MARCIA J. NIELSEN, PhD, MPH
Executive Director

ANDREW ALLISON, PhD
Deputy Director

SCOTT BRUNNER
Chief Financial Officer

KHPA Provider Advisory Council Meeting
June 27, 2007, LSOB, Topeka KS
Minutes - Final

**KHPA Provider Advisory Council Members Present:**

- Janet Williams, Chair
- Susan Bumstead
- Karla Finnell
- Dr. Kevin Hoppock – via teleconference
- David Johnson
- William Mahoney
- Dr. Richard Meidinger
- Randy Peterson
- Elaine Schwartz
- Peter Stern

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

- Kara Bell Fiske
- Dr. K. Allen A. Greiner
- Terry Lambert
- Dr. Bert Oettmeier
- Linda Wright

**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 Janet Williams, Provider Council Chair**

Chair Williams 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 19th 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.

**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 19th. 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.)?**

Comments/Input/Feedback from members:

- Plans should be basic.
- There should be multiple plans.
- Insurance makes no sense as low income individuals can not afford co-pays and deductibles; instead expand Medicaid to cover additional populations (men and older women).
- Support subsidies up to 200% of FPL.
- Data from one Advisory Council member supports 175% as the breaking point of individuals being able to participate in payment of services.
- Support the use of generic drugs in plan design.
- Include mental health and be "smarter" in how this service is purchased.
- Consider an integrated care model that includes behavioral, primary and dental care.
- Multiple products/options should be available with different benefits.
- Expand coverage to consider undocumented individuals.
- Support a plan based on some "skin in the game;" establish co-pays based on percentage of income (sliding fee scale).

Summary: The general consensus of the Provider Advisory Council was support for comprehensive health insurance plans that support a variety of packages and a variety of costs and incorporate best practices into the purchasing of any health insurance plan to stretch available dollars.

2) **Which benefits should be dropped if we need to for cost considerations?**

Comments/Input/Feedback from members:

- Asking the wrong question; should incorporate best practice incentives into reimbursement

methodologies and not drop benefits due to cost considerations.
- Find ways to stretch the dollars currently available.
- There should be more coordination of care through case/care management options.
- System needs to support and pay providers for best practices.
- Providers should be reimbursed for utilizing chronic care models.
- Stay away from tiered reimbursements.

Summary: The general consensus of the Provider Advisory Council was to incorporate best practices into the purchasing of any health insurance plan.

**Small Business:**

3) **Should we limit incentives to small businesses that have not previously offered coverage, or open it up to all small businesses?**
4) **What are the most critical issues to small businesses in terms of providing health insurance?**

Comments/Input/Feedback from members:

- Open incentives up to all small businesses.
- Be aware that historically, incentives have been offered to small businesses and participation has been minimal.
- Turnover of staff, allowance for pre-existing conditions, and portability must be considered in an employer-based model.
- Is there evidence that the number of small businesses providing coverage in Kansas is declining? (Response: no, but businesses are having difficulty maintaining coverage for employees.)
- For those small businesses that are currently providing coverage there may not be enough margin to cover premium increases, so incentives should be open to all small businesses.

Summary: The general consensus of the Provider Advisory Council members was to support incentives for all small businesses as opposed to limiting incentives to only those small businesses that have not previously offered health 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:

- The questions infer health reform in Kansas will build upon an employer-based model.
- There was interest in reviewing an employer mandate.
- It was noted that employers currently pay a workers compensation and unemployment tax; why not a health care tax?
- Some employers feel a responsibility to provide coverage to their workers.
- As opposed to an employer mandate, Medicaid expansion to include additional populations may be a more viable option; build on what we have and recognize the primary groups needing health coverage are those individuals at or below 200% of the FPL.
- Build on current system but make it simpler.

Summary: The general consensus of the Provider Advisory Council members was recognition that to achieve health care for all Kansans employers should be required to contribute considering the current employer-based model, however is it practical in Kansas?

**Individual Responsibility:**

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

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

Comments/Input/Feedback from members:

- The Mercer report reflects the results of several policy options that reflect percentages for employee, employer, and the state.
- Pull a focus group of consumers together as 10% of $5,000 annual income may not be affordable (KHPA Response: a Consumer Advisory group has been established).
- There was support for the development of an economic model with three or four choices that reflect ownership for individuals.
- Provide subsidies for individuals below 200% of the FPL.
- Individuals should have some "skin in the game."
- Have to consider health literacy issue.

Summary: The general consensus of the Provider Advisory Council was support for choices and individual ownership when determining what constitutes an affordable health plan for individuals and how much they should pay for a health 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?**

Comments/Input/Feedback from members:

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

- Would there be enough individuals to participate in Kansas?
- Would individuals have the opportunity to opt in and out?
- If a connector/exchange were voluntary, who would participate? The structure of the connector/exchange would matter. How to risk adjust?
- For providers, a connector/exchange would result in more insured individuals which would be positive, however, for purchasers there may be difficult issues surrounding a connector/exchange.
- Watch the Massachusetts activity closely, particularly with regard to affordability for individuals who would not receive subsidies and the relationship between deductibles and premiums.
- A connector/exchange should be mandatory.
- There would need to be a large enough pool to share the risk.
- Consider a reinsurance pool.

Summary: The general consensus of the Provider Advisory Council members was support for exploring more extensively a health insurance connector/exchange, along with support for exploring reinsurance.

**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?**

NOTE: Questions were reviewed at the July 31 meeting.
Comments/Input/Feedback from members: (questions reviewed at the July 31 meeting)

- What coverage would such a mandate include?
- Without mandatory coverage you can't have the same level of care.
- Can the current system support all individuals?

- Need to have a mandate to support health reform otherwise we will not move forward.
- What would the premium levels be with a mandate?
- What would the basic package look like if we mandated?
- Skittish at the idea of a mandate, but without it how will we move forward?
- Tentative at the idea of a mandate, but gotta do something; but have concerns.

Summary: The general consensus of the Provider Advisory Council was overall support for an individual health insurance mandate but reservations and concerns regarding the impact on the current delivery system and the potential cost of comprehensive health insurance plans.

**Revenue Streams:**

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?**

NOTE: Questions were reviewed at the July 31 meeting.
Comments/Input/Feedback from members:

- Support for a tobacco tax.
- Spending more up front to revamp our current system would be a wise investment.
- What are the costs to the state for ***not*** implementing health reform?

Summary: The general consensus of the Provider Advisory Council was recognition of inefficiencies in the current health care delivery system and the need to invest dollars in health reform efforts wisely to avoid unnecessary cost increases, and recognition that funding for health reform must be shared by individuals, employers, state and federal government.

The Provider Advisory Council discussed the first ten questions and will review the remaining five questions at their next meeting. Dates of the remaining Provider Advisory Council meetings are as follows: July 31, August 15, and September 12.

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: Tuesday, July 31, 1:30 – 3:30 at the LSOB, 9th & Jackson, 1st floor, #106 conference room.