

November 1, 2007

The Honorable Jim Barnett
Chairman, Joint Committee on Health Policy Oversight
Statehouse, Room 120-S
Topeka, KS 66612

The Honorable Melvin Neufeld
Vice Chairman, Joint Committee on Health Policy Oversight
Statehouse, Room 380-W
Topeka, KS 66612

Dear Mr. Chairman and Vice-Chairman,

Today the Kansas Health Policy Authority is presenting to you as Chair and Vice-Chair of the Joint Committee on Health Policy Oversight the “Kansas Health Policy Authority Board Health Reform Recommendations of 2007”. These health reform recommendations were formulated in response to the passage of House Substitute for Senate Bill 11 (SB11) which directed the KHPA to develop health reform options in collaboration with Kansas stakeholders. The health reform recommendations described in this document are the result of deliberations of the KHPA Board, the four Advisory Councils (140 members), a 22 community listening tour, and feedback from numerous stakeholder groups and concerned Kansans.

SB 11 stipulated that KHPA should consider as part of health reform in Kansas various Medicaid options including:

- The experience of other states: The KHPA carefully examined the reform initiatives of Massachusetts, Missouri, Connecticut, Vermont, and New Jersey, among others and compilation reports prepared by the National Academy for State Health Policy, National Conference of State Legislatures, and the National Governor’s Association.
- Long term care: The KHPA in October, 2007 announced the Long Term Care Partnership it had initiated with the Kansas Insurance Department and Kansas Department on Aging (KDoA) (www.ksinsurance.org/ltc) and is supportive of the Kansas Department of Social and Rehabilitation Services (SRS) and the Department of Aging initiatives that support home and community based services.
- Waste, fraud, and abuse: The KHPA Board has hired an Inspector General who has been recently confirmed by the Senate, staff is being hired, and the agency has begun the financial auditing process for the Kansas Medicaid program.
- Health opportunity accounts: As part of the development of the new premium assistance program –

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State Employee Health
Benefits and Plan Purchasing:
Phone: 785-296-6280
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State Self Insurance Fund:
Phone: 785-296-2364
Fax: 785-296-6995

Kansas Healthy Choice -- the KHPA anticipates the inclusion of a pilot on consumer driven health care, to include Health Opportunity Accounts.

- Tax credits: The KHPA supports as part of the reform recommendations the purchase of tax advantaged health insurance through Section 125 plans especially for small businesses, and anticipates further discussion on tax credits as part of the interim committee deliberations.
- Vouchers and premium assistance: The KHPA is actively engaged in a thoughtful design of the Kansas Healthy Choice program with plans for an RFP issuance by the end of 2007. The use of vouchers for the purchase of health insurance was not included as part of the KHPA reform recommendations.
- Wellness: The KHPA health reform recommendations include policies aimed at intensifying wellness services available to Medicaid enrollees including improved access to tobacco cessation products and programs and dental care for pregnant women. In addition, multiple wellness initiatives are being proposed for all Kansans including an increase in the tobacco user fee, a statewide smoking ban in public buildings, an expansion of community wellness programs, a series of policies to create healthier schools and workplaces in Kansas, and an expansion of the cancer screening program.

In addition, SB 11 required that the KHPA on November 1, 2007 submit an analysis of health care finance reform options, including:

- Analysis of a Kansas health insurance connector: Four Kansas foundations – the United Methodist Health Ministry, the Sunflower Foundation, the REACH Foundation, and the Health Care Foundation of Greater Kansas City – funded an independent economic analysis of various health insurance models. The KHPA examined these models, which included a health insurance connector, as part of the Universal and Affordable models. A summary of the economic analysis is included in the Appendix of the KHPA health reform recommendations; additional details on these models can be found in a separate document entitled “Report to the KHPA Board -- Kansas: Pricing the Roadmap to Health Insurance Reform Options”. To view a copy of the detailed economic analysis, please go to: www.healthfund.org
- Model for a voluntary health insurance connector: The KHPA examined the voluntary health insurance connector as a part of the Affordable model. The concept for a voluntary health insurance clearinghouse for small businesses is included in the reform recommendations.
- Draft legislation for the proposed health care finance reform options: The KHPA is developing the legislative framework for the health reform recommendations.
- Develop and analyze other pertinent initiatives and policies designed to increase access to affordable health insurance and to otherwise promote health: The KHPA reform recommendations for personal responsibility, medical homes, prevention, and affordable health insurance are presented in the accompanying document and are intended collectively to both increase access to affordable health insurance and the promotion of health for Kansans.

The “Kansas Health Policy Authority Board Health Reform Recommendations of 2007” document was distributed to all Kansas legislators and the Governor today. KHPA appreciates the opportunity to bring these recommendations for health reform to the Oversight Committee and we look forward to a productive dialogue.

Sincerely,



Marcia J. Nielsen, PhD, MPH
Executive Director

Cc: Kansas Members of the House and Senate