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Kansas Health Policy Authority Summary of House Substitute for SB 11

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.

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

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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.
- **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.