

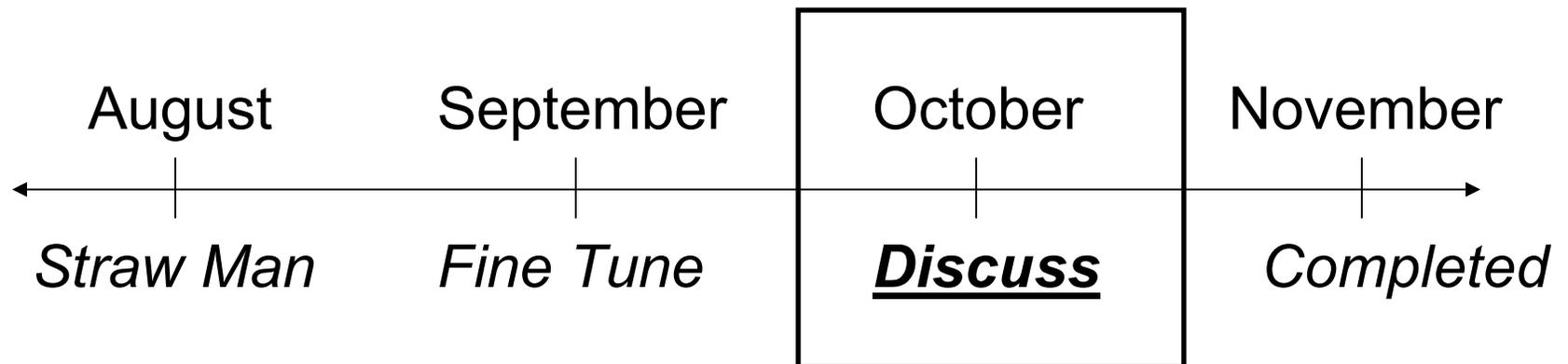


**Kansas Health Reform Options Study:
Providing and Protecting
Affordable Health Insurance
KHPA Board Meeting**

October 16, 2007

Context

- Project Timeline
- Model Evolution



**DRAFT - SUBJECT TO CHANGE
ILLUSTRATIVE ONLY**

Kansas Health Care Reform Study Objectives

Kansas Health Care Reform Option Goals:

1. **Provide and protect affordable health insurance** for all Kansans in order to ensure appropriate access to health care;
2. **Pay for prevention and a primary care medical home** in order to improve health outcomes, coordinate care, and drive down health care costs;
3. **Promote personal responsibility** in order to embrace healthy behaviors and to contribute to the cost of health insurance, based on ability to pay.

We have been hired to help with #1 by developing a model which presents options to providing affordable health insurance.

This project was developed with the financial support of the United Methodist Health Ministry Fund, Sunflower Foundation - Health Care for Kansans, the REACH Healthcare Foundation, and the Health Care Foundation of Greater Kansas City.

Summary of Sept. 25th Board Meeting

- Premium Assistance
 - Expansion population
- Children's Coverage
 - Mandatory versus voluntary model
 - Young adults
- Small Business
 - Section 125 plans
 - Defining small groups
 - Reinsurance
 - Pilot projects

Sequential (As presented Sept. 25th)

Major Differentiator	
<ul style="list-style-type: none"> ▪ 3 Part Health Insurance Reform – Mandatory for Children, Expand SB11, and Connector/Exchange 	
STRUCTURE	POLICY DECISIONS
<ol style="list-style-type: none"> 1. Mandatory Health Insurance for Children: <ul style="list-style-type: none"> ▪ To enroll in School, Children < 19 yrs old must show proof of insurance 2. Expand SB 11 to 150% FPL 3. Market Clearinghouse – Business Health Partnership for Small Group Market: <ul style="list-style-type: none"> ▪ Allow Sole Prop's and Small Group ▪ Require access to Section 125 ▪ Add Subsidized Reinsurance Program to Spread Risk for combined market ▪ Provide Seal of Approval to Products ▪ Maintain Go Bare Provision 	<ol style="list-style-type: none"> 1. Program Design – Market Driven Reform: <ul style="list-style-type: none"> ▪ Establish and Enforce Mandate on Children's Health Insurance ▪ Expand SCHIP to 250% FPL ▪ Expand SB11 to 150% ▪ Affordability & Coverage Standards ▪ Change Kansas Insurance Laws ▪ Establish Reinsurance Program ▪ Determine Reinsurance Funding ▪ Subsidize Small Group/Sole Props < 250% FPL ▪ Require Section 125
ISSUES	
<ul style="list-style-type: none"> ▪ Children's Mandate ▪ Combined Market – Selection v. Level-Playing Field ▪ State Match/Vehicle 	

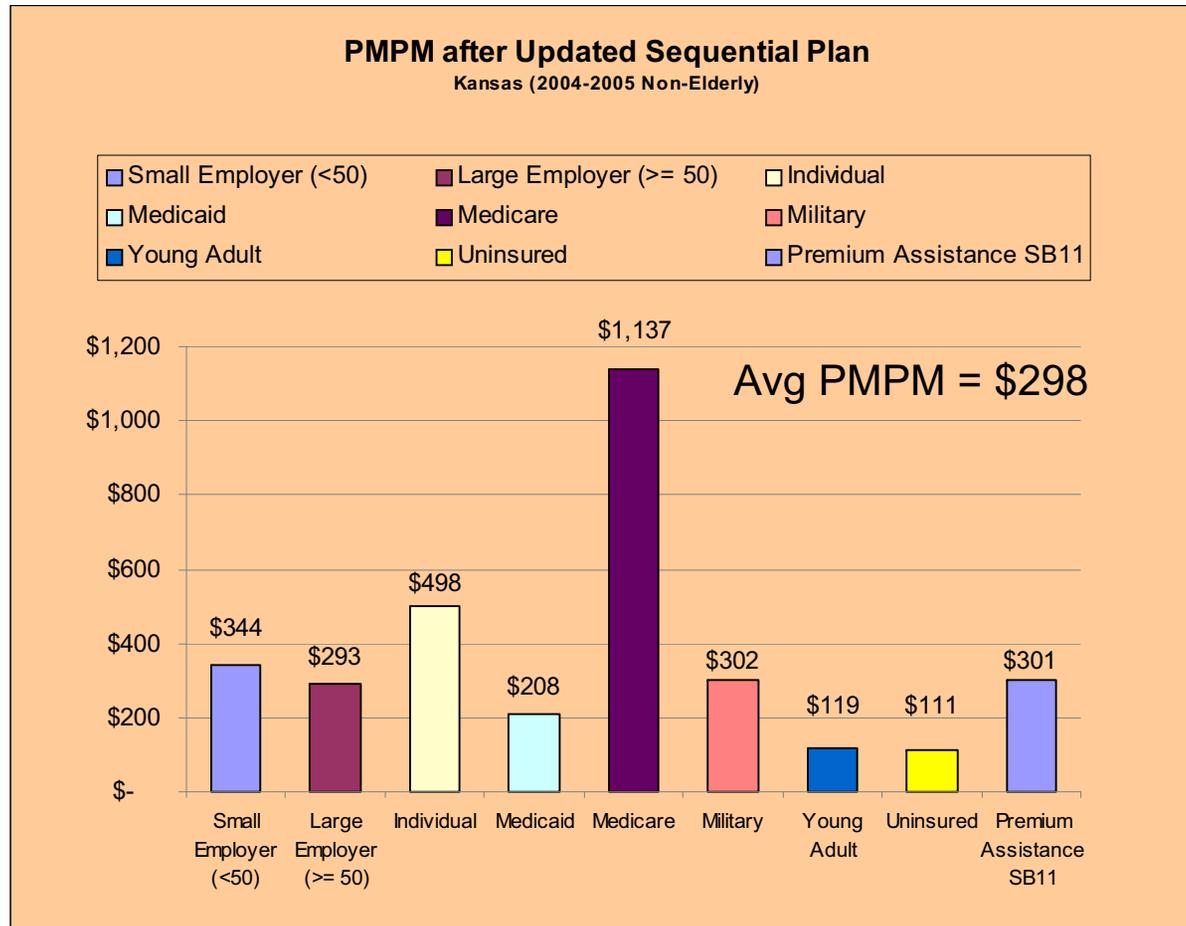
**DRAFT - SUBJECT TO CHANGE
ILLUSTRATIVE ONLY**

Updated Sequential (Includes Board input)

Major Differentiator	
<ul style="list-style-type: none"> ▪ 3 Part Reform – Outreach for Children, Expand SB11, and Voluntary Connector/Exchange 	
STRUCTURE	POLICY DECISIONS
<ol style="list-style-type: none"> 1. Targeted Outreach - Children: Aggressive marketing to enroll already eligible kids <ul style="list-style-type: none"> ▪ Medicaid/SCHIP up to 200% 2. Expand SB 11 to include Childless Adults up to 100% FPL 3. Voluntary Connector - Small Market Reforms: <ul style="list-style-type: none"> ▪ Voluntary Health Insurance Clearinghouse ▪ Targeted Market Reform <ul style="list-style-type: none"> ✓ Development of “micro-markets”: Combine Sole Prop’s with Groups (1-10 ee’s) and provide subsidized reinsurance to new Very Small Group (VSG) mkt ✓ Targeted Products for Young Adults (ages 19-24) ✓ Pilot projects ▪ Assist Small group in Section 125 	<ol style="list-style-type: none"> 1. Program Design – Market Driven Reform: <ul style="list-style-type: none"> ▪ Choose Phased Vehicle(s) for Targeted Outreach ▪ Expand SB11 to 100% ▪ Change Kansas Insurance Laws ▪ Establish VSG Reinsurance Program ▪ Determine VSG Reinsurance Funding ▪ Choose Vehicle(s) for Educating all Small Employers about Section 125
ISSUES	
<ul style="list-style-type: none"> ▪ Outreach Effectiveness ▪ Combined Market – Selection v. Level-Playing Field ▪ State Match/Vehicle 	

**DRAFT - SUBJECT TO CHANGE
ILLUSTRATIVE ONLY**

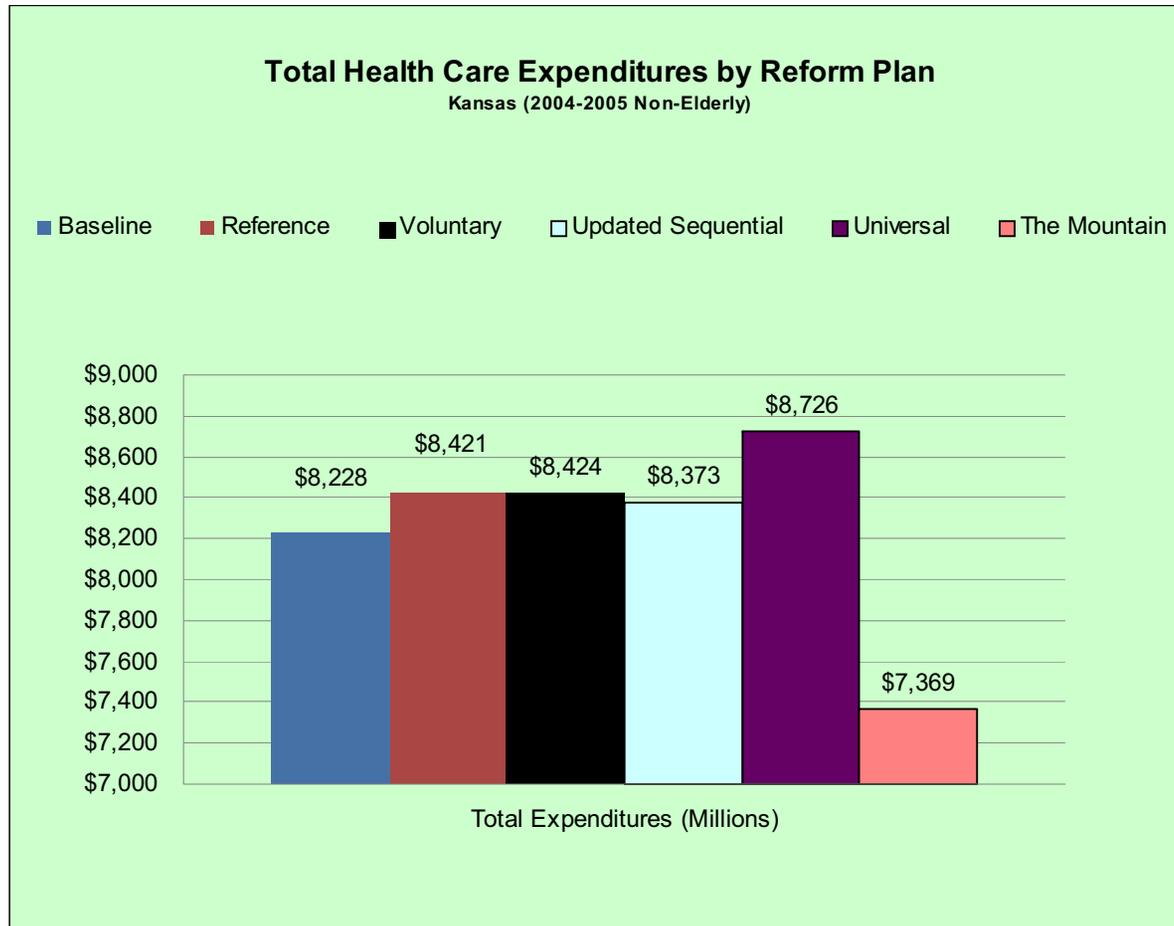
Updated Sequential Plan



Source: srHS HCRTC Model

**DRAFT - SUBJECT TO CHANGE
ILLUSTRATIVE ONLY**

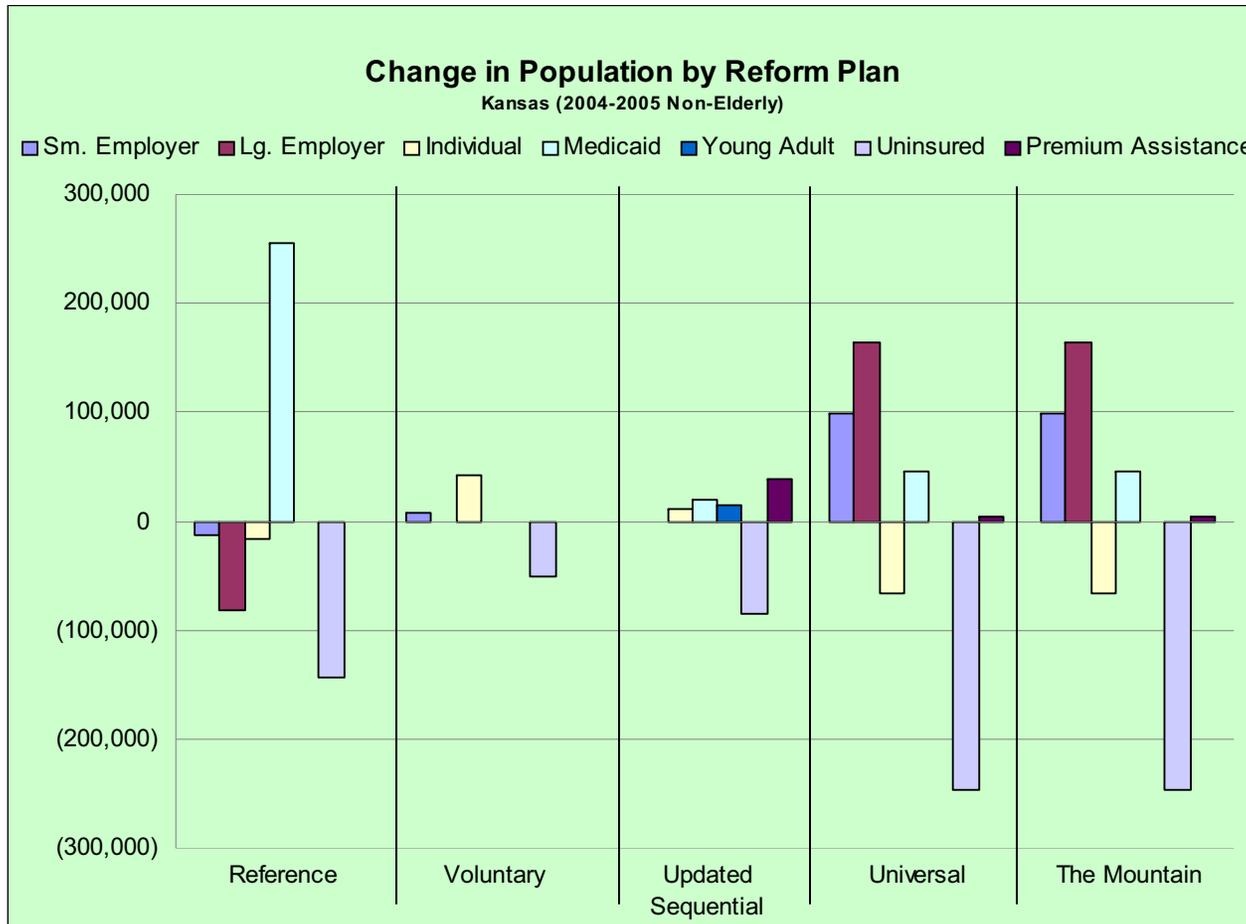
Summary of Total Dollars by Plan



Source: srHS HCRTC Model

**DRAFT - SUBJECT TO CHANGE
ILLUSTRATIVE ONLY**

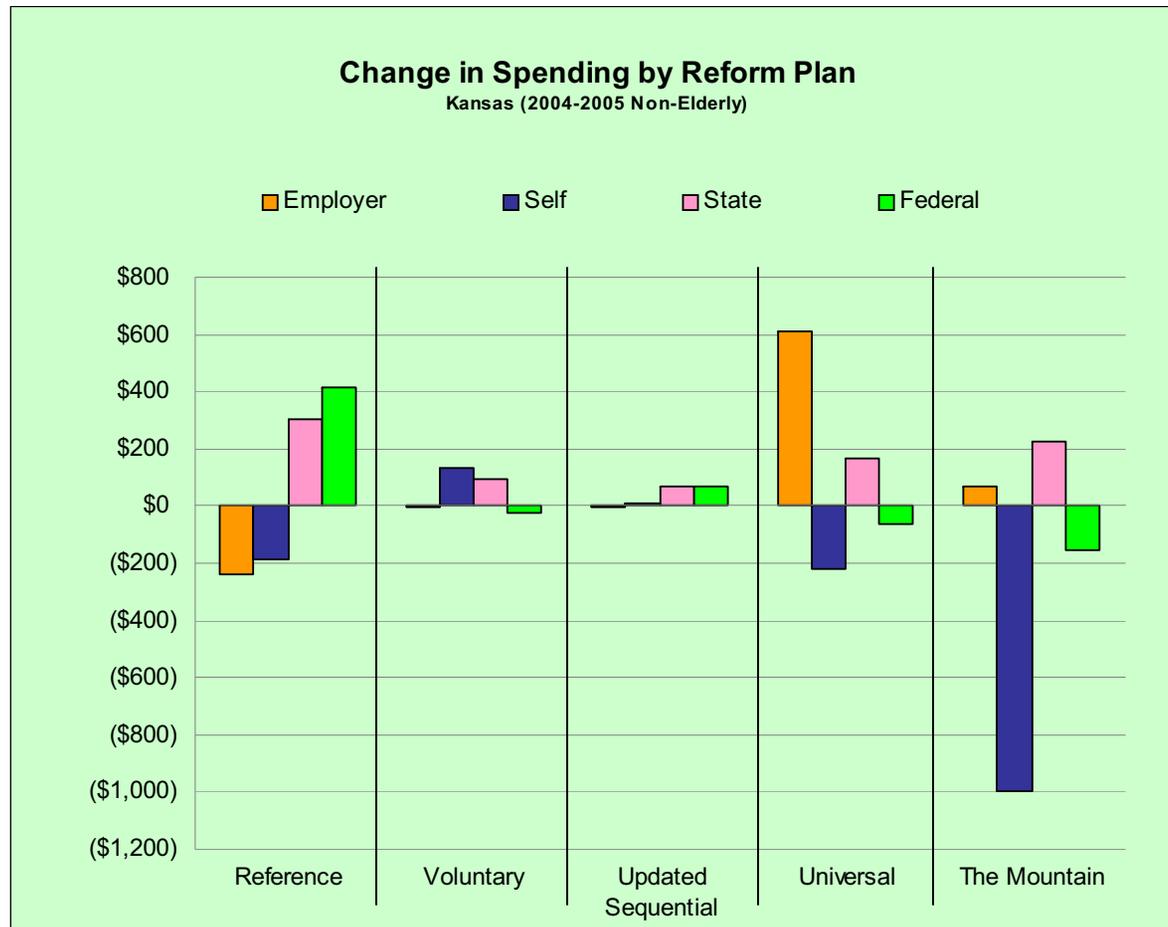
Summary of Population Changes by Plan



Source: srHS HCRTC Model

**DRAFT - SUBJECT TO CHANGE
ILLUSTRATIVE ONLY**

Summary of Change in Spending by Plan



Source: srHS HCRTC Model

**DRAFT - SUBJECT TO CHANGE
ILLUSTRATIVE ONLY**



Next Steps

- Finalize Report and Presentation for November 1st Legislative Oversight meeting