

*Coordinating health & health care  
for a thriving Kansas*



# 2007 KHPA Board Health Reform Recommendations: Presented to the Senate Caucus

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# Health Reform Overview

- Challenges with current health system
  - Data Snap shot
- Health Reform in Kansas
  - 21 KHPA health reform recommendations
- Discussion

# Challenges with our Health System

- Rising health care costs and chronic illness
- Uncoordinated, fragmented health care delivery
- Perverse incentives for providers
- Lack of health care cost and quality information for consumers
- Increasing numbers of the uninsured

# Challenges with our Health System

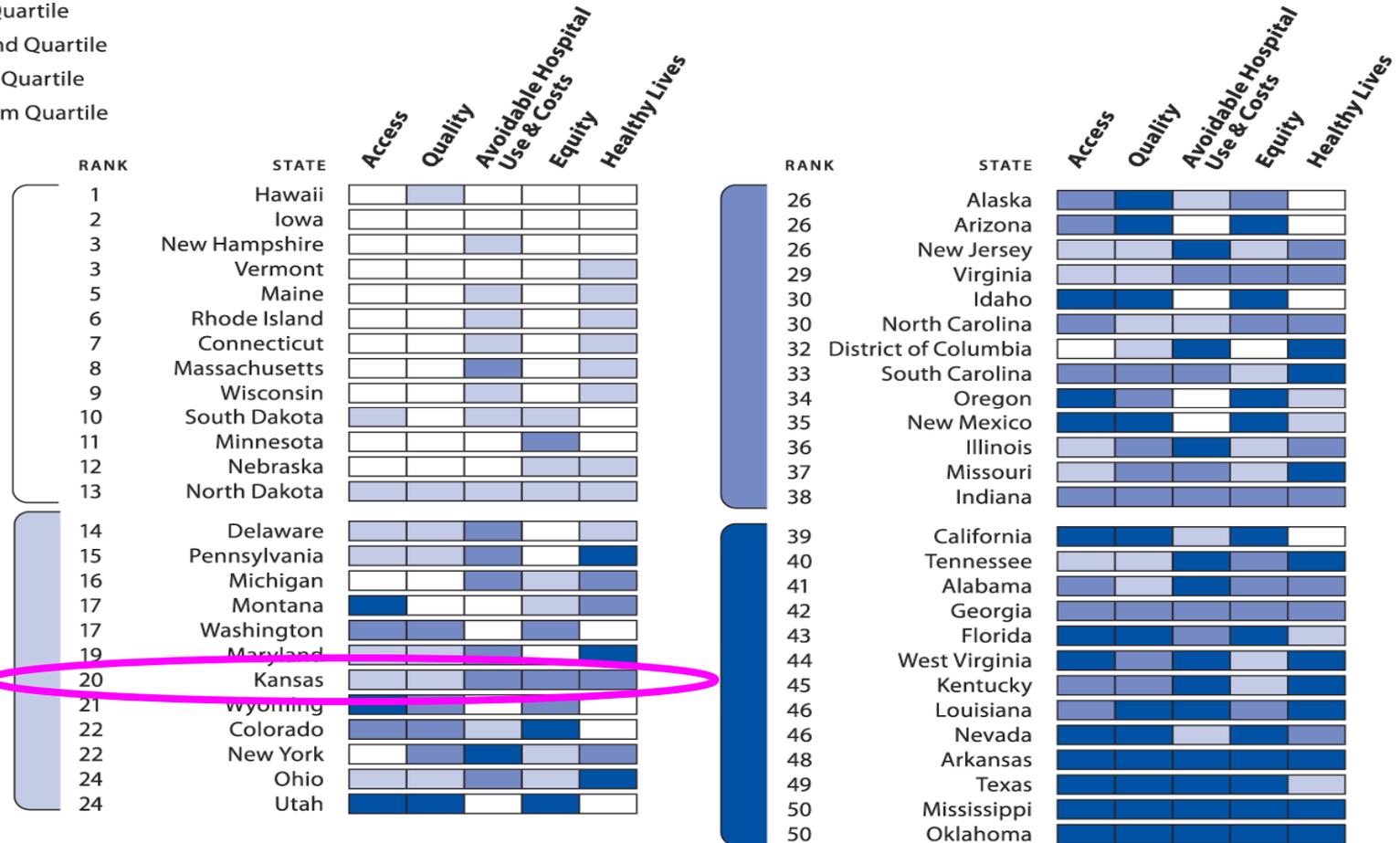
In Kansas and the US

# Health in Kansas: Room for Improvement

## State Scorecard Summary of Health System Performance Across Dimensions

**State Rank**

- Top Quartile
- Second Quartile
- Third Quartile
- Bottom Quartile



SOURCE: Commonwealth Fund State Scorecard on Health System Performance, 2007

# Poor Health = High Costs

## ■ Rise in Health Care Costs

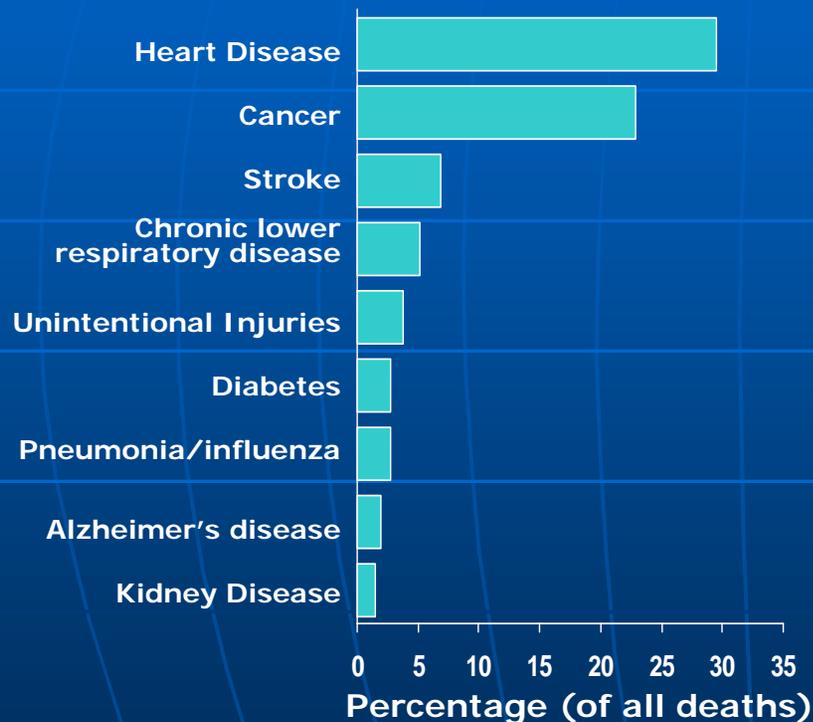
- 75% of spending associated with chronically ill (CDC, Chronic Disease Overview, 2005)
- Nearly 2/3 of rise in spending associated with increases in chronic diseases (The Rise in Health Care Spending and What to Do About It, *Health Affairs* 2005)
- Nearly 30% of cost increase associated with rising obesity rates, which nearly doubled over past 20 years (The Impact of Obesity on Rising Medical Spending, *Health Affairs* 2004)

## ■ Preventive Care

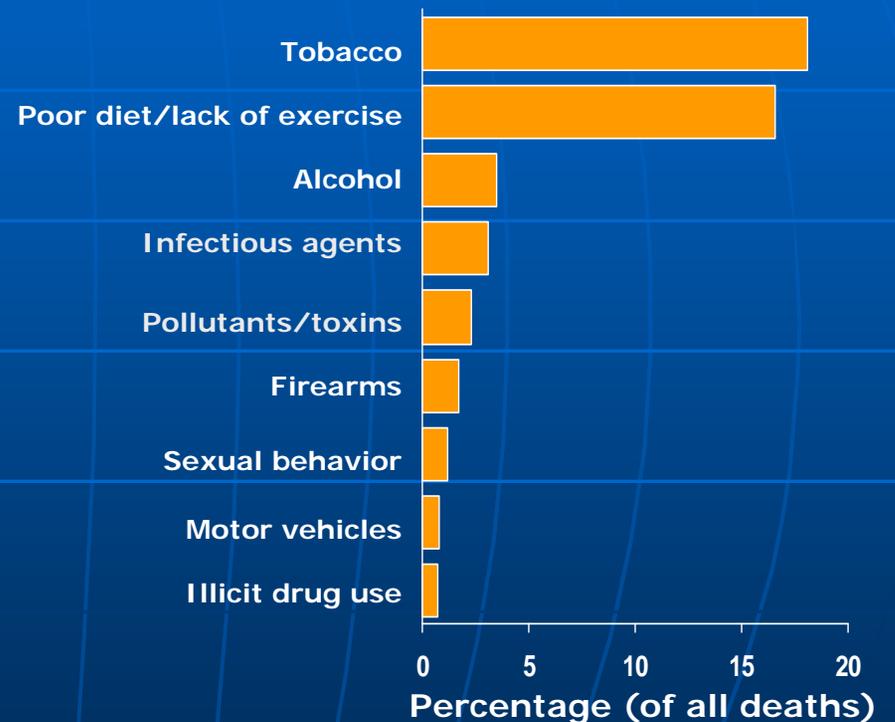
- Chronically ill only receive 56% of clinically recommended preventive care (The Quality of Health Care Delivered to Adults in the U.S., *NEJM* 2003)

# Causes of Death United States, 2000

## Leading Causes of Death\*



## Actual Causes of Death†

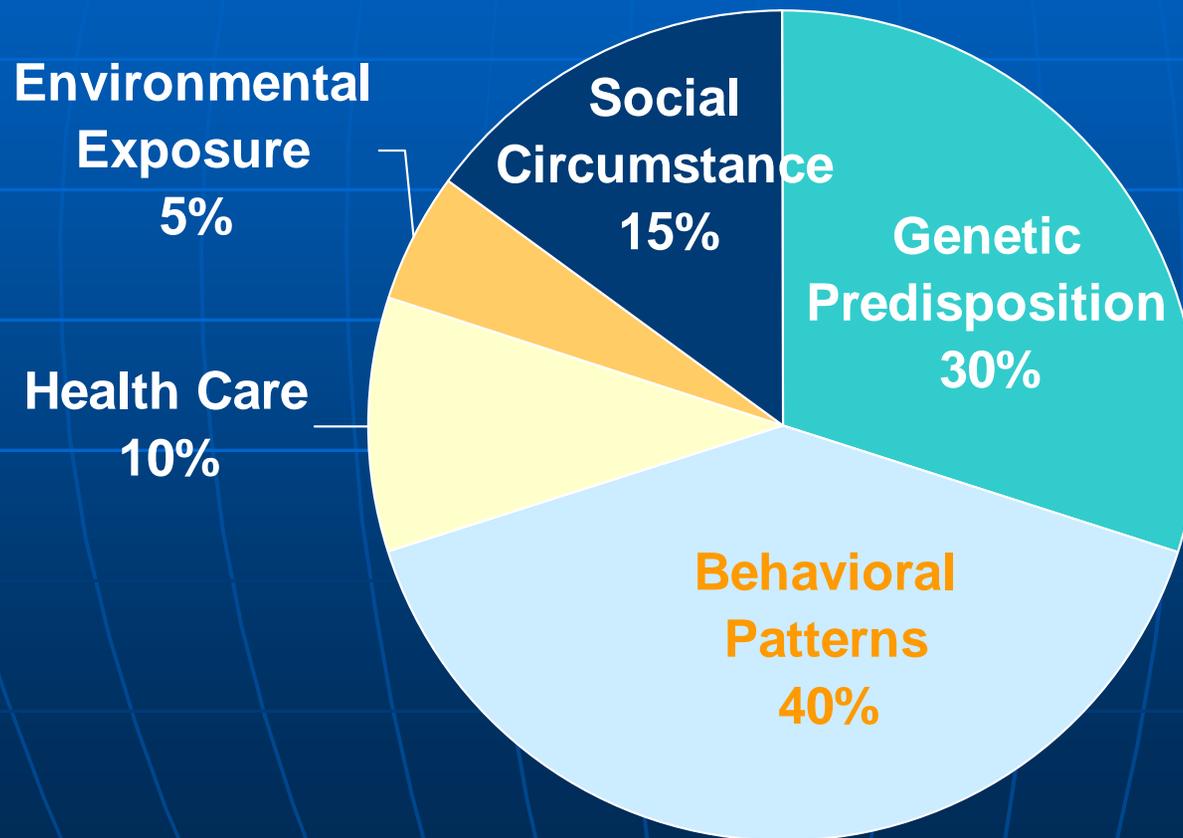


\* National Center for Health Statistics. Mortality Report. Hyattsville, MD: US Department of Health and Human Services; 2002

† Adapted from McGinnis Foege, updated by Mokdad et. al.

# Determinants of Health Status

## Proportional Contribution to Premature Death



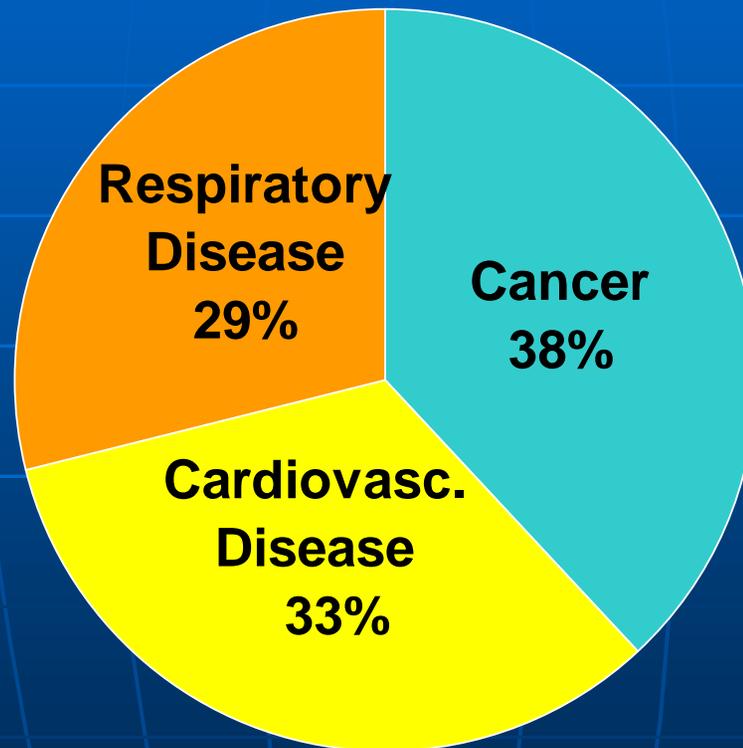
Source: Schroeder SA. N Engl J Med 2007;357:1221-1228

# Tobacco Use in Kansas

- Kansas Adults
  - 20% are current smokers
- KS High School Students
  - 21% are current smokers
  - 15% currently use smokeless tobacco
- KS Middle School Students
  - 6% are current smokers

# Tobacco Related Deaths in Kansas

Average of 3,900 Deaths per Year  
in Kansas Due to Smoking



Source: Smoking Attributable Morbidity, Mortality and Economic Cost, CDC

# Cancer Rates in Kansas

- **Breast and Cervical Cancer**
  - Nearly 400 women die annually
  - Access to timely screening could prevent 60-120 of those deaths
- **Prostate Cancer**
  - Most common cancer among men
  - Over 1,800 cases annually diagnosed
  - 250 men die each year
- **Colorectal Cancer**
  - Average of 550 persons die each year
  - CDC indicates that routine screening can reduce deaths by 60%

# Cost of Tobacco in Kansas

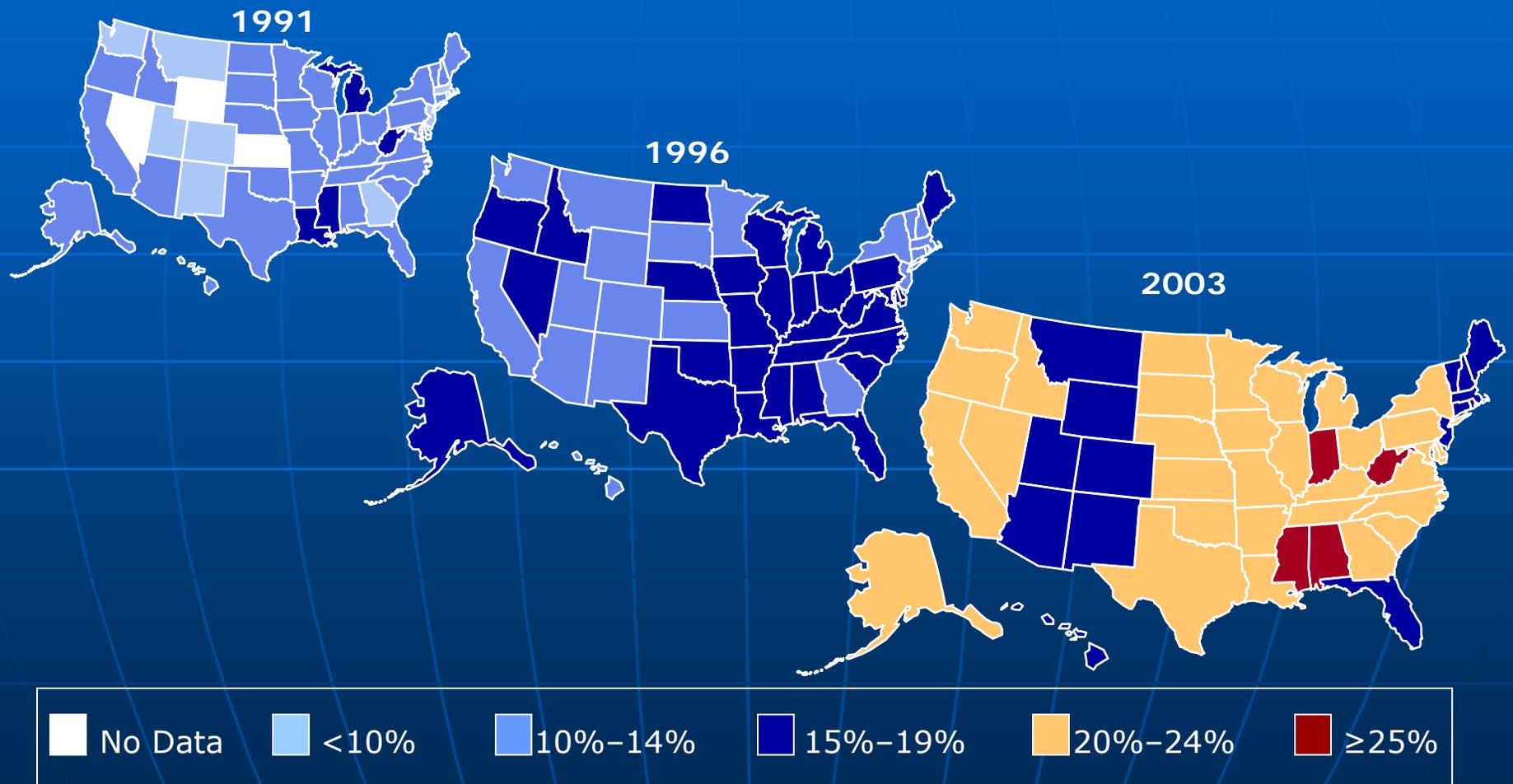
- Causes 4,000 deaths annually in Kansas
- Costs \$930 million in health care costs yearly; \$196 million in Medicaid program alone
- Increase of 10% for pack of cigarettes will decrease tobacco use by 4%
- Majority (64%) of Kansas adults support an increase in tobacco user fee (Sunflower Foundation Poll, 2007)

# Impact of Secondhand Smoke

- *Smoking is the #1 preventable cause of death in Kansas*
- In US, 126 million nonsmokers are exposed to secondhand smoke
- **US children most at risk**; 60% of ages 3-11 are exposed to secondhand smoke
- In KS, 28% of workers are NOT protected by worksite nonsmoking policies

# Obesity Trends\* Among U.S. Adults BRFSS, 1991, 1996, 2003

(\*BMI  $\geq 30$ , or about 30 lbs overweight for 5'4" person)



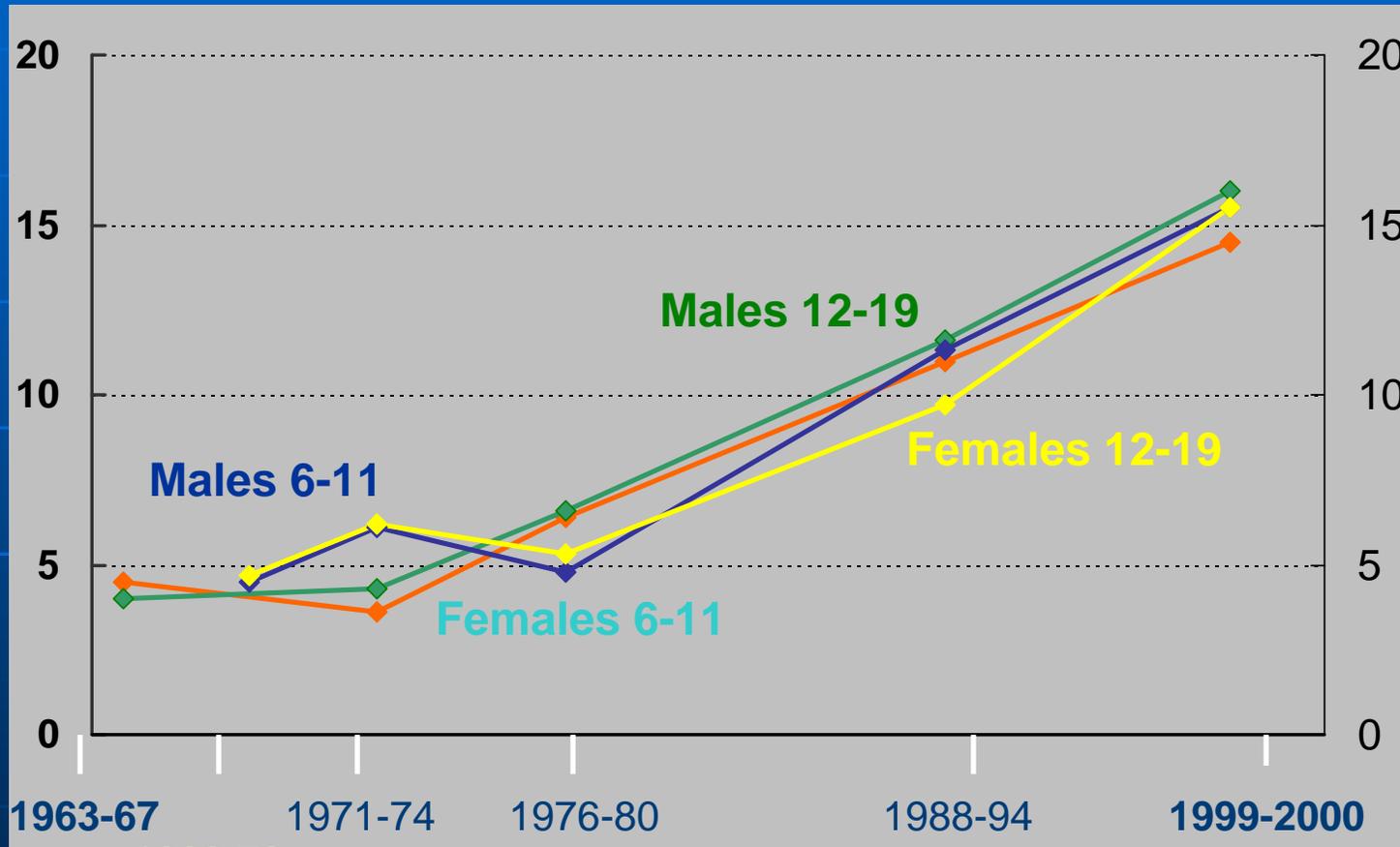
# Obesity and Nutrition in Kansas

- **2/3 of Adults were Overweight or Obese In Kansas (2006)**
  - 36% of adults were overweight
  - 26% of adults were obese
- **Nutrition in Kansas**
  - 23% of adults consumed less than 5 servings of fruits and vegetables in 2000
  - Decreased to less than 20% in 2005

# U.S. Trends for Overweight Children and Adolescents

Percent

Percent



Note: Overweight is defined as BMI  $\geq$  gender- and weight-specific 95th percentile from the 2000 CDC Growth Charts for the United States. Source: National Health Examination Surveys II (ages 6-11) and III (ages 12-17), National Health and Nutrition Examination Surveys I, II, III and 1999-2000, NCHS, CDC.

# Overweight Students in Kansas

- Nearly 1/3 of Kansas students are either overweight or at-risk for being overweight.
- Percent of **overweight students**, 2004-2005:

17%	15%	12%
Elementary	Middle	High

- Percent **at-risk for becoming overweight**, 2004-2005:

15%	17%	13%
Elementary	Middle	High

# Physical Education & Activity in Kansas Schools

- Students NOT meeting recommended levels of physical activity:
  - Elementary School: 39%
  - Middle & High School: 43%
- Students NOT enrolled in daily PE classes:
  - Elementary School: 77%
  - Middle & High School: 54%
- Students NOT exercising or playing sports for 20 minutes during PE class:
  - Elementary: 27%
  - Middle & High School: 11%

# Kansas Schools & Nutrition

## ■ Foods Available in Schools<sup>1</sup>

- Almost 45% of K-12 schools offer a la carte lunch items.
- Just under 60% of K-12 schools and 90% of high schools have vending machines.

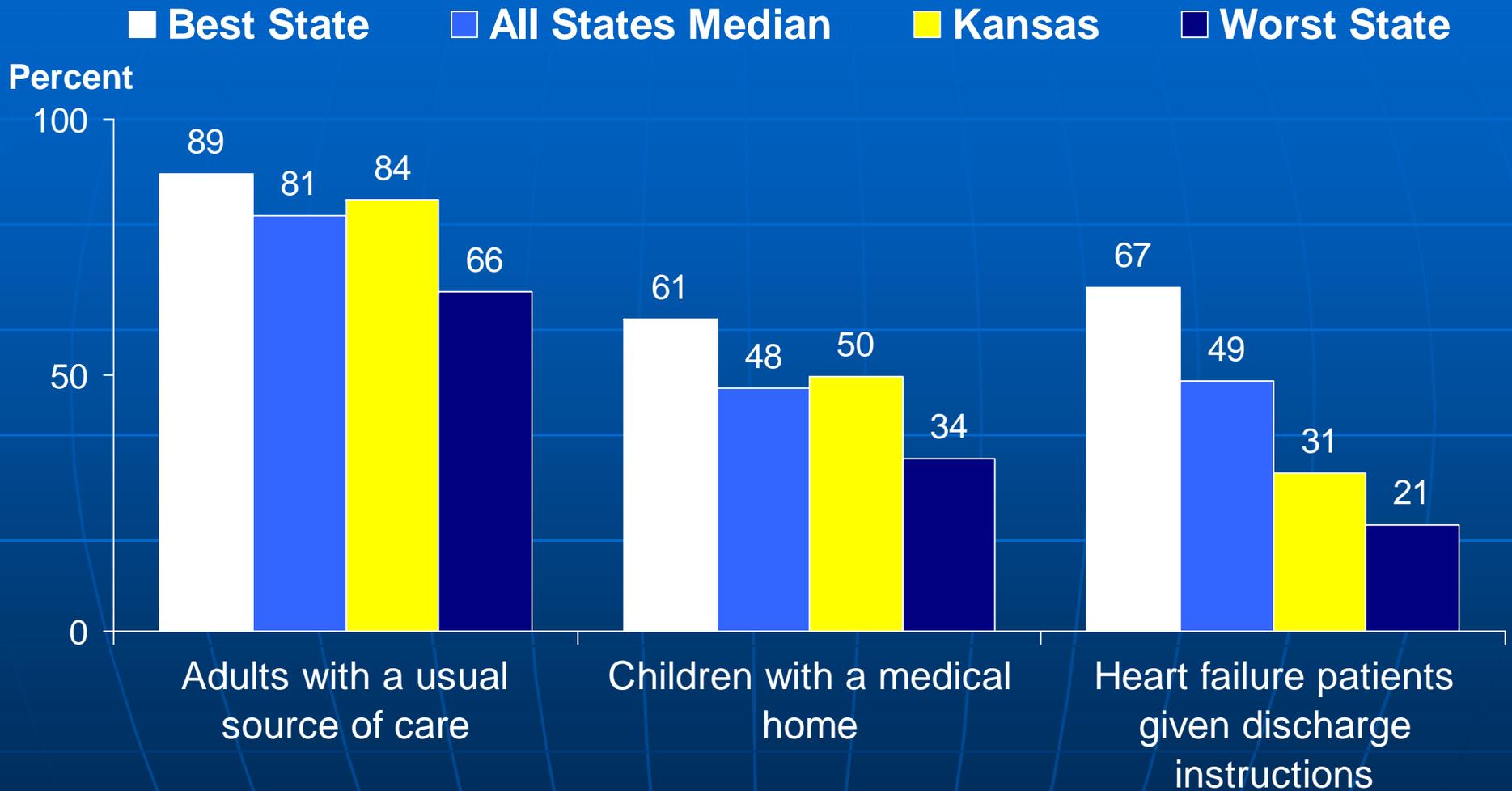
## ■ Nutrition of Students<sup>2</sup>

- Percent of students who eat the recommended five fruits & vegetables each day –
  - Elementary School: 19%
  - Middle School: 22%
  - High School: 18%

Sources: <sup>1</sup>Kimminau, K.S. One Piece of the Childhood Obesity Puzzle: Kansas Public Schools. Kansas Health Institute Issue Brief. 2006. 20: 1-4. <sup>2</sup>2004-2005 Kansas Child Health Assessment and Monitoring Project (K-CHAMP). Kansas Dept of Health and Environment; Office of Health Promotion. Accessed at <http://www.kdheks.gov/bhp/kchamp/data.html>.

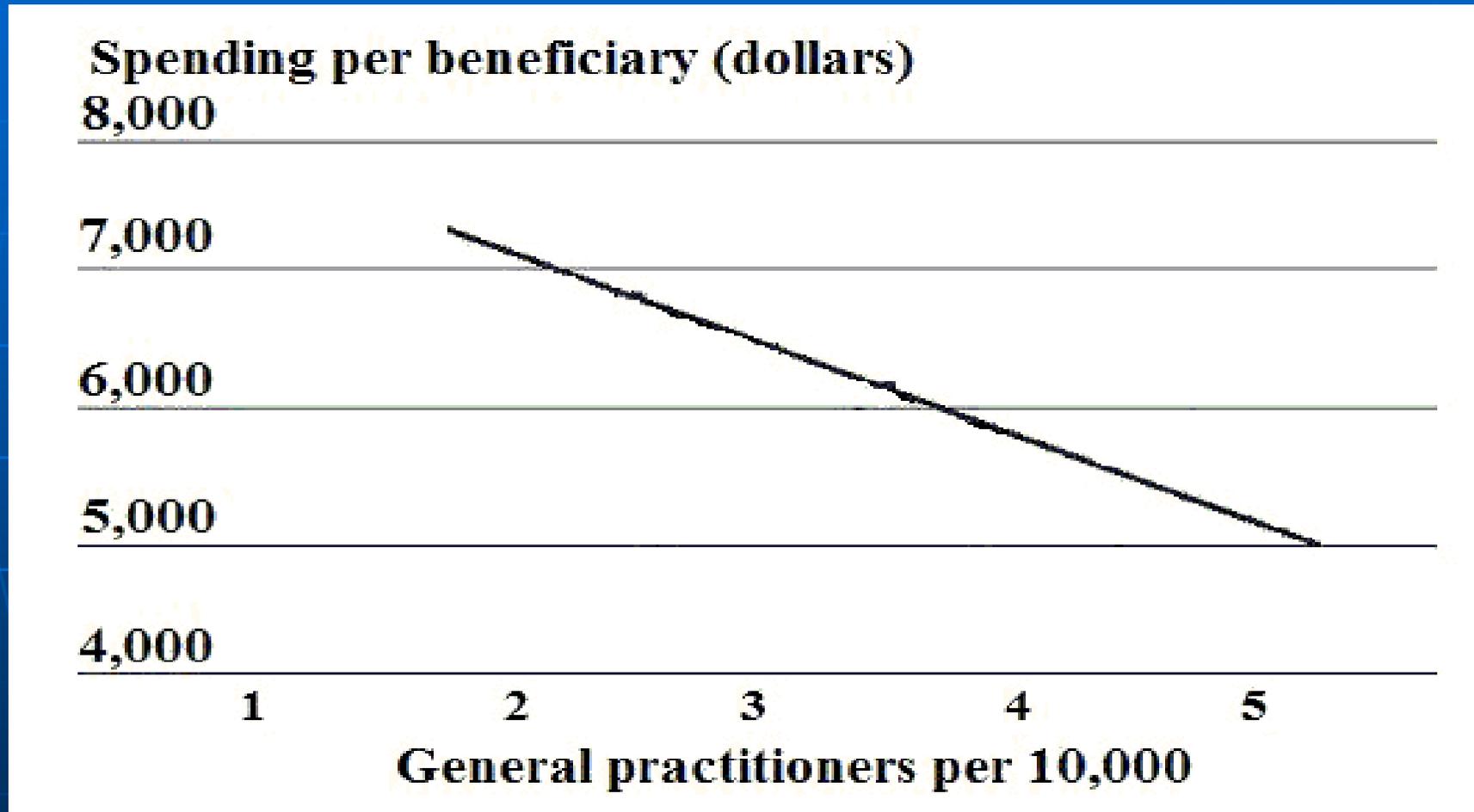
## QUALITY: COORDINATED CARE

# State Variation: Coordination of Care Indicators



DATA: Adult usual source of care – 2002/2004 BRFSS; Child medical home – 2003 National Survey of Children's Health; Heart failure discharge instructions – 2004-2005 CMS Hospital Compare SOURCE: Commonwealth Fund State Scorecard on Health System Performance, 2007

# Primary Care as it Relates to Cost



Source: Baicker K, Chandra A. Health Aff (Millwood) 2004;Suppl Web:W4-184-97

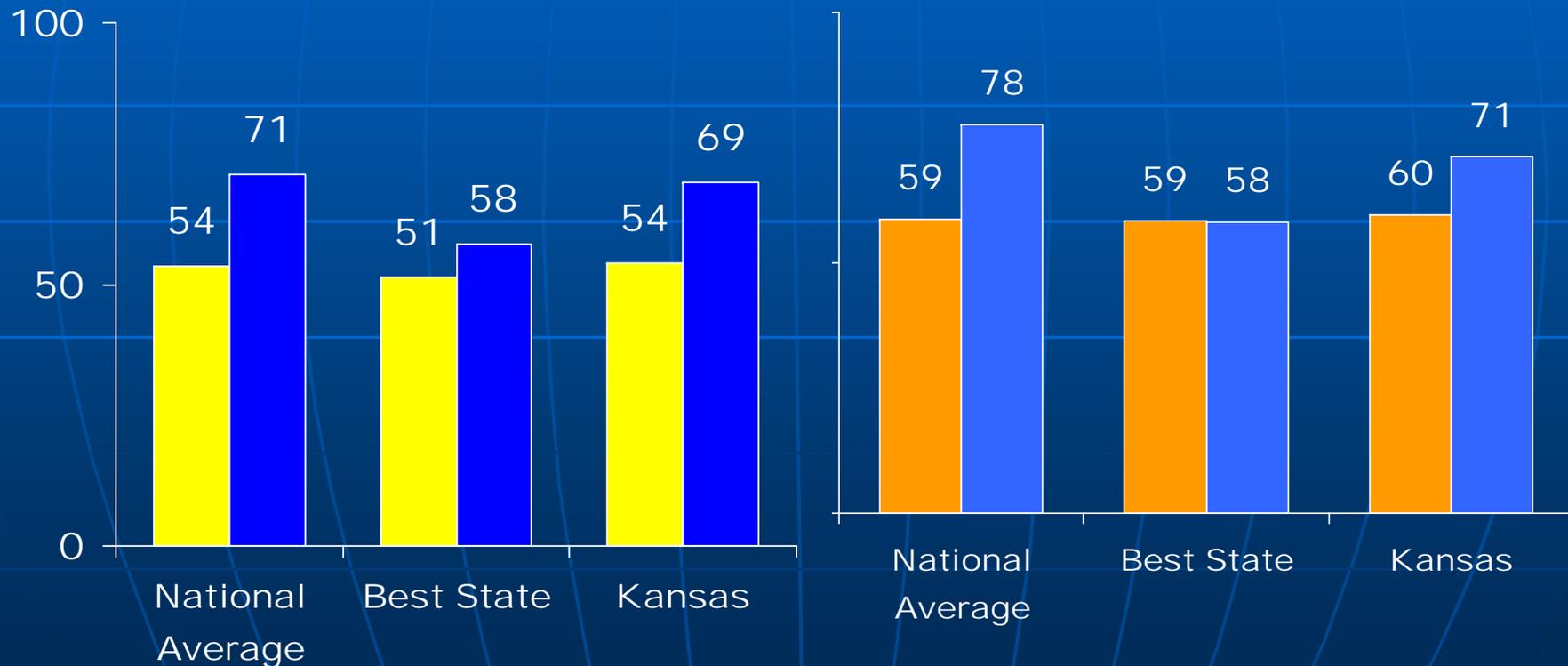
## EQUITY

# Lack of Recommended Preventive Care by Income and Insurance

Percent of adults age 50+ who did NOT receive recommended preventive care  
By income By insurance

■ >200% of poverty ■ 200% of poverty or less

■ Insured ■ Uninsured

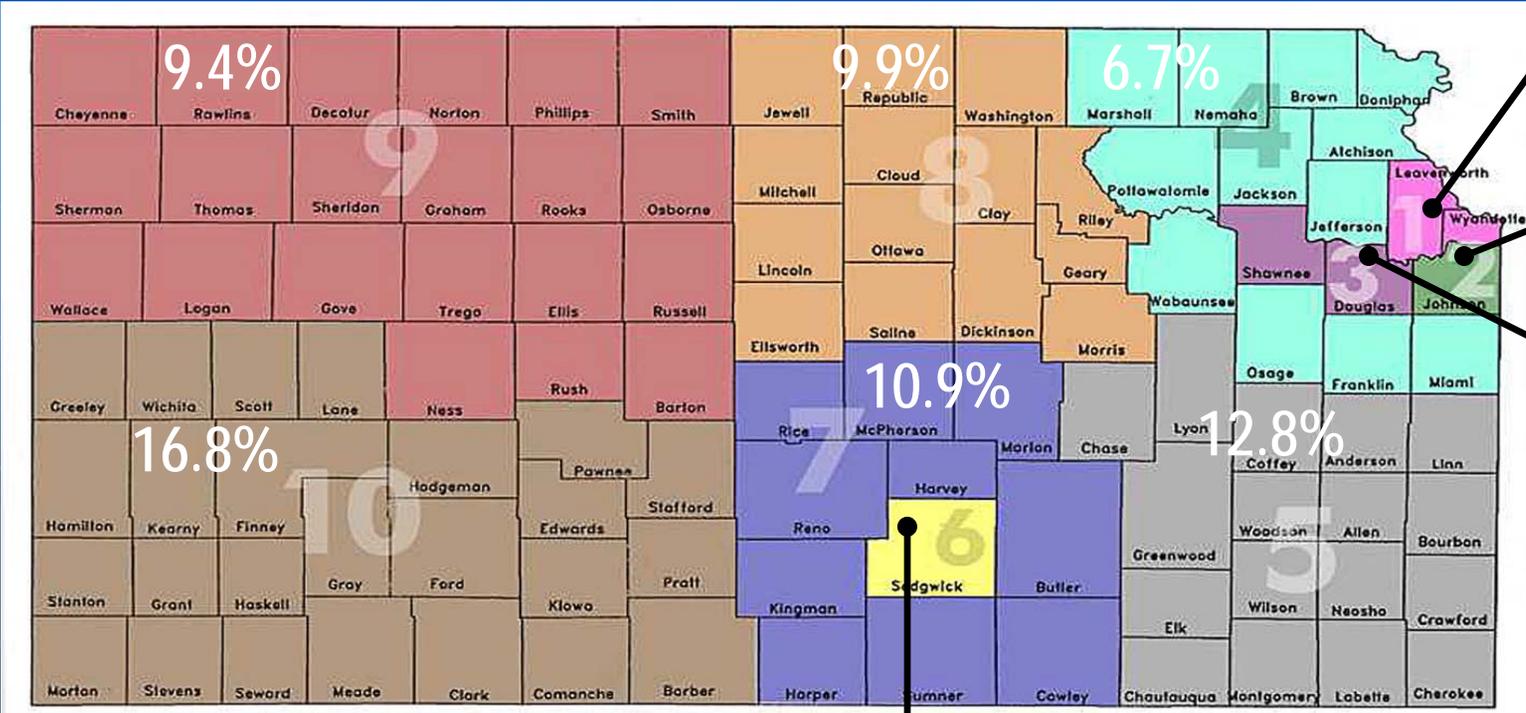


Note: Best state refers to state with smallest gap between national average and low income/uninsured.

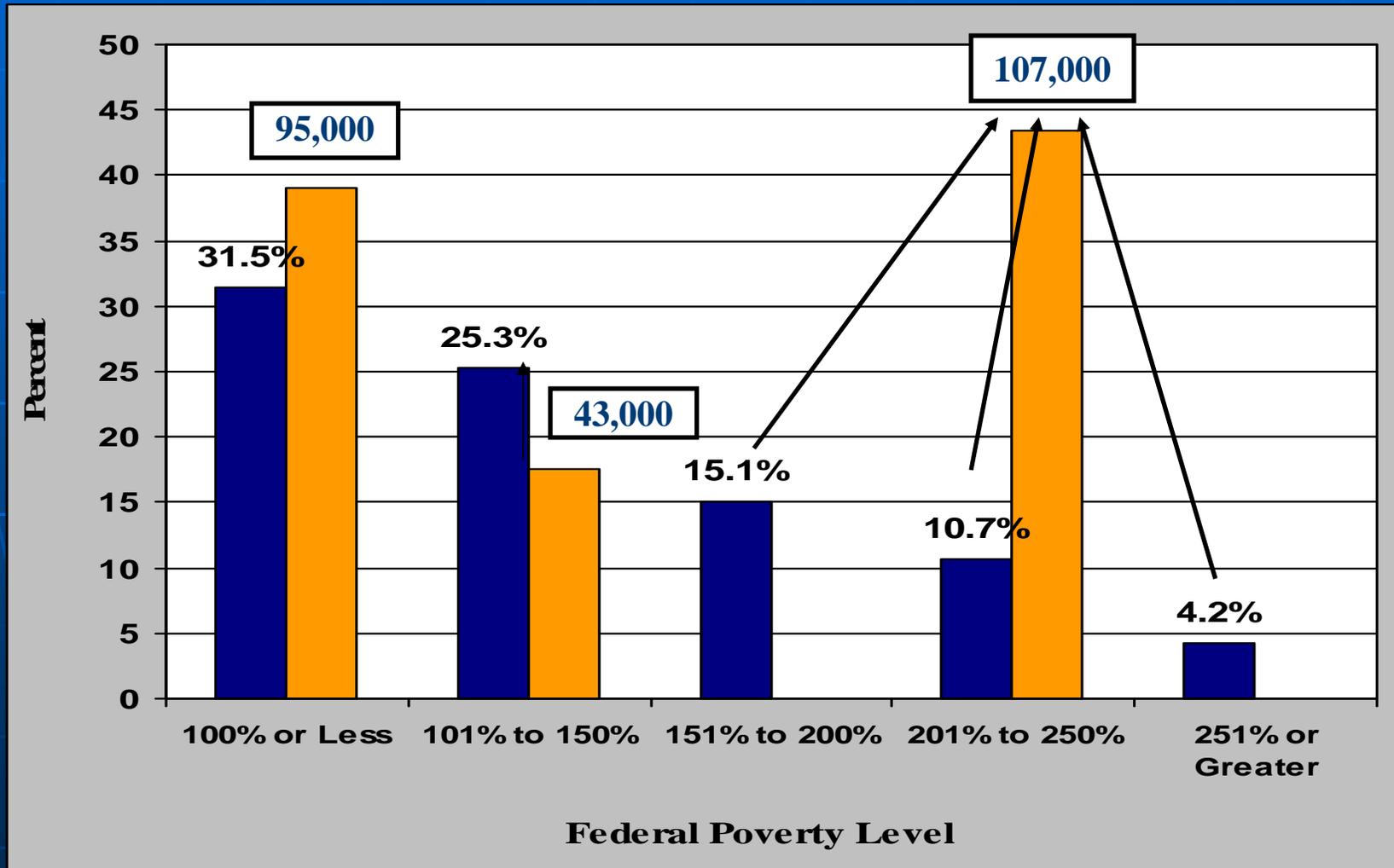
DATA: 2002/2004 BRFSS. SOURCE: Commonwealth Fund State Scorecard on Health System Performance, <sup>22</sup> 2007

# Uninsured Kansans Under Age 65, by Region

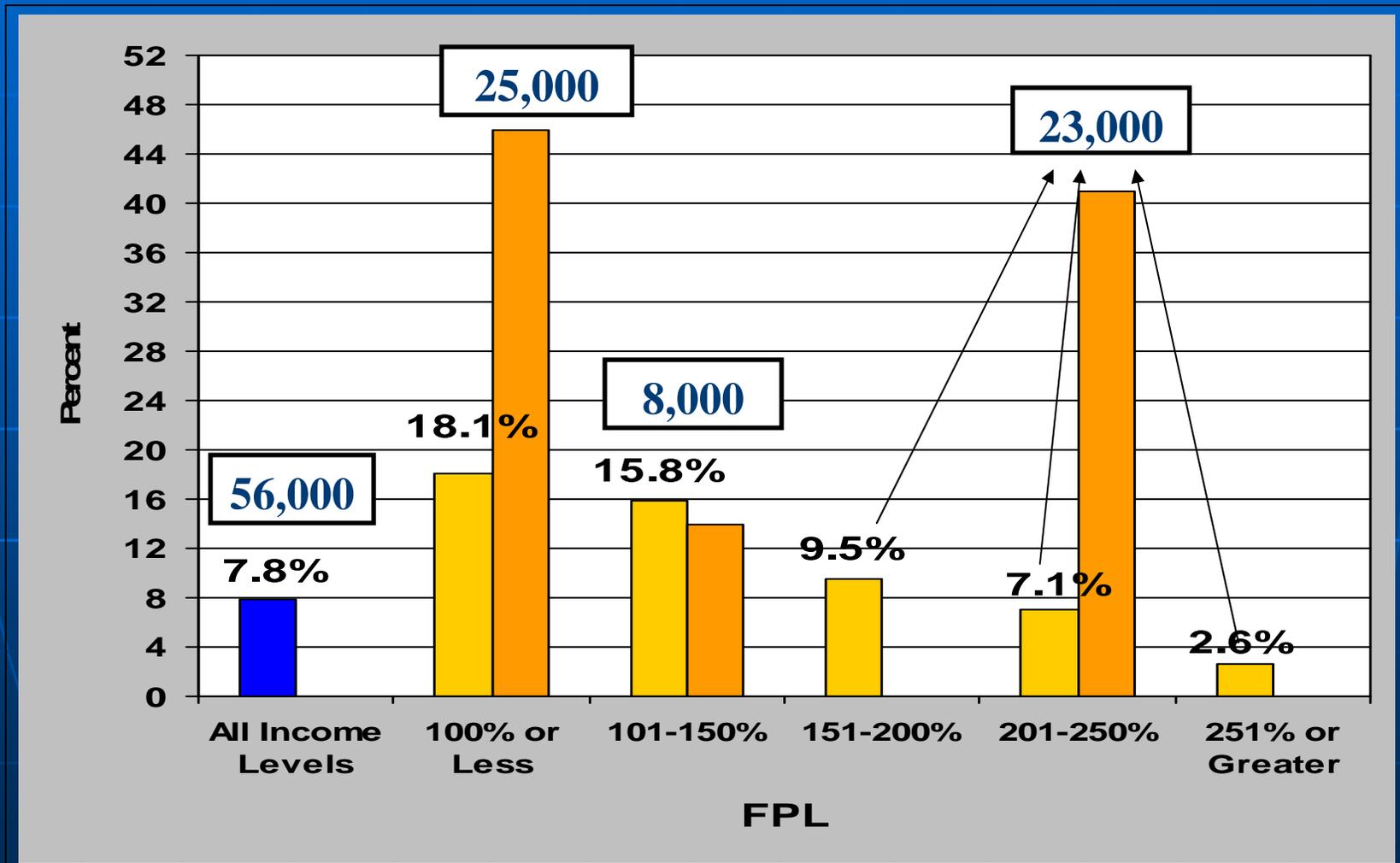
Total Uninsured in Kansas: 10.5%



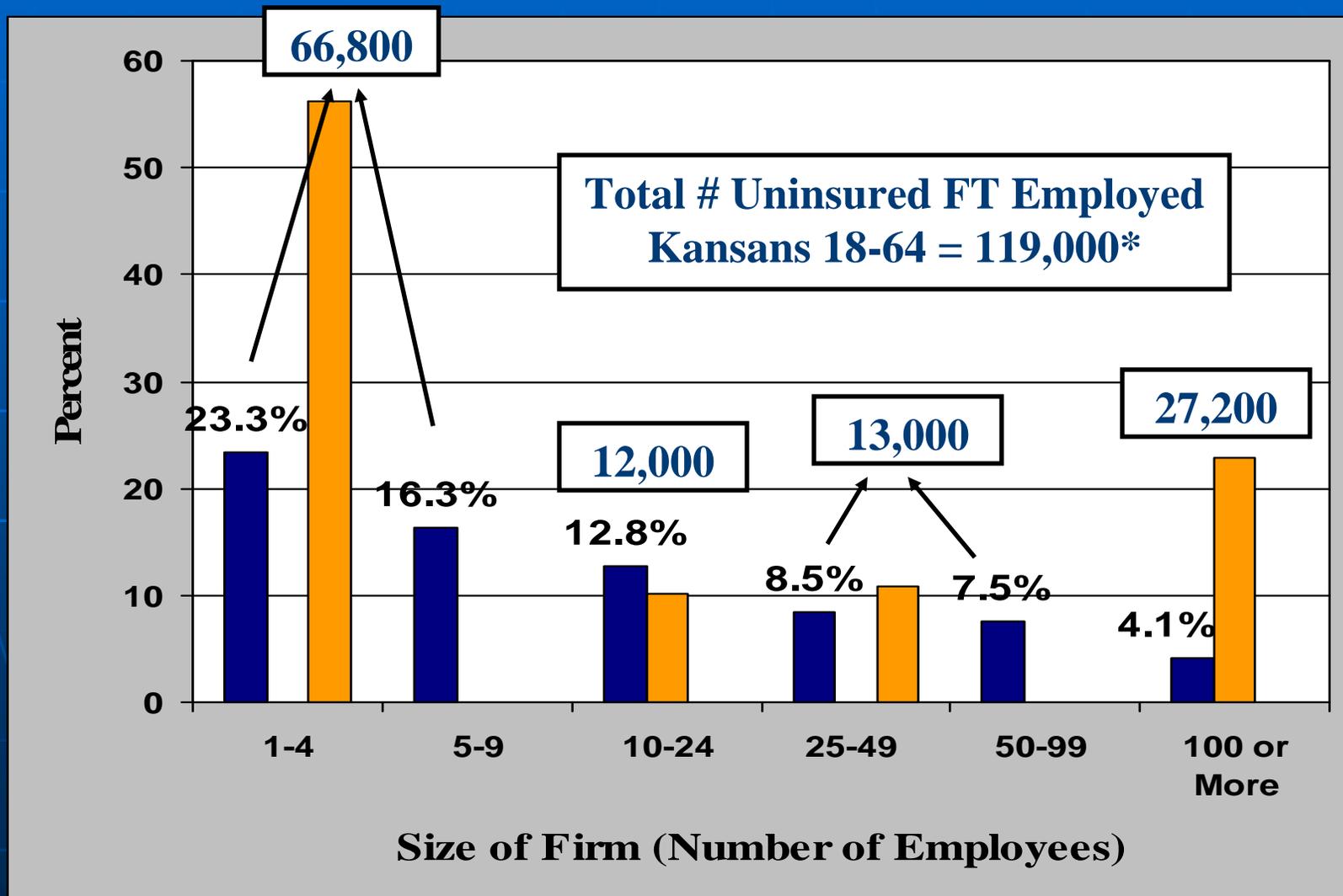
# Uninsured Kansans under Age 65 by Income as a Percent of FPL and Distribution of Uninsured



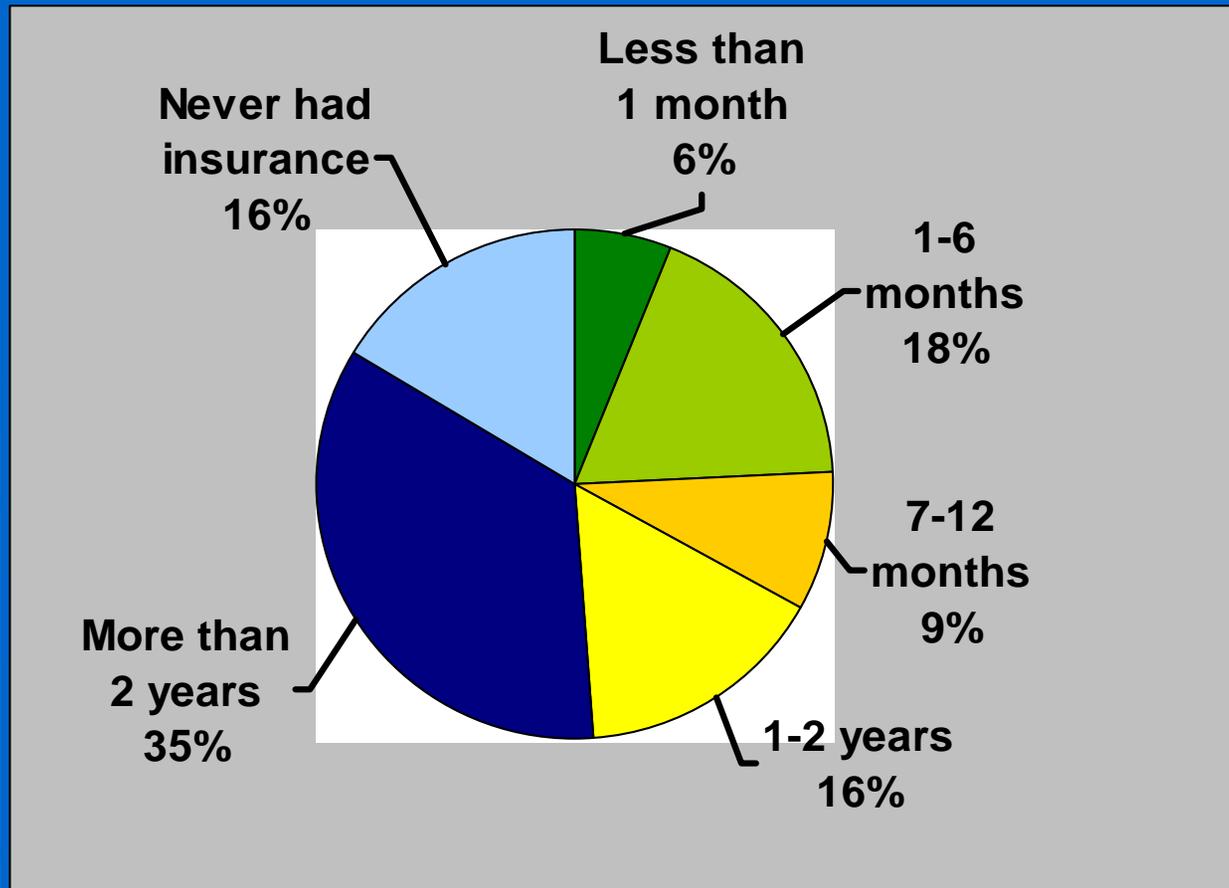
# Uninsured Kansas Children Under Age 65 by Income as a Percent of FPL, and Distribution of Uninsured



# Uninsured Full-Time Employed Kansans Age 18-64 by Size of Firm



# Length of Time Without Health Coverage: Uninsured Kansans Under Age 65



# Health Reform in Kansas

# Kansas Health Reform Overview

- 2005 and 2006: Creation of KHPA
  - Appointment of Board
  - Creation of vision principles and framework
- 2007: Creation of Health for All Kansans Steering Committee
  - Passage of SB 11:
    - Created premium assistance program
    - Outlined development of health reform options
- 2008: Debate Health Reform Options
  - Legislative debate

# KHPA Board 2007 Health Reform Recommendations

Submitted to the Governor and  
Legislature on November 1, 2007

# Goal of Health Reform in Kansas

To improve the *health* of Kansans –not just health insurance or health care – but the *health* of our children, our families, and our communities

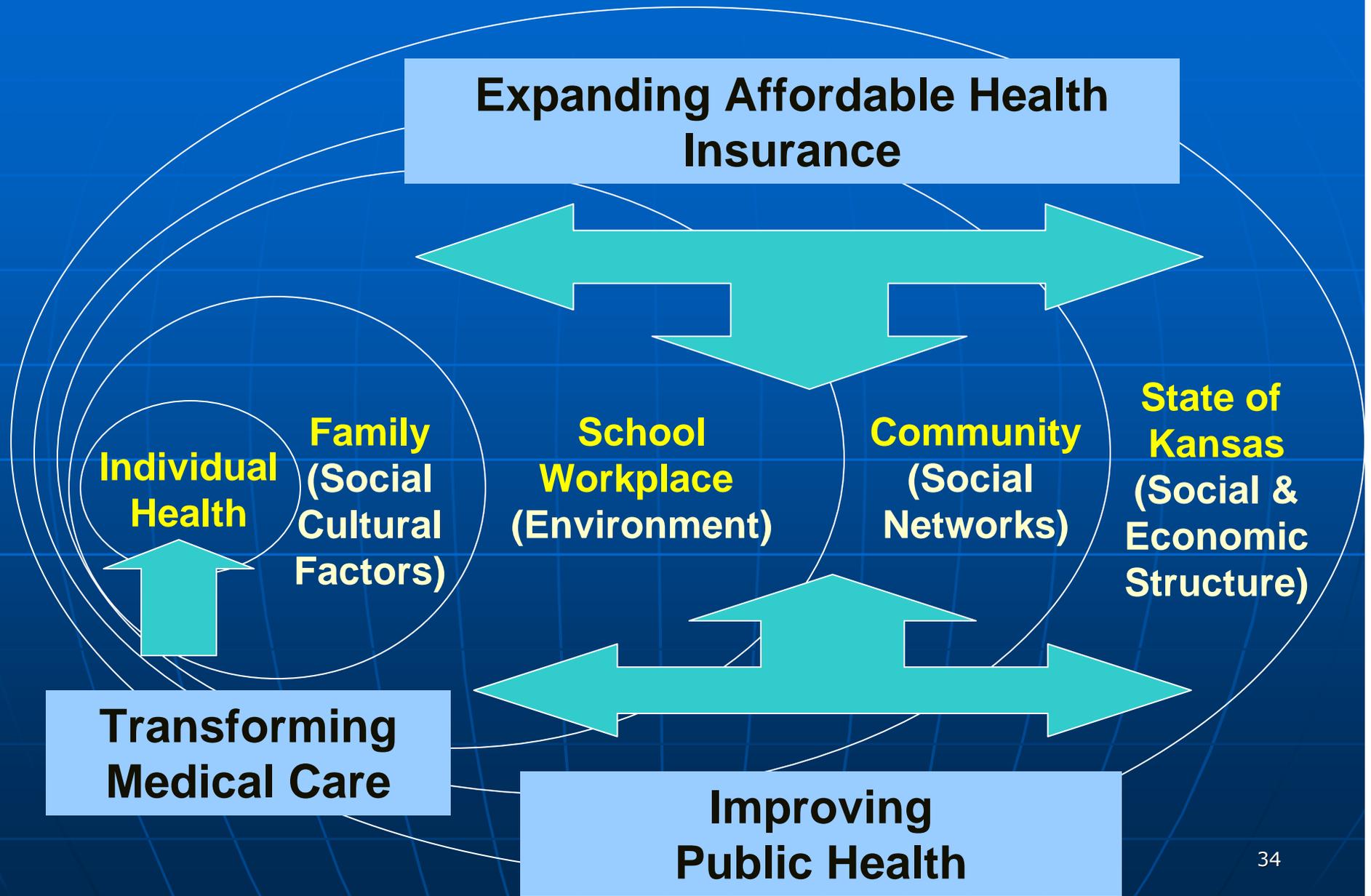
# Stakeholder Input in Health Reform

- **Health Reform Advisory Councils**
  - Consumers, Providers, Purchasers
  - Total: 40 Hours of Public Meetings
- **Health Reform Listening Tour**
  - 22 Cities; July-August 2007
  - Total: Approximately 50 Hours
- **Online Health Reform Suggestion Box**
  - Received over 100 emails since June 2007
- **KHPA 2006 Townhall Meetings**
  - Kansas City, Wichita, Hays, Pittsburg, Garden City
  - Total: 10 Hours of Public Meetings

# KHPA Reform Priorities

- **Promoting personal responsibility (P1)**
  - Responsible health behaviors
  - Informed purchase of health care services
  - Contributing to the cost of health insurance, based on ability to pay the cost of health insurance, based on ability to pay
- **Prevention and medical homes (P2)**
  - Focus on obesity, tobacco control, chronic disease management and incentives for primary care medical homes
- **Providing and protecting affordable health insurance (P3)**
  - Focus on small businesses, children, and the uninsured

# Socioeconomic Framework for Health Status



# P1 Recommendations: Personal Responsibility

## ■ **Improve Health Behaviors**

- Encourage healthy behaviors by individuals, in families, communities, schools, and workplaces
- Policies listed under P2 – pay for prevention

## ■ **Informed Use of Health Services**

- Transparency for consumers – health care cost & quality transparency project
- Promote Health Literacy

## ■ **Shared Financial Contributions** for the cost of health care

- Policies listed under P3

“We need to have a renewed focus on personal responsibility of health care. We cannot have a solution until we change our culture of miracle medicines.”

-- KC Chamber of Commerce Member

# P2 Recommendations: Promoting Medical Home

- **Promote “Medical Home” Model of Care**
  - Define medical home (“home base” for coordinated health care services)
  - Increase Medicaid provider reimbursement for prevention/primary care
  - Implement statewide Community Health Record
  - Promote insurance card standardization

“It’s difficult for a provider to code for Medicaid for obesity counseling. Insurance won’t pay for it. They pay for the diabetes but not the counseling and so people won’t come to the doctor until they have the chronic disease because they have to pay the doctor bill themselves.”

--Emporia Provider at Flint Hills  
Community Health Center

# P2 Recommendations: Pay for Prevention

## ■ **Healthy Behaviors in Families & Communities:**

- Increase tobacco user fee
- Statewide Smoking ban in public places
- Partner with community organizations

## ■ **Healthy Behaviors in Schools:**

- Include Commissioner of Education on KHPA Board
- Collect information on health/fitness of Kansas school children
- Promote healthy food choices in schools
- Increase physical education

# P2 Recommendations: Pay for Prevention

- **Healthy Behaviors in Workplaces:**
  - Wellness grant program for small businesses
  - Healthier food options for state employees
- **Additional Prevention Options:**
  - Provide dental care for pregnant women
  - Improve tobacco cessation within Medicaid
  - Expand cancer screenings

“The most pressing issue is people taking responsibility for living healthy lifestyles. It’s not a health care crisis. It’s a health crisis.”

-- Winfield health care provider

*Providing and Protecting  
Affordable Health  
Insurance*

# P3 Recommendations

## Affordable Health Insurance

### ■ Three targeted initiatives

- Expand private insurance for low-income Kansans through premium assistance program: **Kansas Healthy Choices**
- Improve access to coverage for Kansas children, with specific targets for enrollment
- Increase affordable coverage for solo business owners and other small businesses

“Many gamble. Can you forego health insurance in order to buy land, or farming equipment, or feed [your] family? Many families know it’s not responsible, but they are forced to make that decision.”

--Reno County farmer

# Insurance for Low-Income Kansans: Premium Assistance

- **Details.** Expansion population for the premium assistance program – Childless adults earning up to 100% FPL (\$10,210 annual income)
- **Population Served.** Estimated 39,000 low-income Kansas adults.
- **Estimated Cost.**
  - FY 2012 (first year): \$26M SGF, \$64 AF
  - FY 2013: \$56M SGF, \$140M

# Improve Access to Care for Kansas Children

- **Details.** Aggressive targeting and enrollment of children eligible for Medicaid & HealthWave; includes specific targets and timelines for improved enrollment.
- **Population Served.** Estimated 20K Medicaid & HealthWave eligibles
- **Estimated Cost.** \$14 million SGF

# Increase Affordable Coverage for Small Businesses

- Encourage Sec. 125 plans
- Develop a “voluntary health insurance clearinghouse”
- Define small group market and **provide reinsurance**: obtain grant funding for further analysis
- **Young adult policies** - dependent coverage age extension and development of targeted young adult insurance products
- Pilot projects – support grant program in the Dept of Commerce for **small business health insurance innovations**

# Priorities: System Reform and Better Health

Transforming Medical Care	Improving Public Health	Expanding Affordable Insurance
<ul style="list-style-type: none"><li>■ Transparency project: health care cost and quality</li><li>■ Health literacy</li><li>■ Medical home definition</li><li>■ Medicaid provider reimbursement</li><li>■ Community Health Record (HIE)</li><li>■ Form standardization</li></ul>	<ul style="list-style-type: none"><li>■ Increase tobacco user fee</li><li>■ Statewide smoking ban</li><li>■ Partner with community organizations</li><li>■ Education Commissioner</li><li>■ Collect fitness data in schools</li><li>■ Promote healthy foods in schools</li><li>■ Increase physical fitness</li><li>■ Wellness for small businesses</li><li>■ Healthier food for state employees</li><li>■ Dental care for pregnant women</li><li>■ Tobacco cessation in Medicaid</li><li>■ Expand cancer screening</li></ul>	<ul style="list-style-type: none"><li>■ Aggressive outreach and enrollment of eligible children (target population: 20,000)</li><li>■ Premium assistance for low income adults without children (target population: 39,000)</li><li>■ Small business initiatives (target population: 15,000 young adults and 12,000 employees of small businesses)</li></ul>

# Future of Health Reform in Kansas

# Financing Health Reform

- 21 Health Reform recommendations paid for (minimum five years)"
  - Tobacco User Fee-
    - Fifty cent increase in cigarette tax, indexed to inflation
    - Tobacco products user fee increase
    - Dedicated "Health Reform Fund"
    - FY 2009: \$61,570,000
  - Increase federal matching dollars
- Cost containment - built into majority of proposals
- Long term cost containment linked to improved health status

# Tobacco Taxes in Other States

Handout: "Map of State Cigarette Tax Rates"

- Avg State Cigarette Tax:
  - \$1.11 per pack
- Avg Cigarette Tax in Non-Tobacco States:
  - \$1.22 per pack
- State Taxes Per Pack
  - Kansas: \$0.79; Ranks 33<sup>rd</sup> Nationally
  - Border States:
    - Colorado: \$0.84
    - Iowa: \$1.36
    - Missouri: \$0.17
    - Nebraska: \$0.64
    - Oklahoma: \$1.03

# Benefits of Increased Tobacco Tax in Kansas

## Tobacco Tax Revenue

- 2002 - \$48 Million
- 2003 - \$129 Million  
(169% increase)

## Number of Packs Sold

- 2002 - 200 Million
- 2003 - 164 Million  
(18% decrease)

- Decreases the number of cigarettes sold
- Provides a **reliable and steady revenue source** (see slide 16 -- revenues leveled out around \$120 million after tax increase)

“In advancing these recommendations to the Governor and legislature, the KHPA Board focused on improved health for Kansans, first and foremost. We hope that this health reform package -- with recommendations for promoting personal responsibility, encouraging prevention, and advocating the use of medical homes, together with significant improvements in access to health insurance -- offer meaningful, actionable health reform”.

-- KHPA Board 2007 Health Reform  
Recommendations



A small group of thoughtful people could change the world. Indeed, it's the only thing that ever has.

-- Margaret Mead

<http://www.khpa.ks.gov/>

# Health Reform

Details on the 21  
Recommendations

# P1 (1): Transparency for Consumers: Health Care Cost & Quality Project

- **Details.** Collect and publicize Kansas specific health care quality and cost information measures developed by stakeholders for use by purchasers and consumers.
- **Population Served.** All Kansans
- **Estimated Cost.** \$200,000 SGF (State General Fund) for Phase II of the Transparency project

# P1 (2): Promote Health Literacy

- **Details.** Collect and publicize Kansas specific health care quality and cost information measures developed by stakeholders for use by purchasers and consumers.
- **Population Served.** Medicaid and HealthWave enrollees under care of these providers
- **Estimated Cost.** \$280,000 AF; \$140,000 SGF for pilot program with Medicaid and HealthWave providers

# P2 (1): Define Medical Homes

- **Details.** Develop statutory/regulatory definition of medical home for state-funded health programs (Medicaid, HealthWave, State Employee Health Plan).
- **Population Served.** All beneficiaries of state-funded health care plans.
- **Estimated Cost.** Planning process should incur minimal costs to KHPA

## P2 (2): Increase Medicaid Provider Reimbursements

- **Details.** Increased Medicaid & HealthWave reimbursement for primary care and prevention services.
- **Population Served.** Beneficiaries and providers in Medicaid and HealthWave programs.
- **Estimated Cost.** \$10 million AF (All Funds); \$4 million SGF

## P2 (3): Implement Statewide Community Health Record

- **Details.** Design Statewide Community Health Record to promote coordination and exchange of health information for state funded health programs (Medicaid, HealthWave, State Employee Health Plan)
- **Population Served.** Beneficiaries of state funded health care plans
- **Estimated Cost.** \$1.8 million AF, \$892,460 SGF

## P2 (4): Promote Insurance Card Standardization

- **Details.** Adopt recommendations from Advanced ID Card Project for state-funded health programs
- **Population Served.** Kansans who qualify and are enrolled in state funded health care plans
- **Estimated Cost.** \$172,000 AF; \$86,000 SGF for FY 2009

## P2 (5): Increase Tobacco User Fee

- **Details.** Institute an increase in the tobacco user fee of 50¢ per pack of cigarettes and impose an excise tax on all smokeless tobacco products.
- **Population Served.** Total Kansas population
- **Estimated Cost.** Provides revenues of \$61.57 million or more annually (Dept. of Revenue estimates – 12/07)

## P2 (6): Statewide Ban on Smoking in Public Places

- **Details.** Enact a statewide smoking ban in public; coupled with Governor's Executive Order requiring that all state agencies hold meetings in smoke-free facilities.
- **Population Served.** 1.4 million working adults in Kansas
- **Estimated Cost.** No cost to the State; limited evidence of other cost implications

## P2 (7): Partner with Community Organizations

- **Details.** Expand the volume of community-based health and wellness programs through partnerships between state agencies and community organizations.
- **Population Served.** All residents and visitors to the State of Kansas.
- **Estimated Cost.** Costs dependent upon scope of project (number of organizations)

## P2 (8): Include Commissioner of Education on KHPA Board

- **Details.** Expand the KHPA Board to include an ex-officio seat for the Kansas Commissioner of Education.
- **Population Served.** Kansas school children
- **Estimated Cost.** No costs

## P2 (9): Collect Health/Fitness Information on KS Students

- **Details.** Support the establishment of a state-based surveillance system to monitor trends of overweight, obesity, and fitness status on all public school-aged children in Kansas.
- **Population Served.** Kansas school children (465,135 K-12 students enrolled in 2006-2007 school year)
- **Estimated Cost.** Schools would incur some indirect costs for staff training and body mass index (BMI) measurement

## P2 (10): Promote Healthy Food Choices in Schools

- **Details.** Adopt policies that encourage Kansas school children to select healthy food choices by competitively pricing and marketing these foods and restricting access to foods with little or no nutritional value.
- **Population Served.** Kansas school children (465,135 K-12 students enrolled in 2006-2007 school year)
- **Estimated Cost.** Depending on pricing policies, implementation may reduce or increase revenue generated

## P2 (11): Increase Physical Education

- **Details.** Strengthen physical education requirements and expand Coordinated School Health (CSH) programs.
- **Population Served.** Kansas school children (465,135 K-12 students enrolled in 2006-2007 school year)
- **Estimated Cost.** \$8,500 per participating school; KDHE has requested \$1.8 million SGF for FY 2009 for the CSH program.

## P2 (12): Wellness Grants for Small Businesses

- **Details.** Develop a community grant program to provide technical assistance and startup funds to small businesses to assist them in the development of workplace wellness programs.
- **Population Served.** Kansas employees of small firms
- **Estimated Cost.** \$100,000 SGF for pilot project

## P2 (13): Healthier Food Options for State Employees

- **Details.** Expand healthy food choices in state agency cafeterias and vending machines.
- **Population Served.** Approximately 45,000 state employees
- **Estimated Cost.** Costs depend on contract negotiations and pricing policies

## P2 (14): Dental Care for Pregnant Women

- **Details.** Include coverage of dental health services for pregnant women in the Kansas Medicaid program.
- **Population Served.** Pregnant women enrolled in Medicaid (6,600)
- **Estimated Cost.** \$1.3 million AF;  
\$524,000 SGF

## P2 (15): Improve Tobacco Cessation within Medicaid

- **Details.** Improve access to tobacco cessation programs in the KS Medicaid program to reduce tobacco use, improve health outcomes, and decrease health care costs.
- **Population Served.** Approximately 84,000 Medicaid beneficiaries who smoke.
- **Estimated Cost.** \$500,000 AF; \$200,000 SGF for annual costs

## P2 (16): Expand Cancer Screenings

- **Details.** Increased screenings for breast, cervical, prostate, and colon cancer through expansion of the Early Detection Works (EDW) Program.
- **Population Served.** 7,500 women (for Breast/Cervical screenings); 6,100 men (for Prostate cancer screenings); 12,000 Kansans (for Colorectal cancer screenings)
- **Estimated Cost.** KDHE has requested \$6.7 million SGF for FY 2009 to cover the cost of expansion for all three cancer screenings

# P3 (1): Access to Care for Kansas Children & Young Adults

## ■ Details

- Aggressive targeting and enrollment of children eligible for Medicaid & HealthWave; includes specific targets and timelines for improved enrollment.
- Allow parents to keep young adults on family insurance plans (through age 25).
- Develop Young Adult Policies.

■ **Population Served.** Estimated 20,000 Medicaid/HealthWave eligibles; 15,000 young adults

■ **Estimated Cost.** \$22 million AF;  
\$14 million SGF

# P3 (2): Expand Insurance for Low-Income Kansans

## ■ Details.

- Expansion population for the premium assistance program – Childless adults earning up to 100% FPL (\$10,210 annual income)

## ■ Population Served.

- Estimated 39,000 low-income Kansas adults.

## ■ Estimated Cost.

- FY 2012 (first year): \$26M SGF, \$64 AF
- FY 2013: \$56M SGF, \$140M

# P3 (3): Affordable Coverage for Small Businesses

## ■ Details

- Encourage Sec. 125 plans
- Develop a “voluntary health insurance clearinghouse”
- Define small group market and provide reinsurance: obtain grant funding for further analysis
- Pilot projects – support grant program in the Dept of Commerce for small business health insurance innovations

■ **Population Served.** Estimated 12,000 small business owners and employees

■ **Estimated Cost.** -\$5 million AF (reduction in uncompensated care); \$1 million SGF