

Frequently Asked Questions

Topic: Development of the KHPA Health Reform Plan Options

1) How is KHPA going to develop health reform plan options to correct the problems with health care in Kansas?

With the input and recommendations from four Advisory Councils, the KHPA Board and the Health for All Kansans (HFAK) Steering Committee will develop health reform plan options. The Advisory Councils will identify advantages and disadvantages of the options and an independent economic analysis will be conducted to quantify the economic costs (to consumers, business, and state/federal government) and the number of individuals who will gain access to health care under each reform option. The KHPA Board will present the final health reform plan options to the Legislature (Joint Committee on Health Policy Oversight and legislative leadership) and the Governor on November 1, 2007.

In addition, the Health Policy Authority is seeking input from stakeholders in 20 communities across the state. KHPA staff and Board members are conducting a listening tour this summer to visit with Kansans about providing and protecting affordable health insurance, preventing illness before it starts, and taking personal responsibility for our health as individuals and as communities.

2) What reform options is KHPA considering and what are the key elements of the reform plan?

Key elements of the reform plan being drafted by the KHPA Board and HFAK Steering Committee use the guidelines contained in the 2007 health reform legislation. Over the course of the summer and into the fall, reform plan options will be designed with input from the four Advisory Councils and actuarially modeled. A final "Comprehensive Health Reform Plan Options for Kansas" document will be delivered to the Governor and legislature on November 1, 2007, patterned after the "Blueprint for Universal Coverage in New York" document. This document will be broadly distributed to Kansas policymakers prior to the beginning of the 2008 legislative session. The health reform plan options are considering the following policy strategies to achieve three primary goals:

- (1) Providing and protecting affordable health insurance for all Kansans.
 - Health insurance reforms, as outlined in SB 11:
 - *Health Connector*
 - *Reinsurance*
 - *Consumer Driven Health Care*
 - *Premium Assistance/Subsidies for Low Income*
 - Assistance for small business

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- (2) Paying for prevention and a primary care medical home; this will improve health outcomes and result in long term health care savings to the state.
- Chronic disease management
 - Implementing tobacco control policies
 - Managing obesity and related health conditions
- (3) Promoting personal responsibility. This will ensure that everyday Kansans are focused on improving their own health and utilizing health resources wisely.
- Improving personal health behaviors and incentivizing healthy communities, schools, and workplaces
 - Promoting the informed use of health care services and improving health literacy
 - Contributing to the cost of health insurance/health care based on the ability to pay, such as sliding scale payment reforms

3) Who is the targeted population in health reform?

The goal of health reform is to improve the health status of Kansans, and improve the health care delivery system. Accordingly, the targeted population includes all Kansans. In terms of protecting and providing affordable health insurance, the uninsured and underinsured individuals are targeted in order to increase their access to affordable coverage and timely medical care. Employers, especially small businesses, are targeted in order to increase the provision of health insurance coverage for their employees while reducing the burden of increasing health care costs among workers. From the perspective of paying for prevention and a primary care medical home, Kansans should have access to primary care and preventive services that improve health and prevent illness, saving health care costs in the long run. Those services include the coordination and management of chronic diseases, as well as a focus on managing the burgeoning obesity epidemic and the use of tobacco products. Finally, promoting personal responsibility among all Kansans, to ensure that we maximize healthy behaviors, are wise purchasers of health care services, and contribute to the cost of health care in our state.

4) Why is it so important to have a primary care medical home?

Research suggests that better health outcomes are associated with a “primary care medical home” – meaning that all members of a family receive services in a timely manner and through a primary care provider. The provider helps coordinate needed health care and preventive services. According to recent research, children and adults who have continuity with a regular practitioner are more likely to adhere to prescribed medications, receive preventive care and well-coordinated, resource-efficient, family-centered care, and less likely to visit the emergency department and be hospitalized; in addition, their practitioner is more likely to recognize their problems and track their information. Having all family members as part of the same health insurance plan also helps to coordinate care.

5) What is personal responsibility for health care?

The Kansas Health Policy Authority health reform plan options will promote personal responsibility in healthy behaviors by individuals, within communities, workplaces, and schools. We encourage Kansans to focus on improving their own health and utilizing health resources wisely by improving personal health behaviors, incentivizing healthy communities, and paying for health insurance on a sliding scale based on ability to pay. In order for Kansans to make informed decisions and effectively manage their health care needs they must have access to basic health information that empowers them to make appropriate health decisions. Current health information is complex and difficult to understand, leading to deficits in health literacy among many health care consumers. Health literacy is the extent to which individuals can obtain, process, and understand basic health information and services. Health information needs to be more comprehensible allowing consumers to better manage their disease and medication regimens and resulting in improved health outcomes. In addition,

consumers contributing to their health insurance coverage within their ability to pay will be more invested in making prudent purchasing decisions, but must also have useable information that facilitates their understanding of when and how to seek health care.

6) How are we going to pay for the health reform initiatives that will be announced in November?

Financing mechanisms vary by each health reform option and may include an increase in tobacco tax commensurate with the associated costs of tobacco related diseases (health assessment fees); increasing federal dollars through Medicaid reforms; and increased state, individual and employer contributions. The cost of health insurance reforms will generally be a shared responsibility between the enrollees, employers, and the government (state and federal).

Sliding scales may be used in order to tailor cost to individuals on their ability to pay. In addition to the affordability issue for enrollees referenced above, reform proposals should also be affordable to employers and the government. For employers, one measure of affordability would involve employers currently providing creditable coverage to determine what they currently pay for insurance. Health reform options could then be designed that maintain or reduce this contribution level. For the state contribution, there are two considerations. First is to identify either savings in existing programs or new revenue sources to cover any new expenses to the maximum extent possible. Since many of the uninsured in Kansas are low income, some of the health reform options that increase access to health insurance may allow for drawing down additional federal funds. Second is to provide some form of dedicated funding in order to avoid the variation in annual budget cycles. It will be critical in designing health reform options to model expected costs for individuals, employers, and state/federal government as well as an estimate of how many Kansans will gain access to affordable health insurance as a result of the reforms.