

Coordinating health & health care  
for a thriving Kansas



## KHPA Legislative Pulse

2.15.08

### Legislative Activity

Legislative updates  
focused on KHPA  
stakeholders.

**Revenue Forecast Stalls Budget Items.** On February 13th, the House Social Services Budget Committee finalized their recommendations on the KHPA budget. Though recommended in the Governor's budget, the Committee removed all non-essential enhancements — including funding for [Kansas Healthy Choices](#) and [Avenues](#) eligibility and enrollment system previously profiled [here](#) — in favor of waiting to see what the revenue forecast looks like during the omnibus session.

The House Appropriations Committee did likewise for the health portion of KDHE's budget. The Committee concurred with most of

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## Making the Case for Medical Homes

A "Medical Home" refers to a model of health care delivery that is person-entered and family-centered, providing accessible and continuous evidence-based, comprehensive, preventive, and coordinated health care guided by a personal primary care provider who coordinates and facilitates preventive and primary care to improve health outcomes in an efficient and cost effective manner. You might want to think of it as a "home base" for personalized, coordinated health care.

In [SB 541](#) — part of the KHPA health reform bill package — the KHPA is asking legislators to pass a statutory definition of "medical home" as a first step towards promoting this progressive health care model. SB 541 directs the KHPA to work with KDHE and stakeholders on developing measures and standards for medical homes in Kansas and what incentives our state should put in place to increase access to this kind of coordinated care.

Why promote medical homes? Medical homes:

- **Improve health, lower costs.** Recent research demonstrates that providing care through the medical home model improves health outcomes in children and adults, and can help control the rising cost of health care. In strengthening the consumer-provider relationship, medical homes improve overall health status and increase personal responsibility for health.
- **Help fix our broken system.** Our health system is fragmented. Health care costs in Kansas and across the United States continue to rise at an unsustainable rate because patients, providers, and purchasers operate under different sets of incentives. Medical homes set-up a coordinated system of care with patients, providers, and purchasers as partners producing healthier quality of life and lower health care costs.

Supporting a statutory definition for "medical homes" in SB 541 is a first step to providing a model of care for Kansans that addresses a long-term solution for health care costs for the state of Kansas.

**Q: Aren't medical homes "managed care."**

**A: No.** "Managed care" was a model of health services delivery largely driven by health insurers and employers. Rather than managing health care, many believe that the focus of "managed care" was "managing cost," often leaving patients and providers feeling limited in their access to health services.

In contrast, the medical home model of care is not designed to limit care but rather better coordinate care among providers, through a primary care provider directed health care team. This creates a culture of preventive care and facilitates patient health which, in turn, improves quality of life and reduces health care costs.

**NEW! KHPA BOARD MEETING.** Tuesday, February 19th. 8:30 a.m.  
Capitol Plaza, Shawnee Room A, Topeka, KS. [Agenda Online](#)

*From previous*

the Governor's recommendations but requested further consideration during omnibus for programs such as the development of regional dental hubs, increasing funding for the primary safety net clinics, early detection programs for breast and cervical cancer, increased recruitment of physicians and dentists, and coordinated school health.

The concern stems from the amount of gaming revenue included in the Governor's budget and the potential for loss in state tax revenue through the federal economic stimulus package.

**Smoking Ban Bill Heard In Committee.**  
On February 12th and 13th, the Senate Judiciary conferred on [SB 493](#) which restricts smoking in public places and workplaces pending a county-by-county vote. The number of conferees testifying on SB 493 on both sides demonstrates the interest of Kansans in this issue. The Committee plans to take final action the week of February 18th.

## Committee Considers Tobacco User Fee

On February 7th and 8th, the House Taxation Committee heard testimony on [HB 2737](#), a bill that increases the tax on cigarettes and other tobacco products.

HB 2737 raises the tax on cigarettes to \$1.29 and raises the tax on smokeless tobacco from 10% to 57%. It increases the tax \$0.04 annually for five years to reflect an assumption of inflation and requires a deposit of \$61.57 million in the first year from the state general fund to the Health Reform fund that is created within the bill.

The proposed increase in the tobacco user fee is one of the 21 KHPA health reform recommendations. KHPA recommended this increase as a way to pay for health reform, fulfilling its charge by the 2007 Legislature in [SB 11](#) to not only recommend comprehensive health reforms but also finding a funding source for them.

Ultimately, that discussion and deliberation process led to a position by the KHPA Board that requesting an increase in tobacco user fee results in a triple benefit to Kansas. By targeting tobacco — the number one preventable cause of death — the user fee increase pays for health reform, serves as a deterrent to smoking (especially among youth), and reduces health care costs.

Conferees included both those who support and oppose such a measure. The proponents included health care providers and health care advocates. The opponents primarily represented tobacco companies or convenience store owners who were concerned that the tax would trigger a loss in revenue.

It was a spirited two-day debate that signals the beginning of the educational process on this issue. The Committee did not definitively indicate when it would next work the bill.

*HB 2737 is being worked in tandem with identical bill SB 542 assigned to the Senate Assessment & Taxation Committee.*

**Q: Is increasing the tobacco tax, especially as a deterrent to smoking, a prudent, stable funding source?**

**A: Yes.** In every state that has enacted an increase, the tax has proven to be an extremely stable source of revenue due to the increased price offsetting the reduction of total purchases.

### UPCOMING TESTIMONY: FEBRUARY 18

Senate Financial Institutions & Insurance. 9:30 a.m. Re: SB 540  
House Health & Human Services. 1:30 p.m. Re: Health Reform  
Senate Health Care Strategies. 1:30 p.m. Re: SB 541

KHPA Legislative Pulse is a publication by the KHPA Outreach Team distributed weekly during the legislative session. If you have questions or comments, contact Outreach Manager Mandy Cawby at 785.291.3827 or [mandy.cawby@khp.ks.gov](mailto:mandy.cawby@khp.ks.gov).



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