

KHPA Consumer Advisory Council Meeting  
June 29, 2007, Eisenhower Bldg, Topeka KS  
Minutes - Final

**KHPA Consumer Advisory Council Members Present:**

- Peggy Johnson, Chair
- Deanne Bacco
- Theola Cooper
- Tim Davis
- Corrie Edwards
- Bruce Linhos
- Rocky Nichols
- Alvin Penner
- Nancy Soeken – via teleconference
- Dinell Stuckey – via teleconference
- Maury Thompson
- David Wilson

**KHPA Consumer Advisory Council Members Unable to Attend:**

- Jane Adams
- Shannon Jones
- Teresa Schwab

**KHPA Staff Participants:**

- Dr. Marcia J. Nielsen, Executive Director
- Dr. Andrew Allison, Deputy Director
- Dr. Barbara Langner, Consultant
- Janis DeBoer, Advisory Council Manager

**Welcome by Peggy Johnson, Consumer Advisory Council Chair**

Chair Johnson opened the meeting, welcomed members, the public, and KHPA staff. The agenda was reviewed along with handouts (packet information provided to Advisory Council members is available on the KHPA Advisory Council website). The objective of the meeting was to facilitate discussion on health reform policy questions assigned to the Advisory Councils by the KHPA Board. The KHPA Board met on June 19 and reviewed and approved a draft Health Reform Plan Roadmap. The “roadmap” includes six sections as follows:

1) Goals for the 19<sup>th</sup> KHPA Board meeting, 2) Kansas uninsured demographics, 3) Determine overarching health reform goals, 4) Review health reform priorities 2008-2012, 5) Consider health insurance reform designs, and 6) Plans to complete health reform grid/Assign policy questions to Advisory Councils: Draft questions. Dr. Marcia Nielsen reviewed sections one through five of the roadmap and Dr. Barb Langner facilitated open discussion specific to section six.

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## **Review of Draft Health Reform Plan Roadmap – Presented by Dr. Marcia Nielsen, Executive Director**

Prior to reviewing the roadmap, Dr. Nielsen pointed the group to a handout that outlines the proposed agendas for the upcoming meetings and a Gantt chart that reflects a draft planning timeframe for health reform in Kansas. Dr. Nielsen framed three draft health reform “messages” for Council members and noted that the focus of this month’s meeting and the July and August meetings will be based on these three messages: 1) Providing and protecting affordable health insurance, 2) Paying for prevention and primary care, and 3) Promoting personal responsibility. Page one of the Gantt chart captures the current KHPA ongoing initiatives as reviewed and discussed at previous meetings, including the Medicaid reform Premium Assistance initiative. Page two of the Gantt chart captures reform in collaboration with other state agencies and reform as outlined in SB 11(which is the focus of the remaining Advisory Council meetings) and ties back to the roadmap.

Specific to the roadmap, Dr. Nielsen informed the group of the KHPA’s Board discussion on June 19<sup>th</sup>. Next, she reviewed section two of the roadmap which includes major points learned from studies conducted in Kansas on the uninsured. In addition, she recommended that the group read a Mercer study in the context of reviewing data and decision points necessary to model an insurance product. The Mercer report is an output of the Business Health Policy Committee which was created in 2000 by the Kansas legislature. Third, was a discussion on how to define “all” in Kansas when determining coverage goals. Does “universal coverage” imply 100% coverage of all legal Kansas residents, or can it be defined as 95% or 96% coverage? Next, the three messages as noted above were reiterated and a timeline for implementing health reform was reviewed (consistent with the Gantt chart), assuming enactment of related legislation in early 2008. Last, was a discussion on health insurance reform designs, which was the focus of this month’s meeting.

## **Open Discussion of Draft Health Reform Roadmap Section Six – Facilitated by Dr. Barb Langner**

Dr. Barb Langner led the discussion on section six of the roadmap which consists of fifteen policy questions assigned to the Advisory Councils by the KHPA Board.

### **Benefits Package:**

- 1) What benefits are considered crucial in a health insurance plan (drug coverage, dental, mental, etc.)?**
- 2) Which benefits should be dropped if we need to for cost considerations?**

### **Comments/Input/Feedback from members:**

- For individuals, the cost and relationship between premiums, deductibles, and co-pays must be considered.
- Difficult to ignore dental, prescriptions, and mental health; can not do so in good conscience, but must also consider the expense.
- Could a benefit package be tailored to meet the needs of each population; age groups have different needs.
- Dental needs are an issue for individuals currently receiving Medicaid.
- A benefit package should include a prevention component.
- A broad based benefit package would need to be considered; a bare bones benefit package can prove very costly if an individual has to use it.
- Any benefit package should include a prevention component.
- Any recommendation developed with regard to health reform in Kansas needs to consider long-term care services; Medicaid provides specialized services and supports for disabled individuals and a health reform plan needs to include assurances that long-term care services would not be negatively impacted.
- Access to health care should be considered a basic Human Right.
- Mental health parity and services for people with disabilities and seniors must be an integral part of any benefits package.

Summary: The general consensus of the Consumer Advisory Council was support for a broad based benefit package that is tailored to consider all populations and includes a prevention component.
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### **Small Business:**

- 3) Should we limit incentives to small businesses that have not previously offered coverage, or**

## **open it up to all small businesses?**

Comments/Input/Feedback from members:

- We should not punish the small businesses that are currently offering coverage.
- Tax incentives for small businesses do not benefit not-for-profits businesses and not-for-profits frequently do not have the revenue base to cover benefits for their employees.
- Need to support an equitable approach to health care coverage between individuals, employers, state and federal government.
- Have a tiered plan with greater incentives for businesses who haven't offered health insurance previously.

Summary: The general consensus of the Consumer Advisory Council was support for a tiered, equitable system of incentives to small businesses.

## **4) What are the most critical issues to small businesses in terms of providing health insurance?**

Comments/Input/Feedback from members:

- It is difficult for very small employers to provide health insurance coverage.
- Could small employers offer coverage through a connector/exchange? (KHPA response: Yes.)
- We need to share the responsibility of health insurance coverage between individuals, employers, the state and federal government.

Summary: The general consensus of the Consumer Advisory Council members was that there should be no arbitrary cut-off for employers; all employers should be included in any health reform option regardless of whether they have previously offered coverage.

## **Employer Responsibility:**

### **5) Should employers be required to contribute to achieve health for all? Which employers?**

### **6) Should very small employers be carved out and not required to participate?**

Comments/Input/Feedback from members:

- Employers should be doing something.
- If employers are required to contribute to health coverage for all Kansans, businesses may have to reduce their salaries to employees.
- Employers are in a difficult position.
- Employers need to share the responsibility.
- The employer model is shifting; some believe there should be no employer responsibility.
- Employers with seasonal workers, very small; sole proprietors are hard to get into the system.

Summary: The Consumer Advisory Council was mixed on the issue of employer responsibility with regard to requiring employer contributions to achieve health for all.

## **Individual Responsibility:**

### **7) What constitutes an affordable plan?**

### **8) How much should the individual pay?**

Comments/Input/Feedback from members:

- What is affordable; loaded question.
- A lot of factors must be considered when determining individual responsibility.
- Ten percent seems too high for some individuals; can a system be designed based on family size.
- Consider no deductibles for prevention.

- Consider low deductibles for visits to “medical home.”
- Individual and family premium payments and co-pays should be calculated by a formula applicable to all participants which is based only on the income and assets of the participant.

Summary: The general consensus of the Consumer Advisory Council was the need for additional information before making a recommendation on individual responsibility with regard to how much an individual should pay for a health care plan and what constitutes an affordable health care plan.

**Health Insurance Connector:**

- 9) What are the pros and cons of a health insurance connector?**
- 10) Should the connector be voluntary or mandatory? For only small business or open to all interested businesses?**

A health insurance connector/exchange was described as a mechanism that accepts employer contributions for health insurance coverage to their employees.

Comments/Input/Feedback from members:

- A connector would allow access to employees and the plans would be portable.
- A connector would be significant for the state to assume, however, the benefit would also be significant.
- Mandates are the primary issue surrounding a connector model.
- It would be necessary to keep a connector model simple.
- People could select plan best for them; portability important.

Summary: The general consensus of the Consumer Advisory Council members was support for exploring more extensively a health insurance connector/exchange.

**Mandates:**

- 11) Should all Kansans be required to have health insurance?**
- 12) Should all businesses be required to provide health insurance or pay some assessment?**

Comments/Input/Feedback from members:

- No; there should not be individual mandates.
- Yes, there should be individual mandates; there should be a requirement for all Kansans to have health insurance.
- Data show we are currently paying for coverage for all now.
- We mandate car insurance.
- Affordability becomes the issue.
- Need to consider the unintended consequence of requiring health insurance for all; some will have the insurance and not use it while others will say “fix me, I have got insurance.”

Summary: The general consensus of the Consumer Advisory Council was a belief that all Kansans should have health insurance; to achieve health insurance coverage for all Kansans the Council members believe financial participation is required by individuals, employers, state and federal governments.

**Revenue Streams: (discussed at the August 17 meeting)**

- 13) What funding should be used to pay for health reform?**
- 14) Should we create a “health assessment fee” on items like tobacco that adversely impact health? What other goods should be assessed?**
- 15) What is an appropriate amount for the state to spend on health reform efforts?**

Comments/Input/Feedback from members:

- All parties should participate in the funding of health reform; individuals, employers, state and federal

government

- Tobacco tax in Kansas below the national average; increase the tobacco tax
- Obesity is a serious health issue; it may prove to be more serious than tobacco use
- Where do you draw the line on what other goods should be assessed?
- Eating healthy can be expensive; options for low income individuals may be limited
- Agree with many concerns presented during Council meetings regarding the current health care system. Do not want to grow the current health care system due to, but not limited to: rising costs, disparities in access and outcomes, deficient quality and safety, dysfunctional competition, perverse incentives, inefficiency and waste (Institute of Medicine's Top 10 Concerns re: the US Health System)

Summary: Provided that health reform efforts in Kansas address the rising costs of care and increases in health care expenses and the concern that 30 to 40% of every dollar spent in the US on health care is spent on overuse, underuse, misuse, duplication, etc. (according to a recent Institute of Medicine report), the general consensus of the Consumer Advisory Council members was support for a general tax increase to fund health reform efforts, if needed, and more specifically, support for a tobacco tax increase.

The Consumer Advisory Council discussed twelve of the fifteen questions and will review the revenue streams questions at their next meeting. Dates of the remaining Provider Advisory Council meetings are as follows: July 20, August 17, and September 7. (Chair Johnson will join us by conference call for the July 20 meeting; Al Penner will serve as her vice-chair.)

The group was provided an updated calendar of the upcoming KHPA Board meetings, Health for All Kansans Steering Committee meetings, Joint Oversight Committee meetings, and Council meetings. It was noted that the tentative October meeting has been deleted from the calendar. Also, Dr. Nielsen invited Council members to attend the November 1, 2007, Joint Oversight Committee meeting whereby Kansas-specific health reform options will be presented.

### **Next Steps**

- The Advisory Council grid will be used to prioritize the issues that the council will consider for health reform, focusing first on health insurance reform options, as identified by SB 11 (June meeting).
- Other health reform options, such as those developed in collaboration with other agencies, will be considered subsequent to the health insurance reforms (July meeting).
- Advisory councils will begin to "fill in the grid," identifying the advantages and disadvantages of various health reform options (August meeting).
- The KHPA Board and Health for All Kansans Steering Committee will then use the grid to inform their development of health reform options (August meetings).
- The development of health reform options will be iterative, in that the Board and Health for All Kansans steering committee will direct/provide feedback to the Advisory Councils as they consider reform options (September meetings).
- Independent consultants and KHPA staff will analyze various reform options in order to identify the economic costs (to consumers, to business, to state government, to federal government) as well as to identify the number of individuals who will get access to health care under each reform option (September meeting).
- The Joint Oversight Committee for the KHPA will be apprised/consulted on health reform options (September meeting).
- The KHPA Board will present the final health reform options to the legislature (KHPA Oversight Committee and legislative leadership) and Governor on November 1 2007.

### **Adjournment**

Next Meeting: Friday, July 20, 10:00 – 12:00, Eisenhower Building, 4<sup>th</sup> floor conference room