



**Senate Public Health and Welfare Committee
January 13, 2009
Kansas Health Policy Authority's 2008 Highlights**

Good morning Mr. Chairman, Mr. Vice Chairman, and members of the Committee. I am Joe Tilghman, a retired regional administrator for the Centers for Medicare and Medicaid and the new chairman of the Kansas Health Policy Authority Board. I appreciate the opportunity to update the Senate Public Health and Welfare Committee regarding the Kansas Health Policy Authority's progress this year. I will share with the Committee a short list of accomplishments of KHPA during 2008. Dr. Nielsen will be providing additional detail on the agency's health reform agenda. I'd like to highlight some important achievements by various units of the agency. Additional information will be provided to the Committee as part of the 2009 Annual Report.

Medicaid/HealthWave

- **Reformed Disproportionate Share Hospital (DSH):** The Center for Medicare and Medicaid Services approved a plan submitted by the KHPA to pay hospitals for treating indigent patients. The former payment method resulted in Kansas hospitals receiving \$22.2 million of available Federal funding for Medicaid DSH payments in fiscal year 2007. With the reforms, the DSH program will provide at least \$26.5 million in Federal matching funds annually.
- **Increased Efficiencies by Using Standard Medical Identification Cards:** In September 2008, KHPA discontinued the production and mailing of monthly paper medical ID cards and implemented a permanent medical ID card using recently developed national standards endorsed by the Workgroup for Electronic Data Interchange (WEDI). Kansas is the first State to make card information conform with the national advanced ID card technology standards.
- **Expanded Dental Care:** During the 2008 Legislative session, KHPA received approval to expand the dental program to pregnant mothers and offer preventive and restorative care, rather than just emergent dental care. Electronic billing for dental has increased to 80% as more dentists are taking advantage of the on-line billing option created by EDS. KHPA and UniCare employees volunteered at KMOM (Kansas Mission of Mercy) in Garden City assisting many needy Kansans received dental care.
- **Increased Enrollment in the *Working Healthy* Program:** An increasing number of people with severe developmental and physical disabilities are now enrolled in *Working Healthy*, a program that offers people with disabilities who are working or interested in working the opportunity to keep their Medicaid coverage while on the job. *Working Healthy* was also awarded a Medicaid Infrastructure Grant to support the competitive employment of individuals with disabilities for 2009.
- **Increased Efficiencies Through Document Imaging:** KHPA procured a document imaging system and began using this technology agency-wide to manage documents, making them more portable and accessible to all users.

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- **Complied with Provider Identification Requirements:** KHPA implemented new state and federal requirements for submission of claims with National Provider Identifiers (NPI) and physician's NPA on all pharmacy claims submitted.

State Employee Health Benefit Plan

- **Made Health Care Coverage More Affordable:** The employer contribution rate for dependent coverage was increase from 45 percent to 55 percent.
- **Provided a Broad Range of Wellness Programs for State Employees:** Over 76,000 employees and dependents are eligible to participate in the wellness programs. Approximately 16,300 members took a personal health assessment and over 9,000 individuals participated in health screening events held across the state.
- **Implemented a Health Information Exchange Pilot Program:** The CareEntrust program was implemented in May, 2008 for 15 counties in the Kansas City Metropolitan area.
- **Honored by the Institute for Health and Productivity Management:** KHPA was named a winner of the 2008 *Value-Based Health (VBH) Award* by the Institute of Health and Productivity Management. The Institute recognized KHPA for innovative strategies in the 2009 state employee health plan that were designed to control costs promoting healthy lifestyles and personal responsibility.

Broad Agency Statewide Initiatives

- **Completed Plans to Implement Data Analysis Infrastructure:** The KHPA completed the Request For Proposals process and awarded the Data Analytic Interface (DAI) contract to Thomson Reuters. The agency expects to implement this comprehensive data system in the Fall of 2009.
- **Launched Online Health Consumer Search Tool:** The Kansas Health Online Consumer Transparency Portal (www.kansashealthonline.org) was launched in January 2008. It is dedicated to informing health consumers by empowering them with resources to stay healthy, manage their medical conditions, navigate the health system, health literacy, purchase health care, compare provider quality, and understand health policy.
- **Developed the Medical Home Model:** In the fall of 2008, the Kansas Health Policy Authority convened a stakeholder group to begin operationalizing the medical home model that was enacted by the Kansas Legislature in the 2008 legislative session. This process includes a broad array of providers, consumers, health plans, and business. The goal is to create a medical home model – or possible models -- for Kansas with incentives for payment reform.
- **Implemented the E-Health Advisory Council:** Together with Governor Sebelius, the KHPA made appointments to the E-Health Advisory Council. The Council will act in an advisory capacity to the Governor. It will explore options and make recommendations to leverage the state's purchasing power to promote the use of health information technology and provide recommendations on policy issues related to health information technology.
- **Chosen to Participate in the State Quality Improvement Institute:** Kansas, together with eight other states, was chosen to participate in the State Quality Improvement Institute—an intensive, competitive selection effort to help states develop and implement substantive action plans to improve performance across targeted quality indicators.

These achievements reflect the Board's focus on improving our programs to ensure that we provide high quality, cost effective health care to those we serve. The KHPA Board is proud of the achievements of the Kansas Health Policy Authority and I appreciate the opportunity to provide Senate Public Health and Welfare Committee an overview of them. You will hear more from Marci and Andy about anticipated KHPA activities in 2009 but I did want to inform the Committee that the Board received the OIG's resignation letter in November and will be discussing that staffing issue at our meeting next week.

I also want to express the sincere commitment of the KHPA Board to work with policymakers to address the difficult financial situation facing our state. We stand ready to work with the legislature and the in a collaborative fashion. This concludes my testimony and I am pleased to stand for questions. Thank you.