



KHPA Testimony on Health Reform to the House Health and Human Services Committee

February 18, 2008

Marcia Nielsen, PhD, MPH
Executive Director
Kansas Health Policy Authority



The Purpose of Health Reform

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



Creation of the KHPA

- KHPA created in 2005 Legislative Session
- Built on Governor Sebelius' "Executive Reorganization Order"
- Modified by State Legislature to:
 - Created an independent nine-member Board to govern health policy
 - Executive Director reports to Board
 - Added a specific focus on health promotion and data driven policy making
- Creation of mission, vision principles, and a framework for better coordinating health care in Kansas



KHPA Mission

To develop and maintain a coordinated health policy agenda that combines the effective purchasing and administration of health care with promotion oriented public health strategies



KHPA Vision Principles

- Access to Care
- Quality and Efficiency in Health Care
- Affordable and Sustainable Health Care
- Promoting Health and Wellness
- Stewardship
- Education and Engagement of the Public



Quality and Efficiency

Affordable, Sustainable Health Care

Access to Care

- Health Insurance Status
- Health Professions Workforce
- Safety Net Stability
- Medicaid Eligibility
- Health Disparities

- Use of HIT/HIE
- Patient Safety
- Evidence based care
- Quality of Care
- Transparency (Cost, Quality, etc.)

- Health insurance premiums
- Cost-sharing
- Uncompensated Care
- Medicaid/SCHIP Enrollment
- Health and health care spending

KHPA: Coordinating health & health care for a thriving Kansas

- Physical Fitness
- Nutrition
- Age appropriate screening
- Tobacco control
- Injury control

- Open Decision Making
- Responsible Spending
- Financial Reporting
- Accessibility of Information
- CMS Cooperation

- Council Participation
- Data Consortium
- Public Communication
- Community/Advocacy Partnership
- Foundation Engagement

Health and Wellness

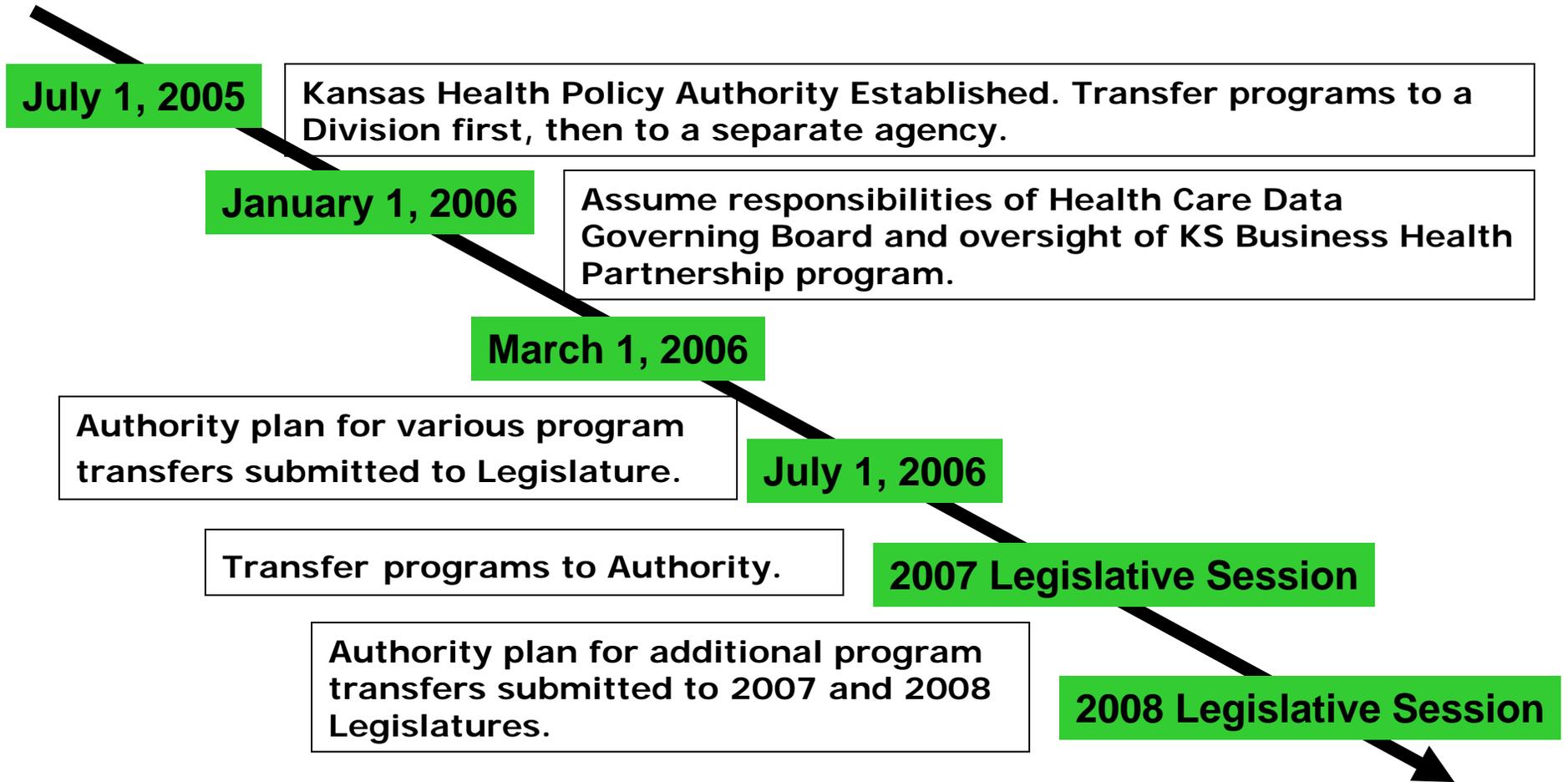
Stewardship

Public Engagement

<u>SRS</u>	<u>KDHE</u>	<u>KDOA</u>	<u>KID</u>
<ul style="list-style-type: none"> •Mental Health • LTC for Disabled •Substance Abuse 	<ul style="list-style-type: none"> •Health Promotion •Child, Youth & Families •Consumer Health •Health & Environ. Stats •Local & Rural Health 	<ul style="list-style-type: none"> •Aged •Institutional Care •Community Care 	<ul style="list-style-type: none"> •Private Health Insurance •Business Health Partner.



KHPA Timeline





Moving Towards Health Reform in 2007

- Legislators tasked KHPA with addressing ways to improve health care access and the general health of all Kansans through the passage of SB 11
- Formed *Health for All Kansans Steering Committee*
- Formed health reform Advisory Councils
- Held 22-City Listening Tour on health reform
- KHPA Board delivered health reform options to Kansas legislature on November 1



Health for All Kansans Steering Committee

- **Make-up:**
 - KHPA Board members
 - Kansas Legislators
- **Purpose:** To build a consensus between KHPA Board and Legislators around health reform options to be considered by the Kansas Legislature

Advisory Councils

- **Make-up:**
 - Health Care Consumers
 - Health Care Purchasers (e.g., Insurers, Businesses)
 - Health Care Providers
- **Purpose:** Assist the KHPA Board and Steering Committee with the development of health reform



Listening Tour

- July – August 2007
- KHPA Board members and staff visited with 22 cities statewide
- **Purpose:** Gather public input on health reform in order to provide direction for the KHPA Board recommendations



Identifying the Issues

Problems in the health and health care system in Kansas

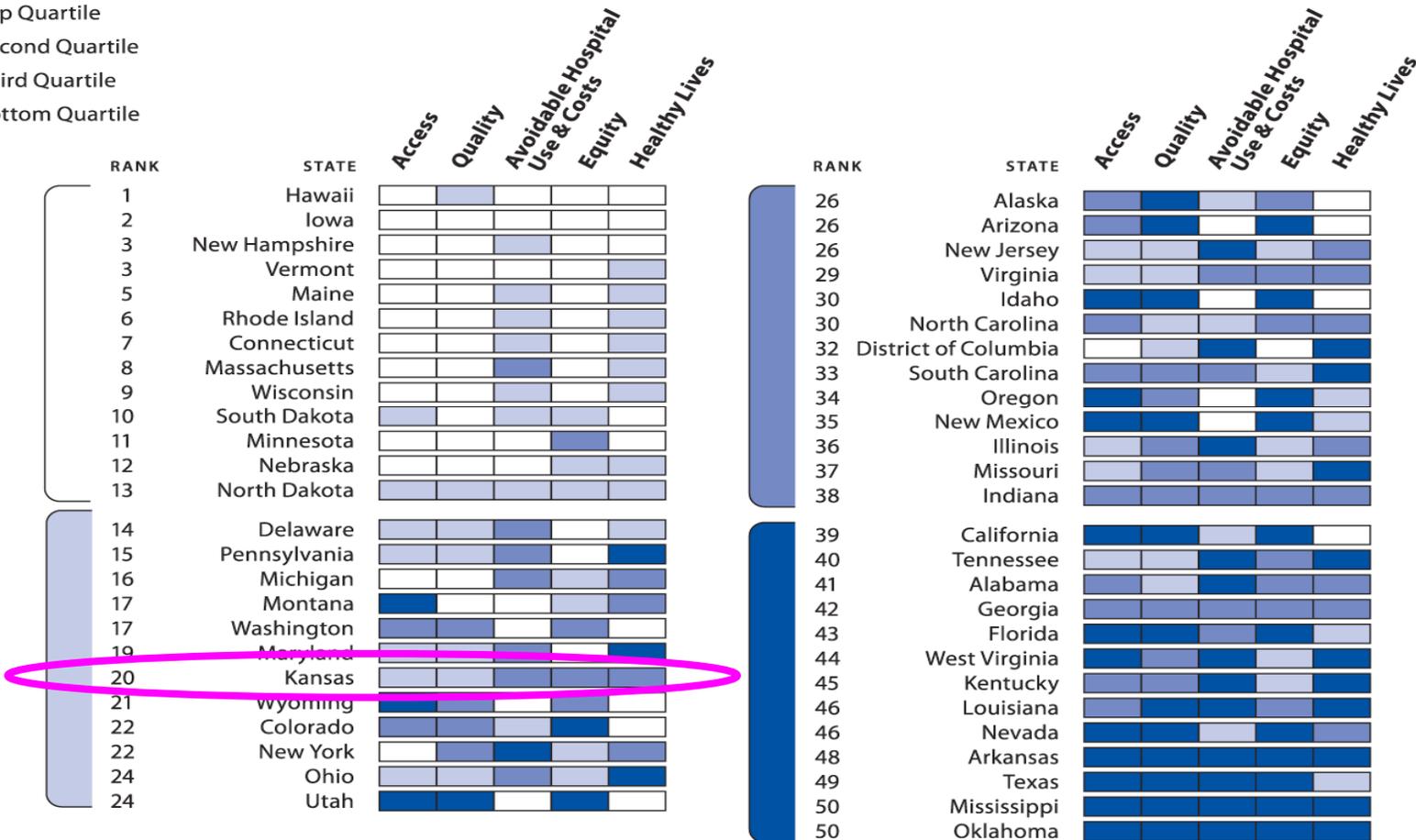


Health of Kansas: Room for Improvement

State Scorecard Summary of Health System Performance Across Dimensions

State Rank

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

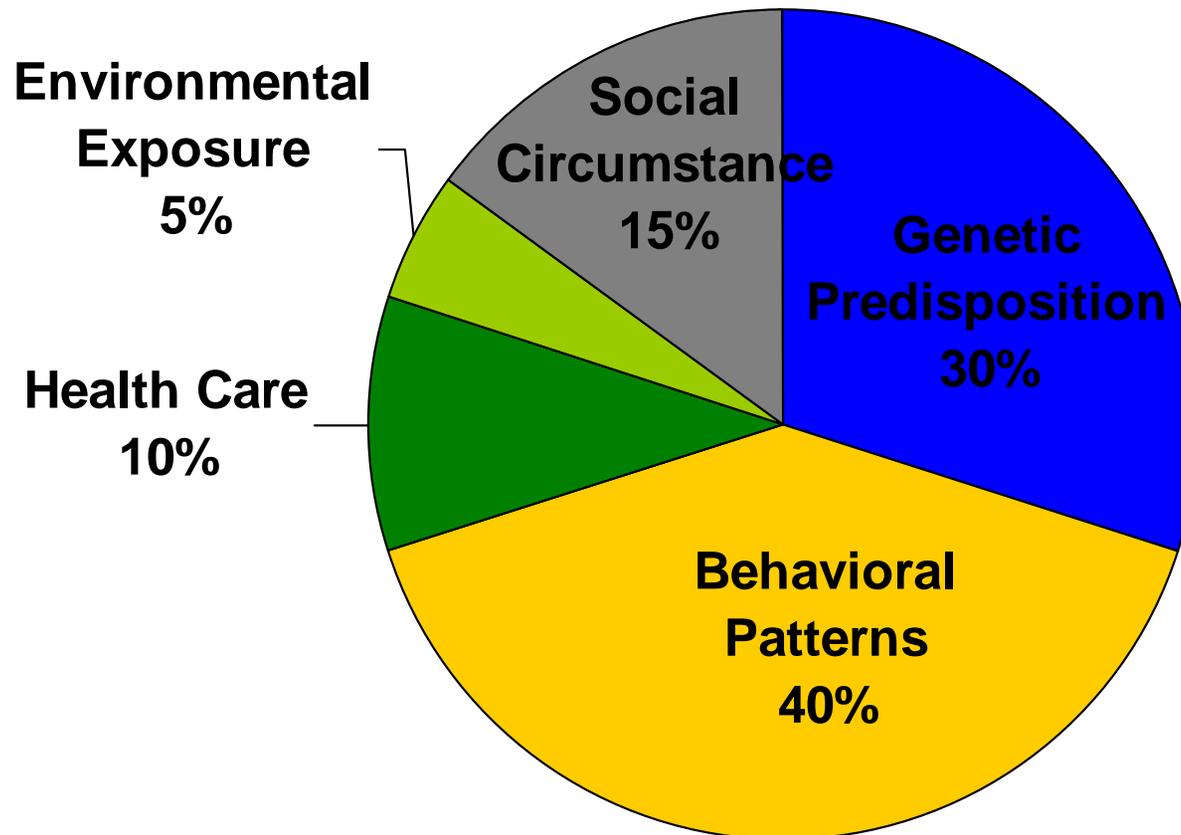




What Is Making Us Sick?

Determinants of Health Status

Proportional Contribution to Premature Death

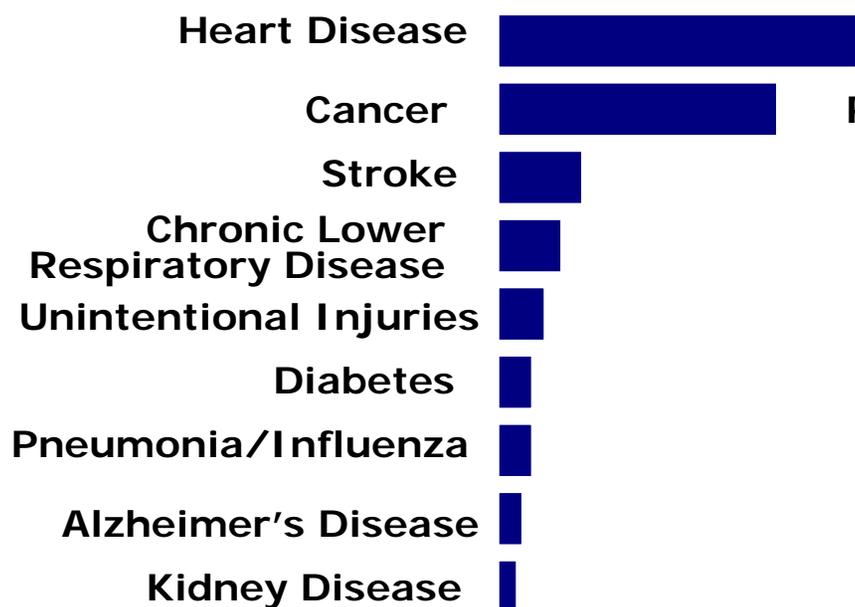


Source: Schroeder SA. N Engl J Med 2007; 357:1221-1228



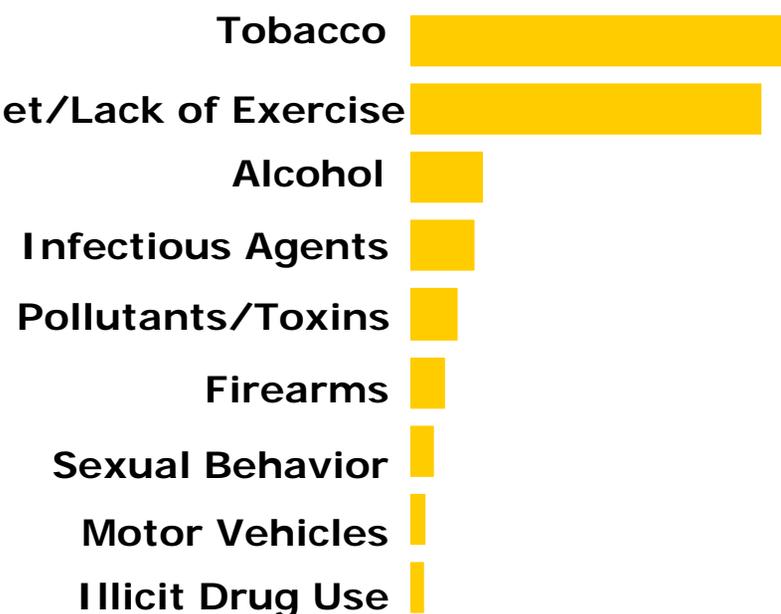
Causes of Death United States, 2000

Leading Causes of Death*



Percentage (of all deaths)

Actual Causes of Death†



Percentage (of all deaths)

* 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.

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)



Tobacco Costs Kansans

- **Smoking is the #1 preventable cause of death in Kansas**
 - Causes 4,000 deaths annually in Kansas
 - Estimated 54,000 Kansans currently younger than 18 years old will die prematurely due to smoking
- **All Kansans pay for smoking-related health care services**
 - Health care costs due to smoking are over \$7 per pack of cigarettes, most of which is paid by non-smokers
 - Costs \$927 million in health care costs yearly; \$196 million in Medicaid program alone
 - Annually costs taxpayers \$582 per household to pay for government expenditures on smoking-related health care services



Secondhand Smoke Impacts Kansans

- **Secondhand Smoke Kills**
 - In Kansas, estimated 220-630 people die every year due to secondhand smoke and smoking while pregnant (includes adults, children, and infants)
- **Exposure to Secondhand Smoke**
 - In US, 126 million nonsmokers are exposed to secondhand smoke
 - Estimated 161,000 Kansas children are exposed to secondhand smoke at home
 - More than one in four workers are NOT protected by worksite non-smoking policies in Kansas



Tobacco Use in Kansas: Starting Young

- **Adolescents (50% of smokers begin by age 14)**
 - Middle Schools:
 - 6% current smokers
 - High Schools:
 - 21% current smokers
 - 15% currently use smokeless tobacco
- **Adults**
 - 20% are current smokers



Obesity and Nutrition among Kansas Adults

- **Two of every three Kansas adults are overweight (2006)**
 - 36% of adults were overweight
 - 26% of adults were obese
- **Nutrition in Kansas**
 - 80% of Kansas adults do not consume the daily recommendation of 5 fruits and vegetables

Source: BRFSS Prevalence Data for Kansas <http://apps.nccd.cdc.gov/brfss/>



Overweight Children and Inactivity in Kansas

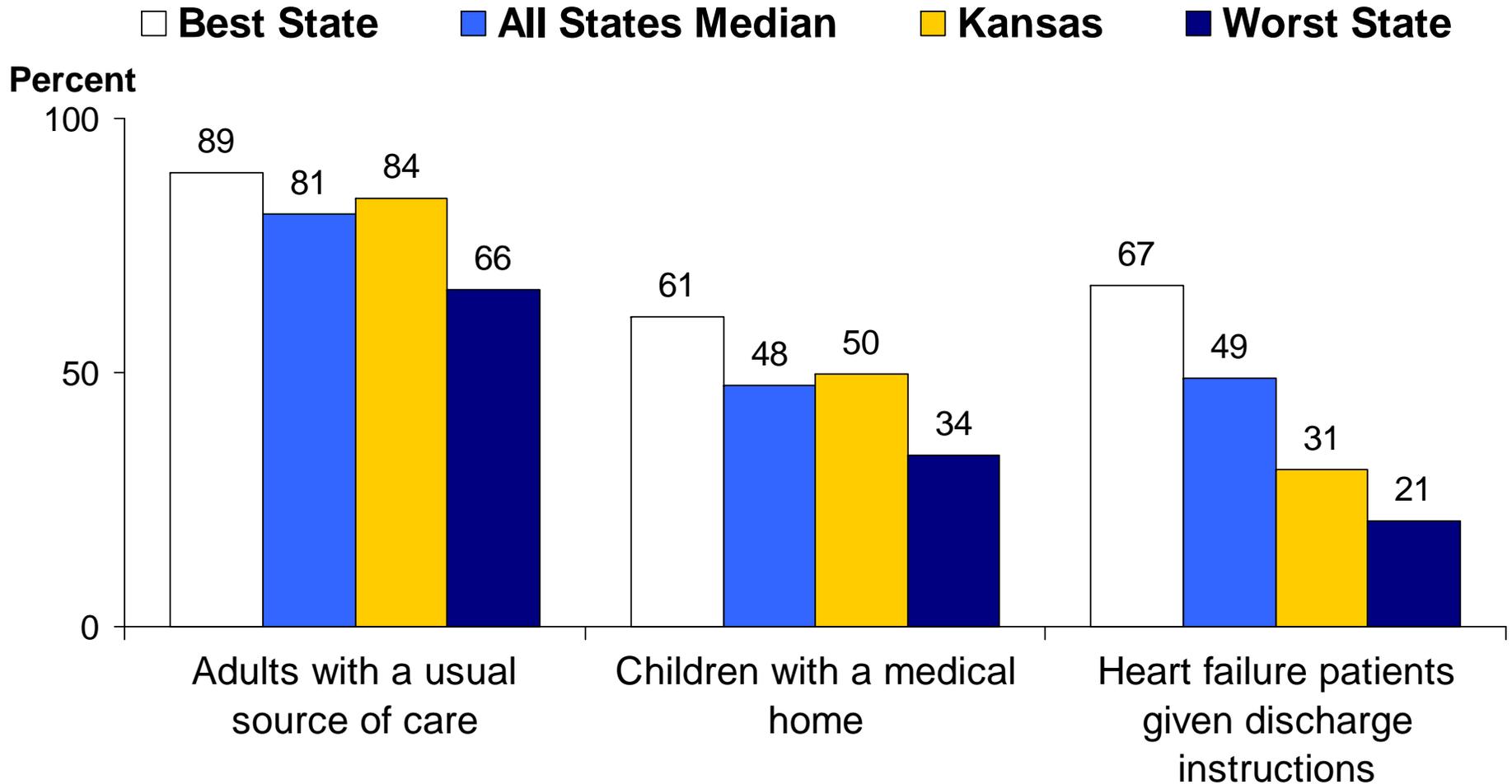
- Nearly 1 in every 3 Kansas students are either overweight or at-risk for being overweight
- Around 4 of every 10 Kansas students are not meeting recommended levels of physical activity.

Source: 2004-2005 Kansas Child Health Assessment and Monitoring Project (K-CHAMP). Kansas Dept of Health and Environment; Office of Health Promotion. Accessed on October 9, 2007 at <http://www.kdheks.gov/bhp/kchamp/data.html>.



Our Health Care System – Where Can We Improve?

State Variation in Coordination of Care



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 State²⁴ Scorecard on Health System Performance, 2007

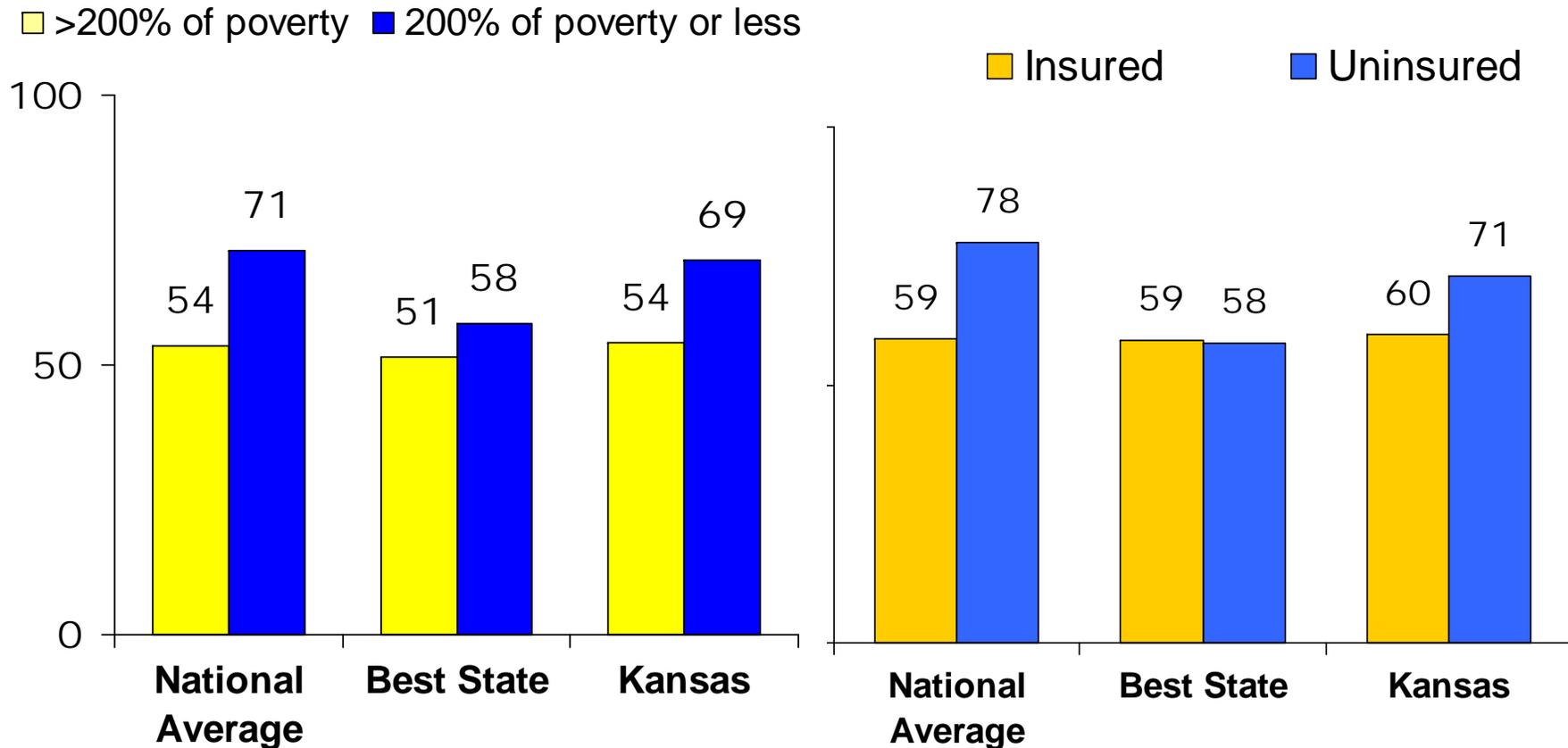


Lack of Recommended Preventive Care

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

By income

By insurance

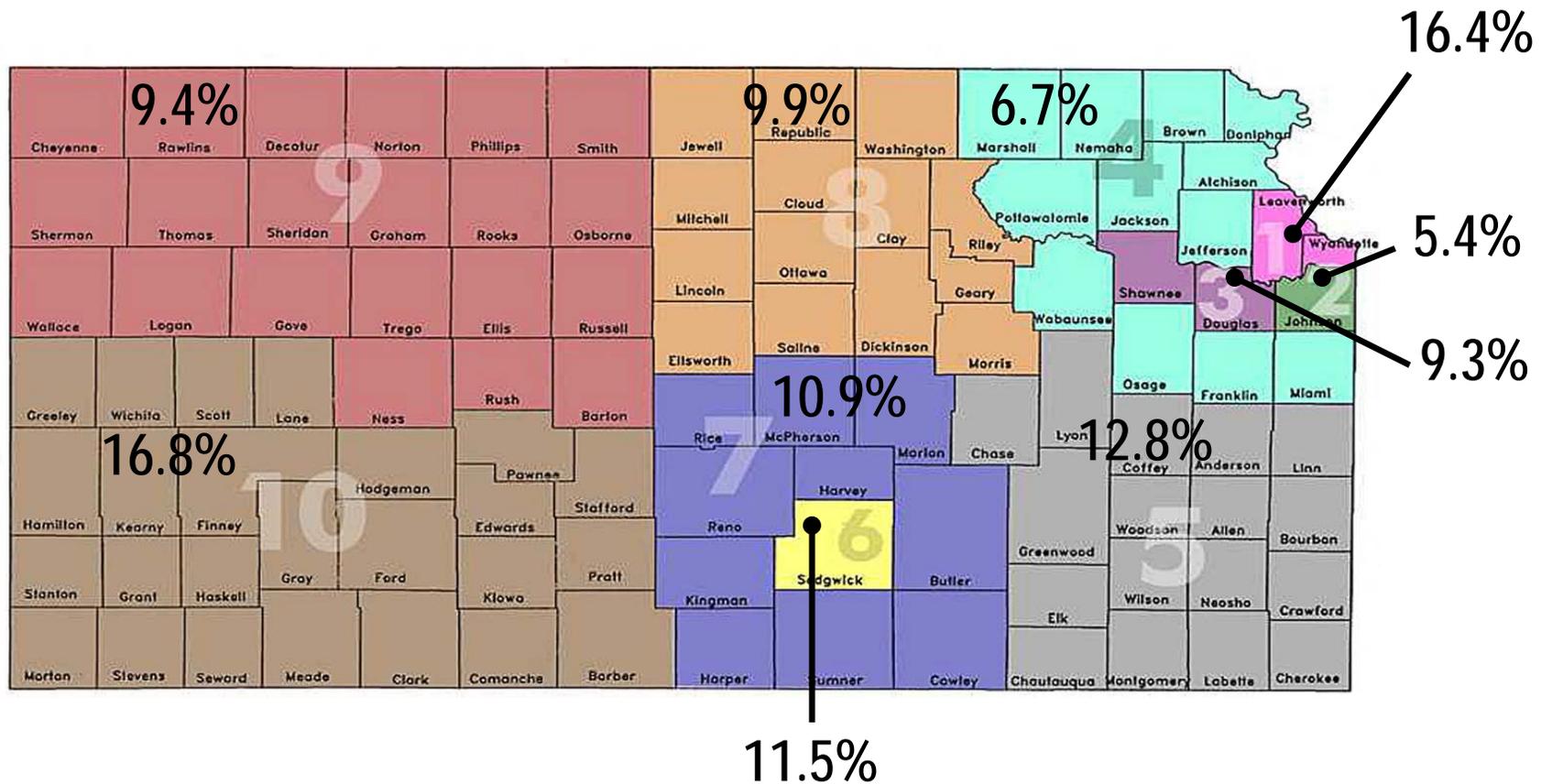


Note: Best state refers to state with smallest gap between national average and low income/uninsured.

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

The Uninsured

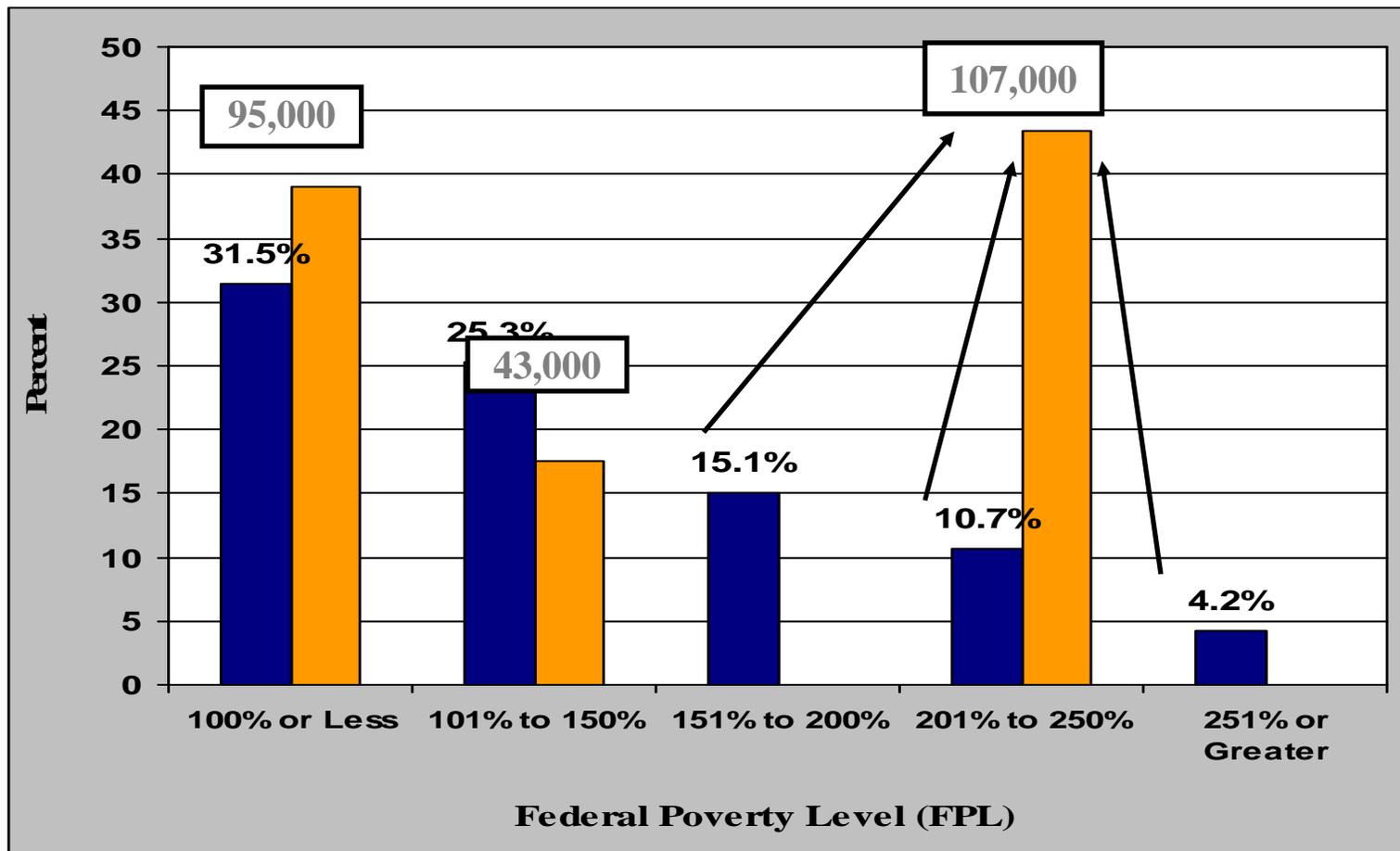
Total Uninsured in Kansas: 10.5%



Source: Kansas Health Insurance Study, 2001. Kansas Insurance Dept.

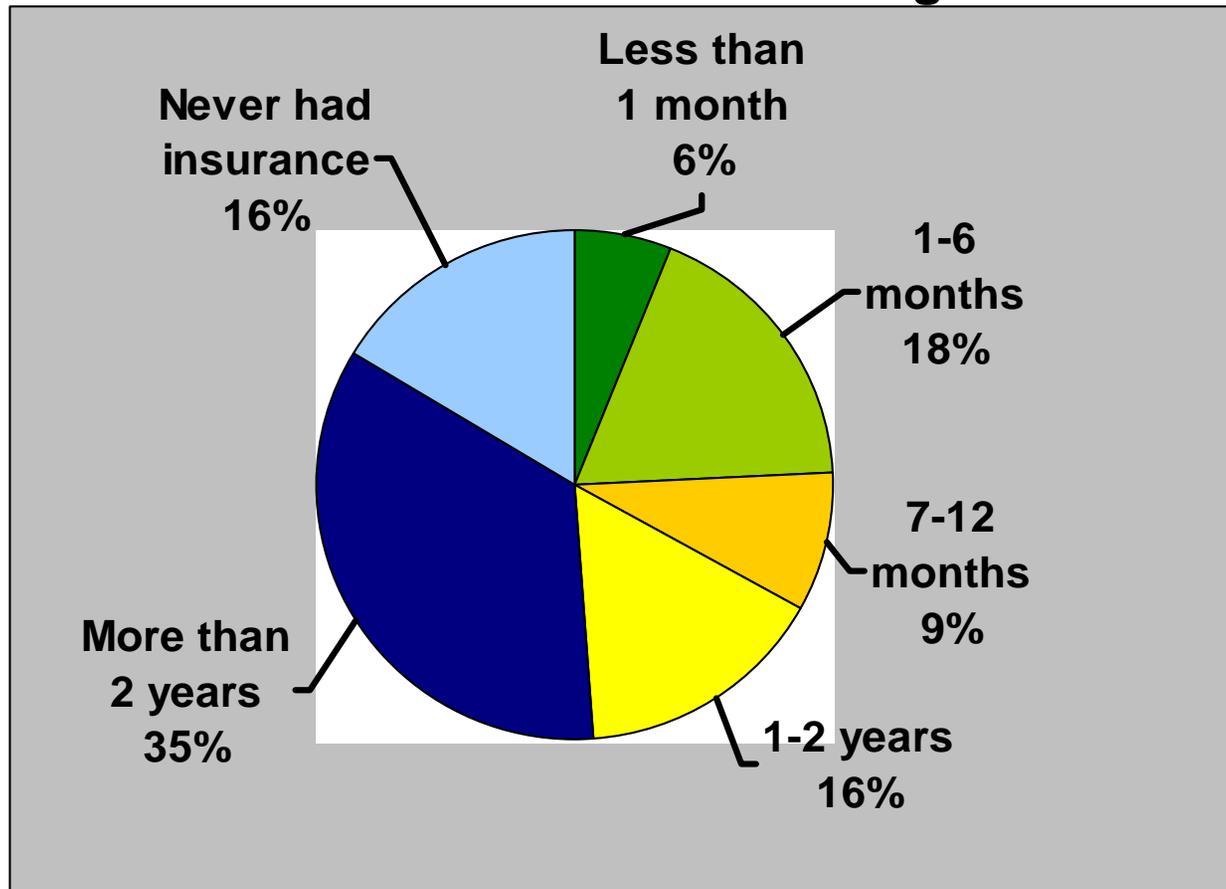
Lower Income = More Uninsured

**Uninsured Kansans under Age 65 by Income
and Distribution of Uninsured**



Most Kansans Uninsured for More Than A Year

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



Source: Kansas Health Insurance Study, 2001. Kansas Insurance Dept.



Health Reform Recommendations

Submitted by the KHPA Board to the Governor
and Legislature on November 1, 2007



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



Priorities: Systems Reform and Better Health

<h2>Transforming Medical Care</h2>	<h2>Improving Public Health</h2>	<h2>Expanding Affordable Insurance</h2>
<ul style="list-style-type: none"> •Transparency project: health care cost and quality •Health literacy •Medical home definition •Medicaid provider reimbursement •Community Health Record (HIE) •Form standardization 	<ul style="list-style-type: none"> •Increase tobacco user fee •Statewide smoking ban •Partner with community organizations •Education Commissioner •Collect fitness data in schools •Promote healthy foods in schools •Increase physical fitness •Wellness for small businesses •Healthier food for state employees •Dental care for pregnant women •Tobacco cessation in Medicaid •Expand cancer screening 	<ul style="list-style-type: none"> •Aggressive outreach and enrollment of eligible children (target population: 20,000) •Premium assistance for low income adults without children (target population: 39,000) •Small business initiatives (target population: 15,000 young adults and 12,000 employees of small businesses)



Promoting Personal Responsibility



Personal Responsibility Policy Options (P1)

- **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 – provide and protect affordable health insurance



Promoting Medical Homes



Medical Home Policy Options (P2)

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



Paying for Prevention:

Families, Communities,
Schools, and Workplaces.



Pay for Prevention Policy Options (P2)

- **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/fitness



Pay for Prevention Policy Options (P2 Cont.)

- **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



Providing and Protecting Affordable Health Insurance



Provide & Protect Affordable Health Insurance Policy Options (P3)

- **Three Targeted Initiatives:**
 - Increase private insurance coverage for low-income Kansans through premium assistance program expansion: **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



Policy Options to Increase Affordable Coverage for Small Businesses

- Encourage utilization of **Section 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 extension through age 25 and development of targeted young adult insurance products
- Pilot projects – support grant program in the Kansas Dept of Commerce for **small business health insurance innovations**



Financing Health Reform

- KHPA's 21 Health Reform recommendations are paid for (minimum of five years) through:
 - **Increased tobacco user fee (over \$61.5 Million annually in revenues)**
 - Fifty cent increase in cigarette tax, increases annually to reflect an assumption for inflation
 - Smokeless tobacco products user fee increase to 57%
 - Revenue dedicated to the "Health Reform Fund"
 - **Increased federal matching dollars**
- Hidden tax in Kansas – cost shifting
 - Around 7% of medical expenditures for the uninsured are paid through increased payments by insured
 - Reducing the number of uninsured reduces the need to cost shift
- Cost containment - built into majority of proposals
 - Long term cost containment linked to improved health status

*Coordinating health & health care
for a thriving Kansas*



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