KHPA Testimony to the House Social Service Budget Committee

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Objectives

- Agency Overview
  - Background on KHPA programs
    - Medicaid & HealthWave
    - State Employee Health Plan
  - Program and agency highlights/accomplishments
- Budget Overview

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Agency Overview

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KHPA Programs

Medicaid, HealthWave, and the State Employee Health Plan

Background: Kansas Medicaid

- **Beneficiaries:** Medicaid and the State Children's Health Insurance Program (SCHIP) provides health insurance coverage to nearly 300,000 Kansans
  - Around 60% of these beneficiaries are children (under age 19)
  - Health care services covered include medical, preventive, long-term care, mental health, in-patient hospital care, office visits, prescriptions, etc.
- **Spending:** Medical care spending of about $1.2 billion this fiscal year
- **Claims:** Process over million health claims per month directly, and nearly 300,000 through private health plans
- **Scope of Providers:** Medicaid reimburses
  - Thousands of different services
  - Twenty thousand providers
  - Hundreds of institutions

Background: HealthWave

- Began in 1999 as program name for State Children's Health Insurance Program (SCHIP) in Kansas
- Delivery of health care services to SCHIP and Medicaid families was integrated in 2002
- **Beneficiaries:**
  - Managed care program delivers health care services to:
    - 123,000 Medicaid beneficiaries
    - 38,000 SCHIP beneficiaries
- HealthWave is in its second year of new contracts with two private health plans:
  - UniCare Health Plan of Kansas
  - Children's Mercy's Family Health Partners

Accomplishments in 2007 for Medicaid/HealthWave:

Contracts & Audits

- **Implemented Medicaid Managed Care Organization (MCO)**
  - Transitioned to new contractors and defended MCO contracting process
  - Estimated State savings of $10-15 million dollars annually
- **Successful Audits and Deferral Negotiations with Centers for Medicare and Medicaid Services (CMS)**
  - All audit and deferral issues have been resolved
    - Local Education Agencies (LEA)
    - Targeted Case Management (TCM)
    - Child Welfare/Mental Health Programs

Accomplishments in 2007 for Medicaid/HealthWave:

Enrollment Process

- **Managed impact of new Citizenship/ Identification requirements**
  - Managed public, legislative, and CMS impacts
  - Received $1.2 million from State to manage new requirements
  - Hired 17 additional staff to manage backlog (13 – contract staff; 4 – state staff)
  - Reduced February, 2007 peak backlog of over 4,700 applications over 25 days old to current level of 121 applications over 25 days old.
- **Presumptive Medical Disability – shortened process time and reduced backlog**
  - Dec. 2006: 99 day avg. to determine eligibility; > 2,500 on wait list; > 1,500 waiting for initial interview
  - Feb. 2007: 5-week lag between referral and initial interview
  - Received $150,000 SGF to solve problem
  - Temporarily hired 8 staff to help resolve backlog; trained by mid-July 2007; staff released by end of November 2007
  - Backlog caught up by end of Oct. 2007
  - Current: 40 day avg. to determine eligibility; < 1,500 in eligibility process (drop of 1,000); < 406 waiting for initial interview

Accomplishments in 2007 for Medicaid/HealthWave:

Payments, Providers, and Funding

- **Reformed Disproportionate Share Hospital (DSH) payment policies through a hospital stakeholder process**
  - Maximizes federal contributions to the program
  - Treats in-patient and outpatient care equitably
  - Strengthens Critical Access Hospitals
- **Increased number of dental providers and beneficiaries**
  - Added 33 Medicaid/HealthWave dental providers to 3 HCBS waiver populations - Head Injury, Physical Disability and Mental Retardation/Development Disability
  - Frail Elderly waiver population added to Medicaid populations able to receive dental services
- **Completed National Provider Identification (NPI) implementation**
  - NPI intended to uniquely identify a health care provider in standard transactions (e.g., health care claims)
- **Negotiated an enhanced match for Data Analytic Interface (DAI)**
  - 90% federal financial participation for cost of system implementation (84% for Medicaid)
  - 75% federal financial participation for cost of ongoing operations (84% for Medicaid)

Accomplishments in 2007 for Medicaid/HealthWave:

New Programs

- **Established Work Opportunities Reward Kansans (WORK) program**
  - Provides cash and counseling support for working disabled Kansans
  - Started in September 2007
  - Current enrollment at 34; average growth rate is five people per month
- **Enhanced Care Management Pilot Project**
  - Provides high-risk beneficiaries with improved quality of care (focus on chronic disease)
  - Sedgwick County
  - Currently 192 Medicaid beneficiaries enrolled in this program

Accomplishments in 2007 for Medicaid/HealthWave:

Health Information Technology & Exchange

- **Community Health Record (CHR) Pilot Program in Sedgwick County**
  - Total of 20 trained CHR sites currently
  - Total of 13 trained eRx (Electronic Prescription) sites that allow providers to enter and route prescriptions electronically to pharmacies
  - CHR expanding to 20 additional sites in Sedgwick County in 2008
  - Expanding to include State Employees located in Kansas City in 2008
  - Total Annual Cost in 2008: $250,000 ($125,000 SGF)
  - Approximately 108,000 Medicaid recipients were served in 2007
- **Linked state immunization registry with Medicaid Management Information System (MMIS)**
  - Allows for the transfer of immunization data for all eligible Medicaid beneficiaries whose immunizations are reimbursed by Medicaid

Background: State Employee Health Plan

- **Participants** (State & Non-State Groups**):**
  - Over 51,600 contracts
  - Around 88,800 covered lives
  - In 2007, 92% of state employees enrolled:
    - 56% carry single coverage
    - 44% provide coverage for their dependents
  - Non-State Employer Group
    - In Dec 2007, 33 educational groups
    - In Dec 2007, 57 local government units
    - Around 10,055 covered lives:
      - 5,225 employees
      - 4,830 dependents

Accomplishments in 2007 : State Employee Health Plan

- **Contracts and Payments**
  - Negotiated Wellness Contract for State Employee Health Plan with focus on personal responsibility
  - Increased employer contribution for dependents (from 45 to 55%) making health insurance more affordable for families
  - Initiated financial reporting to Health Care Commission (HCC)
- **Benefit Design**
  - Improved benefit design with focus on prevention, health and wellness
    - Includes access to health coaching, personal health screenings, and health education and promotion tools
- **Consumer Education**
  - Added Benefit selector/Plan Selector Tool
  - Improved marketing materials

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Additional Agency Accomplishments

Accomplishments in 2007: Agency Infrastructure

- **Staff:**
  - New positions authorized and filled – staff now at operating capacity
    - Hired 31 staff positions primarily in areas of finance, accounting, and oversight to support mission of independent agency
  - Mills Move/10th Floor expansion
- **Integration, Communications, and Policies:**
  - Integrating programs across the agency: finance, contracts, legal, operations
  - Established KHPA Intranet for internal communications
  - Developed internal policies to promote consistent & uniform decision making

Accomplishments in 2007: Interagency Partnerships

- **Agreements:**
  - Updated interagency agreements between SRS, KDOA, Kansas Juvenile Justice Authority (JJA), and KHPA
- **Programs:**
  - Long Term Care Partnership Program (KHPA, KDOA, KID) to offer ways to protect assets for elderly Kansans applying to Medicaid
  - Implemented CMS-required reforms: Targeted Case Management and Local Educations Agencies
  - Supported implementation of Prepaid Inpatient Health Plan (PIHP) and Prepaid Ambulatory Health Plan (PAHP), waiver for dental coverage, autism waiver

Accomplishments in 2007: Health Reform

- **Development:**
  - KHPA Board developed health reform recommendations aimed at increasing personal responsibility for health, paying for prevention and promoting medical homes, and improving access to affordable health insurance
- **Public Input and Support:**
  - Solicited significant stakeholder input – public meetings/Advisory Councils, etc
  - Successful Listening Tour in 22 communities
  - Foundation funding for health reform stakeholder/data analysis process

Accomplishments in 2007: New Initiatives

- **Analyses and Oversight:**
  - Added significant health policy research and analysis staff capacity
  - Convened first meeting of the Data Consortium to provide stakeholder input on data policy and assess State's health status
  - Established Inspector General's Office to provide oversight and investigate performance for delivery of services
- **Programs:**
  - Developed and designing Premium Assistance program to provide private health insurance for low income Kansans: **Kansas Healthy Choices**
  - Created consumer health information website: **Kansas Health Online**
    - Makes health and health care data resources available to consumers
    - Will publicize cost and health care quality information developed by the Health Data Consortium for use by purchasers and consumers

Fulfilling our Statutory Requirements

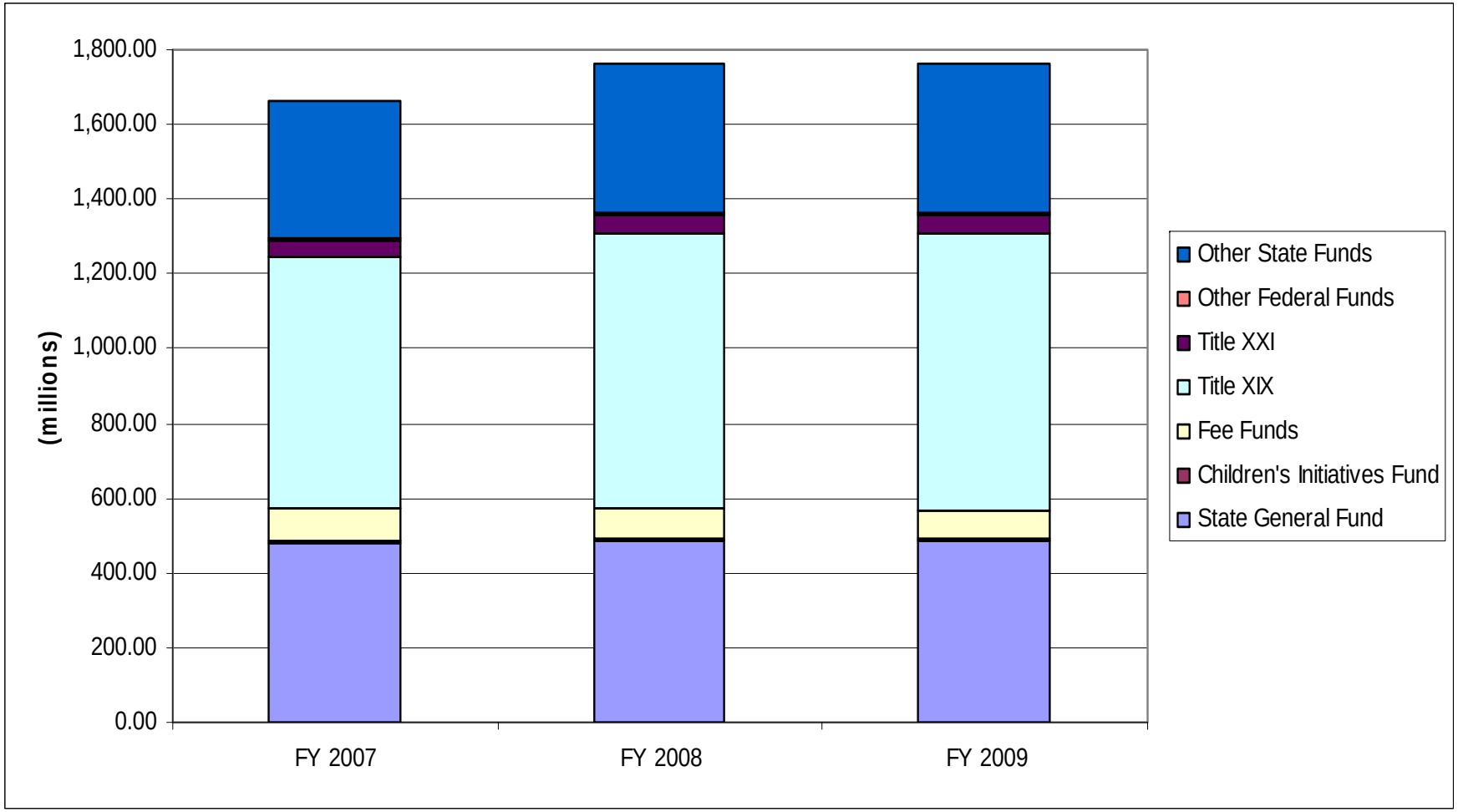
Effective Health Care Purchasing	Health Promotion and Public Health	Coordinating Health and Health Care
•Implemented Medicaid MCO •Successful CMS Deferral Negotiations •Reformed DSH Payments •Initiated financial reporting to HCC •Added Benefit/Plan Selector Tool to SEHP •LTC Partnership •Increased dental providers and beneficiaries	•Health and wellness focus for SEHP •Improved benefit design for SEHP •Developed health reform recommendations •Solicited stakeholder input in health reform •Listening tour on health reform	•Managed impact of new citizenship identification requirements •Shortened process time and backlog for Presumptive Medical Disability •WORK program launched •Completed National Provider Identification implementation •Community Health Record Pilot Program •Expanding Enhanced Care Management Pilot Project •Linked State immunization records to MMIS •Established KHPA Intranet

Budget Overview

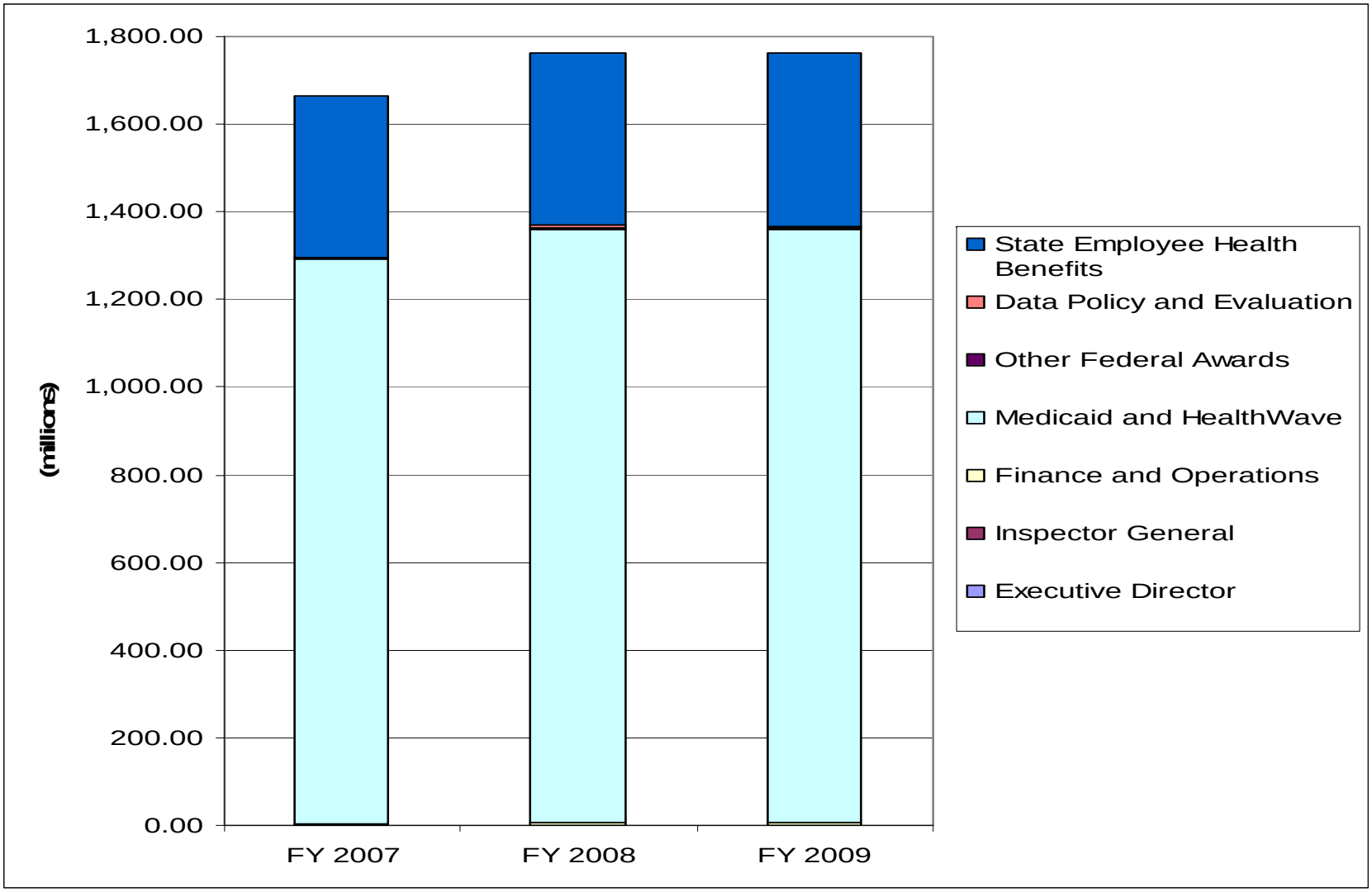
Budget Overview

- Expenditures trends for:
  - Medicaid (Title 19)
  - HealthWave (Title 21)
  - State Employee Health Plan (SEHP)
- KHPA Board enhancement requests
  - Summary table
  - Detailed information on system improvements

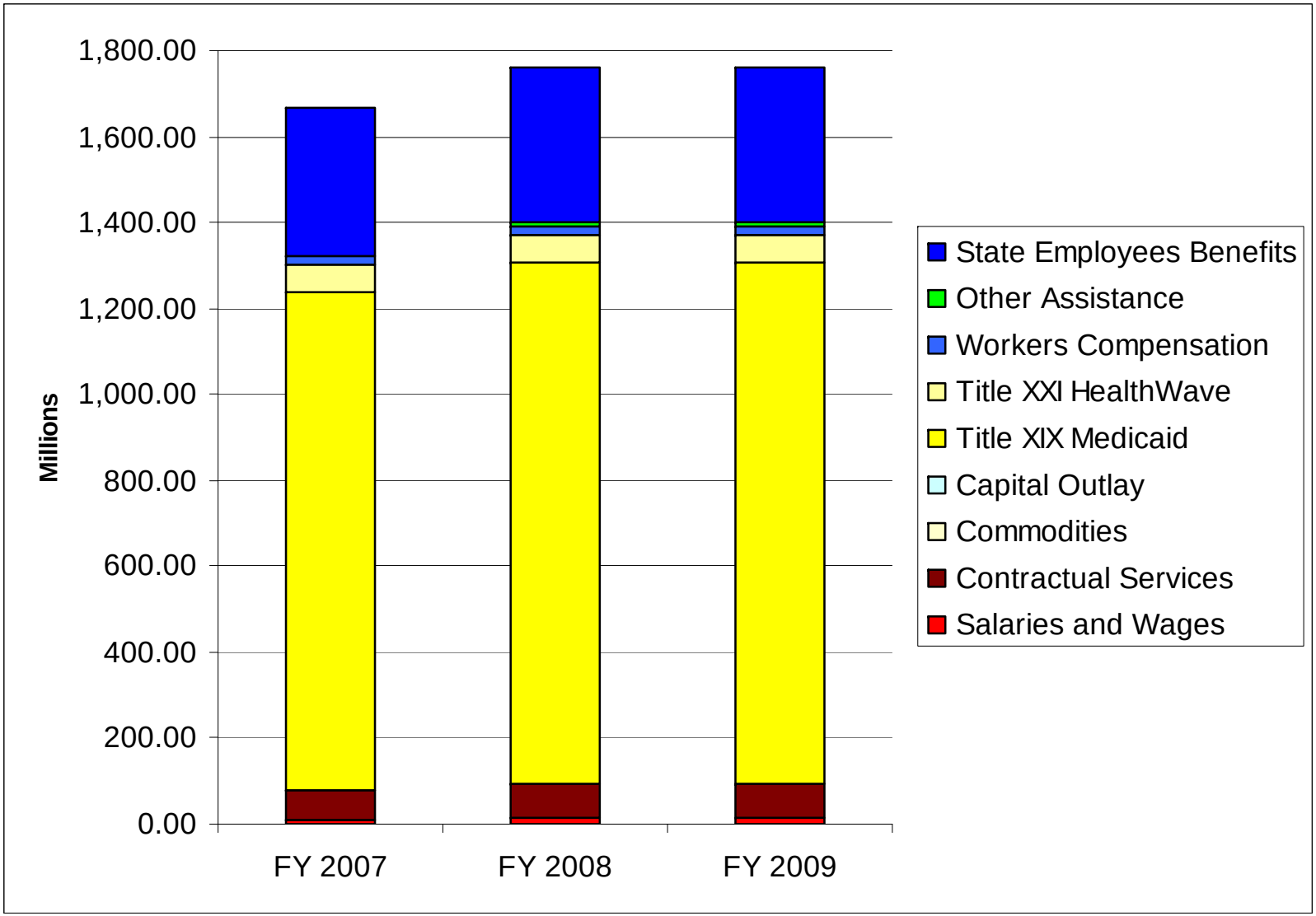
Expenditures by Funding Source



Expenditures by Program



Expenditures by Category



FY 2009 Budget Enhancement Requests*

Priority	Description		State General Funds (SGF)	All Funds
1	Premium Assistance Implementation (1)		$ 5,037,000	$12,075,000
2	Integrated Enrollment System		$4,000,000	$ 8,000,000
3	Medicaid Prescription Drug Prior Authorization System		$206,250	$825,000
4	Expand Enhanced Care Management		$50,000	$100,000
5	Community Health Record		$50,000	$100,000
	Total Request		**$ 11,343,250**	**$ 25,100,000**

* Reflects most recent request from our Budget Appeal

1) This item includes $10.0 million for health benefits for those eligible for Premium Assistance and $2.1 million for administrative costs.

Premium Assistance Implementation

- **Enhancement Request FY 2009:**
  - $5,037,000 SGF; $12,075,000 AF

- **Purpose:** To implement first year of new private health insurance assistance program **(Kansas Healthy Choices)** in Jan 2009
  - Employer-sponsored health insurance
  - State-procured private health insurance

- **Population Served:** 8,500 very low-income Kansas parents

Integrated Eligibility and Enrollment System

- **Enhancement Request FY 2009:**
  - $4,000,000 SGF; $8,000,000 AF

- **Purpose:** To procure a modern integrated eligibility and enrollment software system to improve functionality, productivity, and cost-effectiveness for state operated programs

- **Population Served:** All Medicaid, HealthWave, and ultimately SEHP beneficiaries (also populations served by SRS). Approximately 388,000 Kansans

Medicaid Prescription Drug Prior Authorization System

- **Enhancement Request FY 2009:**
  - $206,250 SGF; $825,000 AF

- **Purpose:** To procure a statewide automated prior authorization system that can be accessed at the point of care by pharmacists in order to improve patient safety and cost-effectiveness

- **Population Served:** All Medicaid and HealthWave beneficiaries, pharmacy and medical providers

Pilot: Enhanced Care Management Program

- **Enhancement Request FY 2009:**
  - $50,000 SGF; $100,000 AF

- **Purpose:** To continue a care/disease management pilot program targeted at low income chronically ill Kansans in order to improve health outcomes, prevent further illness, and help to control health care costs

- **Population Served:** Medicaid beneficiaries in Sedgwick County who have volunteered to participate. After evaluation, potential for statewide implementation

Pilot: Community Health Record

- **Enhancement Request FY 2009:**
  - $50,000 SGF; $100,000 AF

- **Purpose:** To continue and expand the community health record pilot project in order to promote the use of health information technology and exchange, improve health outcomes, and control administrative costs of health care

- **Population Served:** Medicaid beneficiaries and providers in Sedgwick County. Statewide implementation is recommended as part of health reform

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