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2007 Legislative Report Card for the Kansas Health Policy Authority

The Kansas Health Policy Authority received significant support from the legislature and Governor during the 2007 session. The newly created independent agency received considerable support for staffing and infrastructure, and received funding to reduce the backlog of Medicaid and HealthWave applications at the Clearinghouse. Additionally, the legislature and Governor are making a down payment on bi-partisan health reform (House Substitute for SB 11) with unanimous support in both the House and Senate, beginning with premium assistance legislation that will increase access to private health insurance for low income uninsured Kansans. Other initiatives that received approval by the Legislature includes outreach and enrollment for Medicaid and HealthWave, increasing Health Information Technology/Health Information Exchange (HIE/HIT), and promoting price and quality transparency for Kansas consumers.

<u>Initiatives Proposed by KHPA</u>	<u>Funded</u>	<u>Unfunded</u>
Health reform—including premium assistance program, enabling legislation for future reform, Inspector General position and newborn screening	√	
Add to Medicaid Eligibility Clearinghouse Staffing	√	
Complete Staffing and Infrastructure for Authority	√	
Develop a Data Management and Policy Analysis Program	√	
Health Kansas First Five Program - expand access to health care for children		√ ¹
Outreach and Enrollment for Medicaid and HealthWave Eligibility through Online Screening Tool, and Increased Awareness and Education	√	
Continuation of Statewide Health Information Exchange	√	
Provide Greater Health Information Transparency for Consumers	√ ²	
Extend the Enhanced Care Management Pilot Project	√	
Extend the Community Health Record Pilot Program	√	
Allow Coverage for Dental Service to Adults in Kansas Medicaid		√ ³
Provide Childhood Obesity Counseling through Kansas Medicaid		√
Develop a Long Term Care Partnership Program		√ ⁴

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- 3 Additional information located on pg. 4
- 4 Additional information located on pg. 4

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SIGNIFICANT SUPPORT FOR OPERATIONS:

- **Request: Add staff to the Medicaid Eligibility Clearinghouse** to process applications within the mandated timelines and conduct quality reviews of HealthWave determinations. KHPA requested additional state and contract staff via a supplemental request for FY 2007 for \$496,000 SGF, and an enhancement for FY 2008 for \$573,000 SGF. New federal guidelines regarding citizenship and identification requirements have placed an unfunded burden on our Clearinghouse resulting in a backlog of 14,000 Medicaid and SCHIP applications. Approximately 18,000 to 20,000 beneficiaries have lost coverage due to the backlog. Hiring new staff is the only solution, as KHPA has exhausted other options such as utilizing funds specified for other projects within the contract.

√ **2007 Legislative Action:** *Kansas Health Policy Authority received an additional \$81,105 SGF for FY 2007 and \$623,731 SGF for FY 2008. These funds will allow additional state staff and contract staff to reduce the backlog and address additional volume-related issues at the Clearinghouse. The goal is to have the backlog eliminated by January 1, 2008.*

- **Request: Complete staffing and infrastructure for the Authority** to operate as an independent agency, and as the single state agency responsible for the Medicaid program. In order to fulfill the agency's mission, KHPA requested 22 staff via a supplemental for FY 2007 for \$531,000 SGF and 20 additional staff via an enhancement for FY 2008 bringing the annual SGF to \$813,000. Positions requested are mainly in the areas of finance, accounting, and oversight. These resources are the minimum necessary to ensure the financial integrity of the programs that the Authority administers.

√ **2007 Legislative Action:** *With the 2007 Kansas Legislature's and Governor's actions, the Authority has nearly completed its staffing and infrastructure support. As new responsibilities were added to the Authority's purview, funding in both FY 2007 and FY 2008 for additional 31 staff positions was provided to the Authority to assist in its mission and maintain the integrity of its programs and increased duties. The Authority received \$265,297 SGF, comprising of 11 positions, for FY 2007, and \$600,000 SGF for 20 positions was received for FY 2008.*

- **Request: Develop a data management and policy analysis program** that promotes data driven health policy decisions, improving health care efficiency, lowering health care costs, and improving overall health status. In an enhancement for FY 2008 for \$385,000 SGF, the Authority proposed to contract for the development of a data analytic interface that will bring various data sets together and provide staff with tools to access the data quickly and in more meaningful ways. Using data to analyze the efficiency and quality of health care services will enhance the ability of the state to better control health care costs in the public and potentially private sector, as well as increase the quality of health care.

√ **2007 Legislative Action:** *The Authority received its full request of \$385,000 SGF for FY 2008 to develop a data analytic interface. Making data-driven health policy decisions was one of the very reasons why the Authority was created. Data is essential for policymakers to make decisions that affect hundreds of thousands of Kansans. This data management and policy analysis program will lead the Authority and the State in this direction.*

SIGNIFICANT SUPPORT FOR PROGRAMS:

- **Request: Expand access to health care for children through the creation of a "Healthy Kansas First Five" Program,** which would expand low-cost insurance options through HealthWave to children age five and under from low and moderate income families who lack health insurance (\$4.0 million SGF / \$10.0 million All Funds).

2007 Legislative Action¹: *This was an item the Governor put in her budget recommendation. However, the Legislature did not include it in the final budget and omnibus bill.*

√ **House Sub. For SB 11 and Premium Assistance.** *House Substitute for SB 11 was the large health reform legislation passed unanimously by both the House and Senate. The Health Policy Authority Board, embracing the Governor's challenge of access for all and heeding upon the encouragement of*

members of the Legislature, formed the Health for All Kansans Steering Committee. The committee, composed of legislators, Board members, KHPA staff, members of the public and the Governor's Office, reviewed health reform proposals and developed a Short Term and Long Term Consensus Package, which was advanced by the Legislature. The elements of the package eventually became components of House Substitute for SB 11 and funded items within KHPA-requested budget initiatives. This piece of legislation was unanimously passed by both the House (120-0) and Senate (38-0) and now awaits the Governor's signature.

One of the largest elements of the legislation included a premium assistance program which expands access to private health insurance by subsidizing federal and state dollars for over 24,000 Kansas adults, placing children and adults into a "medical home." Funding for the first year of the four-year phased-in premium assistance plan, \$500,000 SGF, was included in the omnibus bill.

Another element of the bill was enabling legislation that directs the KHPA to develop broader health reform options with the assistance of Kansas stakeholders and independent economic impact analysis. SB 11 also creates an Inspector General to prevent fraud, waste, and abuse in the Kansas Medicaid program, as well as support for increased newborn screening.

Other elements of the Consensus Package appeared in KHPA budget initiatives, including outreach and enrollment for Medicaid and HealthWave, increasing Health Information Technology/Health Information Exchange (HIE/HIT), and promoting price and quality transparency for Kansas consumers. These items, like many other KHPA budget initiatives, were funded and will be moving forward during the coming year.

- **Request: Increase outreach and enrollment for Medicaid and Healthwave eligibility through online screening tool, and increased awareness and education efforts** (\$337,000 SGF / \$823,000 All Funds).
√ 2007 Legislative Action: The Authority received \$200,000 SGF to hire four additional staff that would be placed as outreach workers in key locations, targeting the Medicaid-eligible but not enrolled children.
- **Request: Continuation of statewide Health Information Exchange projects and support of HIE initiatives in other agencies as well, through information sharing and collaboration** (\$373,000 SGF / \$623,000 All Funds).
√ 2007 Legislative Action: There was great support from both the Governor and the Legislature to continue our HIE projects and initiatives. The Authority was given \$750,000 SGF for FY 2008 to continue its focus on information sharing and collaboration.
- **Request: Provide greater health information transparency for consumers** by establishing a two-phase initiative that will collect and make available health and health care data resources to consumers and costs and health care quality information developed by the Data Consortium be publicized for use by purchasers and consumers (\$150,000 SGF).
√ 2007 Legislative Action²: The Governor folded the funding for transparency into the HIT initiative, listed above, and this was funded by the legislature.

SIGNIFICANT SUPPORT FOR KHPA PILOT PROJECTS

- **Request: Extend the Enhanced Care Management (ECM) pilot project** in Sedgwick County, which works with community resources to improve the quality of care and appropriate health care utilization by adult Medicaid beneficiaries with high-cost chronic illnesses (\$500,000 SGF / \$1.0 million All Funds).
√ 2007 Legislative Action: The Legislature approved \$500,000 SGF for extension of the ECM pilot project. The Authority is currently evaluating the program and examining the future implications of such a program.

- **Request: Extend the Community Health Record (CHR) pilot program** and the information learned from the program will be examined to evaluate the impact of the information technology on Medicaid providers and beneficiaries (\$125,000 SGF / \$250,000 All Funds).

√ **2007 Legislative Action:** *The Authority received \$125,000 SGF to extend the CHR pilot program. Evaluation of the program will determine the results of the project and how it can be implemented on a larger basis.*

LIMITED LEGISLATIVE ACTION:

- **Request: Allow coverage for dental services to adults** who are currently enrolled in the Kansas Medicaid program (\$3.5 million SGF / \$8.8 million All Funds).

2007 Legislative Action³: *The Authority did not receive any funding for this item. However, the Authority did support funding for the Department on Aging for individuals on the Frail Elderly (FE) waiver to provide them with dental preventive services and dentures.*

- **Provide childhood obesity counseling through Kansas Medicaid**, which would include incentives for primary care providers to monitor body mass index, diet and physical activity (\$590,000 SGF / \$1,475,000 All Funds).

2007 Legislative Action: *The Governor included this item in the budget recommendation. However, the Legislature did not include it in the final budget or omnibus bill. There was legislation that would form the Kansas Task Force on Obesity Prevention and Management within the Kansas Department of Health and Environment. It did not receive full debate on the Senate floor or a vote for final action.*

- **Develop a Long Term Care (LTC) Partnership program** between KHPA, as the Medicaid agency, and the Kansas Insurance Department to encourage people to purchase LTC insurance policies (\$104,000 SGF / \$208,000 All Funds).

2007 Legislative Action⁴: *The LTC Partnership was already begun at the beginning of the legislative session.*

Summary of House Substitute for SB 11

Medicaid Reform Goals: Encourages the Kansas Health Policy Authority with consultation of the Joint Health Policy Oversight Committee to consider as part of health reform in Kansas various Medicaid reform options provided through the Deficit Reduction Act. Medicaid reforms should result in improved health outcomes for beneficiaries and encourage primary and preventive care which will result in cost savings for the State.

KHPA enabling legislation – Part of consensus package by the Health for All Kansans Steering Committee, this language allows for a study of various health reform options, including a health insurance connector, to be provided to the Legislature and Governor in November, 2007.

Health Insurance Studies – (A) Request for the Insurance Commissioner to conduct a study to extend from 6 months to 18 months the state COBRA plan. Study is to be delivered to the KHPA and the Joint Health Policy Oversight Committee; and (B) Interim study appointed by the Legislative Coordinating Committee during the interim committee to examine tax policies including Health Earned Income Tax Credit for uninsured, deductibility of cobra policies, and other tax policies.

Establishes a Premium Assistance program – Provides assistance to low income uninsured families, up to 100% of the federal poverty level, to purchase health insurance through the private sector, which would be phased in over four years and subject to appropriations. Premium assistance would be provided, when available, through existing employer plans or through state procured private health insurance plans that will be the actuarial equivalent of the State Employee Health Benefit Plan.

Safety Net Clinic Capital Loan Guarantee Act – Authorizes the Secretary of Health and Environment to provide capitol loan guarantees against risk of default for eligible primary care safety net clinics in Kansas. The aggregate outstanding principal amount for any single borrowing organization cannot exceed \$ 3 million with the total aggregate outstanding amount for all loan guarantees not exceeding \$15 million.

Third Party Liability legislation for compliance with Deficit Reduction Act mandate –Required by CMS for Kansas to be in compliance with federal law, this provision puts Kansas in compliance with the federal requirements set out in the Deficit Reduction Act of 2005 which requires states to enact laws that require third party payers to comply with federal law.

Encourage Section 125 Plans – Establishes the Small Employer Cafeteria Plan Development Program to encourage and expand the use of cafeteria plans authorized by 26 U.S.C. 125.

Encourage Small Businesses to Purchase Health Insurance – Provides grants and loans through a fund of \$500,000 to startup association plans (subject to all state health insurance mandates) targeted to specific groups, such as small business.

Creation of Inspector General for the Kansas Medicaid Program – Creates an Inspector General within the KHPA to prevent waste, fraud, and abuse within the Medicaid program.

Additional Provisions added through Conference Committee Agreement

- **Cancer Registry & Umbilical Cord Donation Act** – Gives new authority to the Secretary of Health and Environment to authorize the use of confidential data in the Cancer Registry for the State of Kansas to conduct follow-up of cases for public health purposes. Also establishes the Umbilical Cord Donation Information Act, which among other things, would require health care providers who deliver services to pregnant women in their last trimester to advise those women on the options available to donate an umbilical cord following the delivery of their child.
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Establish a Dispute Resolution Process for State Fire Marshall for medical care facilities, adult care homes, assisted living facilities or special hospitals – Establishes a two-tiered informal dispute resolution process for deficiencies cited in a medical care facility, adult care home, assisted living facility, or special hospital by an officer of the State Fire Marshal during an inspection for compliance with federal law pursuant to oversight by the Centers for Medicaid and Medicare Services.

- **Adult Care Home Administrator Licensing** – Allows the Board of Adult Care Home Administrators to grant a license to an individual already licensed as an adult care home administrator in another state if certain conditions are met.
- **Physical Therapy Referral Requirement & Newborn Screening** –Amends statutes that govern the practice of physical therapy to improve access to those services. Also, requires newborn screening tests for the disorders recommended in the 2005 report by the American College of Medical Genetics entitled “Newborn Screening: Toward a Uniform Screening Panel and System” increasing the number of tests from four to twenty-nine.
- **Durable Medical Equipment Distribution & Vaccination by Pharmacists** –Amends the Pharmacy Act to create new requirements for wholesale drug registrants and to separate registration requirements for wholesale drug distributors from requirements for durable medical equipment distributors. The bill also would amend the Pharmacy Act in regard to pharmacists’ authorization to administer vaccines to persons 18 years of age or older. Finally, the bill would authorize certain pharmacy students and interns to administer vaccines.