgrossman@csg.org)

The Council of State Governments was founded in 1933 as a national, nonpartisan organization to assist and advance state government. The headquarters office, in Lexington, Ky., is responsible for a variety of national programs and services, including research, reference publications, innovations transfer, suggested state legislation and interstate consulting services. The Midwestern Office supports several groups of state officials, including the Midwestern Legislative Conference, an association of all legislators in 11 states: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. The Canadian provinces of Alberta, Manitoba, Ontario and Saskatchewan are MLC affiliate members.
Congratulations to 2014 BILLD Fellows

Last month, 37 state and provincial lawmakers took part in the Bowhay Institute for Legislative Leadership Development, a program designed to build the leadership skills of newer legislators from the Midwest. Now in its 20th year, the five-day institute is a signature program of the Midwestern Legislative Conference. This year’s BILLD Fellows are listed below, from left to right in each row.

**Row one:** Rep. Kevin Boyce (Ohio); Rep. Kylie Oversen (N.D.); Rep. Amy Loudenbeck (Wis.); Rep. Melissa Sargent (Wis.); Rep. Laura Fine (Ill.); Rep. Ramon Gonzalez (Kan.)


**Row three:** Rep. John Rogers (Ohio); Rep. Adam Neylon (Wis.); Sen. Tom Campbell (Iowa); Rep. Ron Knabe (Minn.); Rep. Ron Kresha (Minn.); Sen. Foung Hawj (Minn.); Rep. Peter Silbernagel (N.D.)


**Row five:** MLA Wayne Ewasko (Manitoba); Rep. Jarad Klein (Iowa); Sen. Pete Miller (Ind.); Rep. Ernest Otten (S.D.); MLA Warren Steinley (Saskatchewan); Sen. Richard Kolowski (Neb.)

Not pictured: Sen. Sam McCann (Ill.)

**Partners support regional passenger rail commission**

Founded in 2001, the Midwest Interstate Passenger Rail Commission has nine member states: Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota and Wisconsin. Its representatives are state legislators, governors and their designees, and private-sector delegates.

MIPRC would like to thank the members of its Partners program: Corridor Capital, LLC; Emerson Electric Co.; Illinois State University; Ohio Association of Regional Councils; Quandel Consultants, LLC; Ramsey County (Minnesota) Regional Railroad Authority; SMART-Transportation (formerly UTU); Southern Illinois University; Teamsters Rail Conference, International Brotherhood of Teamsters; and University of Illinois.

Partners are entitled to a number of benefits, including recognition on the MIPRC website, important information on regional and national passenger rail development, and complimentary registration at MIPRC events. For more information, visit www.miprc.org or contact MIPRC director Laura Kliewer at lkliewer@csg.org.

**Corporate Partners**

- Emerson
- Quandel
- Corridor Capital

**Nonprofit Partners**

- Ramsey County Regional Railroad Authority
- Southern Illinois University Carbondale
- University of Illinois

**HENRY TOLL FELLOWSHIP PROGRAM**

- August 28 - September 2, 2015
- Lexington, Kentucky
- Application deadline: April 15

**CSG NATIONAL CONFERENCE**

- December 10-13, 2015
- Nashville, Tennessee

**LEGISLATIVE AGRICULTURAL CHAIRS SUMMIT**

- January 2-4, 2015
- Clearwater, Florida

**70TH ANNUAL MEETING OF THE MIDWESTERN LEGISLATIVE CONFERENCE**

- July 12-15, 2015
- Bismarck, North Dakota

**21ST ANNUAL BOWHAY INSTITUTE FOR LEGISLATIVE LEADERSHIP DEVELOPMENT (BILLD)**

- August 21-25, 2015
- Madison, Wisconsin

**UPCOMING MIDWESTERN LEGISLATIVE CONFERENCE AND COUNCIL OF STATE GOVERNMENTS EVENTS**

- October 31-November 1, 2014
- Chicago, Illinois

**2015 STATEWIDE SERVICES AGENCY DIRECTORS MEETING**

- October 31-November 1, 2014
- Chicago, Illinois

**PAGE 11**

**STATELINE MIDWEST SEPTEMBER 2014**
**Citizen petitions lead to legislative action, two new laws in Michigan**

Over the past year, Michigan legislators and a group of citizens have teamed up to pass measures using a lawmaking option available in only one other Midwestern state.

Most recently, the Legislature passed a citizen-initiated statute on wolf hunting. According to mlive.com, the measure is an attempt to allow the hunting to continue. In December, legislators approved a citizen-initiated petition that prohibits insurers from including abortion coverage as a standard part of plans.

In both instances, these proposed laws were brought to the Michigan Legislature. The first step in this process is collecting enough signatures — at least 8 percent of the votes cast for all candidates for governor in Michigan’s last election. Once legislators receive this “indirect citizen-initiated statute,” they have 40 session days to act on it. (Gubernatorial approval is not required.) Otherwise, the measure is placed on the ballot for a statewide vote.

Ohio is the only other Midwestern state with such a process in place. Five states in the region (Michigan, Nebraska, North Dakota, Ohio and South Dakota) give voters the ability to overturn a previously passed legislative measure, under a process known as the “veto referendum.”

**New state initiatives focus on helping disabled find work**

Concerned about a steady decline in the proportion of state workers who are disabled, Minnesota Gov. Mark Dayton is ordering agency heads to do more.

His executive order also includes a workforce goal — that by 2018, 7 percent of the people employed by Minnesota’s state agencies be individuals with disabilities.

In 2013, about 3 percent of the state workers in Minnesota were disabled. In his August announcement, Dayton pointed to neighboring states that have higher rates — 5.8 percent and 4.4 percent in Wisconsin and Iowa, respectively. State agencies will get guidance on how to recruit and hire people with disabilities. They must also promote employment opportunities for this population and, four times a year, report progress on meeting the state’s new goals.

Minnesota is not alone in establishing new initiatives to expand work opportunities for the disabled. Michigan, for example, issued a “Better Off Working” plan in August that identifies policy changes to help individuals with disabilities find work. One of the recommendations is to improve the state’s own hiring process. In 2012, Ohio Gov. John Kasich launched the Employment First Initiative, the goal of which is to deliver “meaningful employment opportunities for people with disabilities.”

**Indiana expands access to information on state spending, performance**

A few months after it ranked first in a national study of state spending transparency, Indiana has taken another step to provide more information online to the public.

The Management and Performance Hub (www.in.gov/mp_hub) opened this summer. It includes details on the state budget, public retirement system and tax revenue. The site also lists and tracks indicators of performance for various state agencies.

Indiana received its No. 1 ranking in April. The U.S. Public Interest Research Group graded states based on two broad criteria: the amount of spending information made available online and ease of use in accessing that information. Across the country, the study concludes, states have improved online access to spending data. For example, six states now provide “checkbook-level” information on spending via their business-interactive programs. This level of detail allows the public to track the return on investment from each business that receives an incentive.

Indiana received an A+ in the PIRG study, as did Iowa and Wisconsin (though with slightly lower overall scores). Here are the other grades for the Midwestern states: B+, Illinois and South Dakota; B, Michigan; B-, Nebraska; D+, Minnesota; B, North Dakota; and D-, Kansas and Ohio.

**In Illinois, ridesharing rules split legislature and the governor**

Legislative efforts in Illinois to establish new restrictions and regulations on ride-sharing services hit a roadblock in August. Gov. Pat Quinn vetoed HB 4075, saying the regulation of commercial ridesharing is best handled at the local level. According to the Chicago Tribune, the bill’s proponents may seek a veto override later this year.

The legislation was often called the “Uber bill,” reference to one of the companies’ (Uber) most associated with ridesharing. These companies provide a virtual marketplace for drivers, using their own vehicles, to connect with potential passengers via a smart phone.

States and municipalities across the country are now trying to decide whether to regulate these ridesharing services. And if so, how? Under Illinois’ HB 4075, all ridesharing drivers would be required to have commercial liability insurance and pass a criminal background check. Those driving 18 hours a week or more would need a municipal chauffeur’s license. Ridesharing vehicles, too, would have to meet safety standards.

Earlier this year, Colorado became the first U.S. state with a law to regulate ridesharing services, The Washington Post reports. In California, the Public Utilities Commission adopted rules without legislative action.