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**K A N S A S**  
KANSAS HEALTH POLICY AUTHORITY

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**Testimony on:**  
**Kansas Health Policy Authority Update**

**presented to:**  
**Joint Committee on Health Policy Oversight**

**by:**  
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## **Kansas Health Policy Authority Update**

Good morning, Mr. Chairman and members of the Health Policy Oversight Committee. Thank you for allowing us the opportunity to provide you with an update on progress being made by the Kansas Health Policy Authority Board and staff. I would like to introduce Dr. Andrew Allison, who is joining me today and who has served as the Deputy Director of the KHPA for the past eight months. Also with us today is Scott Brunner, Director of the Kansas Medical Assistance (formerly Medicaid) who will be offering additional testimony specific to KHPA operational and budget issues.

I am pleased to report that the Board and staff have made significant progress toward developing coordinated health programs and policies that have the ultimate goal of improving the health and health care of Kansans. Today, I want to give you a brief snapshot of the Authority's proposed recommendations for legislative and budget consideration in the upcoming legislative session. These recommendations, which as our Chair Connie Hubbell presented, received near unanimous approval at the recent August board meeting. The initiatives range from expanding children's access to health care to increasing transparency in health care purchasing to developing a Long Term Care (LTC) partnership to incentivize the purchase of LTC insurance.

In addition, the Board has recommended that we develop, for example, detailed and coordinated plans to implement E-prescribing, increased health and wellness in the State Employee Health Benefit Plan, and a community-based focus on health care workforce shortages in rural and underserved urban Kansas. In the coming months we will share additional information with this committee and the legislature as we further develop these proposals, in partnership with our sister agencies at the Kansas Department of Health and Environment, the Kansas Department of Social and Rehabilitation Services, the Kansas Department on Aging and the Juvenile Justice Authority. An integrated partnership with these agencies will be critical as we study, design and propose a model for Medicaid reform that incorporates many of the new flexibilities of the recently passed federal Deficit Reduction Act. Moreover, this partnership is key to ensure clear compliance with the Centers for Medicare and Medicaid Services (CMS), the federal agency that oversees the Medicaid and State Children's Health Insurance (S-CHIP) programs. These proposed initiatives and studies are publicly available on our website and are briefly referenced at the end of this testimony.

As this Oversight Committee is well aware, the Authority has not only been tasked with considering innovative ways to improve health policy in our state. We are also the new independent agency responsible for operating programs crucial to health of many of Kansans, including Medicaid, S-CHIP (known as Healthwave) and the State Employee Health Benefits Program. Indeed, as the single state agency for Medicaid, we are accountable to beneficiaries, health care providers, and taxpayers to operate this agency in as effective and efficient manner as possible. As such, the duty of the Authority is to ensure that the management of these important programs is considered the uppermost priority.

As part of the legislative update in March of 2006, as then-Chair of the KHPA Board, I expressed to this Committee that the KHPA's broad charge to manage and use health data and to develop state health policy -- including the management of Medicaid -- would require adequate new resources. In my testimony, I referenced the need for the Board to apply due diligence in reviewing these potentially costly options before asking the legislature for additional funding and suggested that options for the use of additional resources would be considered as part of the FY 07 budget.

Recently, a thorough review of our workforce and resource needs was carefully conducted by Andy Allison, Scott Brunner, and Dan Roehler of my staff. The recommendations for a significant increase in staff will be described by Scott in more detail. These recommendations were considered by the Board, and after much discussion were unanimously supported. We will be providing these recommendations to the legislature for

consideration in the upcoming session. We appreciate this opportunity to briefly share them with the Oversight Committee.

I would like to conclude my testimony this morning by sharing that in my new capacity as the Interim Executive Director of the KHPA, I have had the opportunity see the exciting opportunities we have to shift the dialogue from improved health care services to enhanced health status. Kansas can and should be the leading state in the nation to use data to drive health policy. Adequately armed with this information, we can redefine key questions and possible solutions about health cost, quality, and value. I look forward this morning to hearing Dr. Bob St. Peter of the Kansas Health Institute discuss ways in which health transformation can occur in our State, and our nation. Our thinking in new and innovative ways about health, however, can not occur in a vacuum. This agency can and will be focused on ensuring effective management over those programs we direct and in providing critical leadership as the single state agency for Medicaid. In order to successfully multi-task, we will require an increase in staff and support infrastructure for the Authority and look forward to working with you on advancing our collective mission.

### **Kansas Health Policy Authority Proposed Recommendations: FY 2008**

- Increase health insurance access for children through age 5 through Healthy Kansas First Five
- Expand coverage of dental services for adults
- Expand health and eligibility outreach to promote health and wellness
- Develop data management and policy analysis
- Develop a partnership to promote the purchase of long-term care insurance
- Establish a two-phase transparency initiative for publishing information about consumer health, cost and quality
- Provide childhood obesity counseling through Medicaid
- Provide additional support to the Health Information Exchange, Health Care Cost Containment initiatives

The Board has also chosen to complete several studies during FY 2008.

- Study workforce shortages in rural and underserved urban Kansas areas which will be used to encourage adequate health care workforce in these areas
- Study Medicaid beneficiary wellness and examining incentives for health behaviors and healthy outcomes like weight loss, lower blood pressures, lower cholesterols, etc.
- Study the Business Health Partnership Plan by examining the subsidy and tax credit pilot for the purchase of health insurance for small businesses.
- Study and plan for Deficit Reduction Act (DRA) Flexibilities to increase long term sustainability of Kansas Medicaid
- Study the addition of e-prescribing to the Medicaid program
- Study the potential of consolidating prescription drug assistance programs across the state and how it would leverage purchasing