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for a thriving Kansas



KHPA Legislative Pulse

4.7.08

Legislative Activity

Legislative updates
focused on KHPA
stakeholders.

Mega Budget Bill Passes; Enhancements Still Stalled Until Omnibus. The conference committee comprised of Senate Ways and Means and House Appropriations members met late into the week, wrapping up its five days of deliberations over the Mega appropriations bill [SB 534](#) on Thursday, April 3rd.

SB 534 included components from [SB 658](#) and [HB 2946](#), the budget bills that passed from each chamber.

KHPA had three budget items for the committee's consideration. Those included: funding for Enhanced Care Management (ECM); the removal of \$5.0 million in State General Fund

Health Reform Negotiated In Conference Committee

The House Health and Human Services/Senate Health Care Strategies conference committee convened daily last week, attempting to reach agreement on the disparate bills [SB 541](#) and [House Sub for SB 81](#) before the legislative break. Committee members include Sens. [Wagle](#) (R-Wichita), [Brungardt](#) (R-Salina), and [Haley](#) (D-Kansas City), and Reps. [Landwehr](#) (R-Wichita), [Colyer](#) (R-Overland Park), and [Flaharty](#) (D-Wichita).

The primary issues of discussion were the House-backed \$4 million appropriation for the first year of a premium assistance program mandated by the legislature in 2007 pending state funding and the Senate-backed expansion of State Children's Health Insurance Program (SCHIP) pending Federal funding.

In the first round of negotiations, the House negotiators offered the Senate negotiators a one-year delay in premium assistance until FY 2010 (July 1, 2009) but offered nothing on the SCHIP expansion. In continuing negotiations, the House offered \$5 million for the Wichita Graduate Medical Education program to retain accreditation.

In an atypical but welcome move, the Senate Public Health and Welfare committee reconvened this week. Led by its chair, [Sen. Barnett](#) (R-Emporia), the regular committee conferred and passed [SB 697](#).

The bill was originally a vehicle for providing funding for safety net clinics, but a balloon amendment was unanimously included to tie in additional appropriations for KHPA-recommended health reform components totaling \$4.234 million.

SB 697 includes \$2.5 million for safety net clinics, \$384,000 for expansion of the Community Health Record pilot project, \$546,000 for dental care for pregnant women, and \$550,000 for HealthWave enrollment efforts.

The conference committee led by Wagle and Landwehr subsumed the Barnett amendments into its conferenced legislation. The outcome is detailed in the accompanying document. The conference committee only succeeded in reaching an "agree to disagree" position, a procedural move that leaves the final decision in the hands of legislators after the legislative break. The conference committee legislation has yet to have a bill number assigned to it.

NEW! The KHPA is pleased to announce Ann Ruselowski as its new General Counsel and Brian Vazquez as Deputy General Counsel. [Read the full press release online.](#)

(SGF) dollars along with the subsequent replacement of those dollars with Children's Initiatives Funds (CIF); and partial restoration of the MediKan funding after a reduction was recommended by the Governor due to implementation of a MediKan Preferred Drug Formulary.

The committee approved the transfer of \$5.0 million from the CIF, as requested. However, the committee deleted funding for Enhanced Care Management in the amount of \$50,000 and deleted the \$6.6 million for the MediKan Preferred Drug Formulary.

Restoration of funding for ECM and the MediKan Preferred Drug Formulary will be reviewed and further considered at Omnibus.

The Mega Bill SB 534 first moved to the House Floor for approval on Thursday evening. It failed, but conference committee returned an amended version to the House and Senate floors on Friday evening where it passed. Additional enhancements will be decided at Omnibus.

Governor: Health Reform Is Pro-Business

Kansas has achieved the ranking of a top 10 pro-business state in a new 50-state survey published by a leading national corporate relocation firm. This is the second time that Kansas has made the list, considered the "gold standard" by American business leaders.

In making the announcement, [Governor Kathleen Sebelius](#) tied sustaining a pro-business environment to necessary action on health reform.

"As the nation's economy continues to struggle, in Kansas we've made smart investments in our schools and workers while making strategic tax cuts to create jobs. As a result, the Kansas economy remains strong," said Sebelius. "The cost of health insurance is an increasing burden for businesses; so the next step must be to tackle comprehensive health care reform if we want to remain among the top pro-business states."

The annual report by Pollina Corporate Real Estate, Inc. analyzes 29 factors that affect the ability of states to attract new businesses, or encourage existing businesses to expand within a state.

Pollina has been ranking states for five years using such factors as taxes, quality of life, human resources, labor, education, infrastructure, and incentive programs — all vital to staying competitive in a global economy.

Governor's Public Health Conference To Feature KHPA Speaker. Dr. Margaret Smith, KHPA Medicaid Medical Director, will be speaking on the topic "What is a Medical Home?" at the 3rd Annual Governor's Kansas Public Health Conference on April 29th. The conference, held at the Wichita Airport Hilton, runs April 28th through 30th. [View more conference information online.](#)

Legislature Concludes Main Session, On Break

The end of last week concluded the main legislative session. The legislature will take a three week break, returning on April 28th to convene the Omnibus wrap-up session. Please take advantage of local legislative events during this time to express your opinion on health reform to your elected representatives.

The Pulse will be on hiatus during the legislature's break, but we look forward to returning with a new issue on Friday, May 2nd.

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@khpas.gov.



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DRAFT Health Reform Conference Committee Agreement
April 7, 2008

Policy changes
Requirement for Premium Only Cafeteria Plans. Requires insurers to provide premium only cafeteria plans (POP).
Optional Premium Only Cafeteria Plans. Employers may offer POPs.
Extends COBRA Health Insurance. Extends state continuation of COBRA from 6 to 18 months.
Increase Lifetime Limit for Kansas High Risk Pool. Increase the maximum lifetime benefit in the high risk pool to \$2 million.
Expands Safety Net Definition. Defines a provider based indigent care clinic
Protects State from Negligent Contractors. Contractors convicted of fraud, waste, abuse or illegal acts that have cost the state more \$1 million in the Medicaid program are not eligible for any state Medicaid contracts with certain exceptions.
Expands KHPA Board. Adds the Commissioner of Education to the KHPA board as an Ex-Officio member*.
Defines Medical Home. Defines the process to develop standards and measures in creating a medical home*.
Moves SCHIP Oversight. Assigns the Joint Committee on Health Policy Oversight to oversee the implementation and operations of the children's health insurance plans created under this act.
Moves Small Business Grant Program. Transfers the Small Employer Cafeteria Plan Development Program and the Association Assistance Plan grants and loan programming from the Department of Commerce to the KHPA*.
Insurance Card Standardization. Directs the KHPA to establish an annual card for Medical Assistance recipients*.
Expands SCHIP and Establishes ESI Premium Assistance Program. Establishes Employer Sponsored Insurance as part of an expansion of SCHIP for children in families up to 250% Federal Poverty level, pending federal funding.
Expands Medicaid for Pregnant Women. Expands Medicaid coverage, including tobacco cessation to pregnant women up to 200% Federal Poverty Level.

Appropriation Requests for Omnibus	Appropriations Recommendation
Dental Coverage for Pregnant Women. Provides dental coverage for pregnant women on Medicaid*.	\$546,000 SGF
Expand Outreach to Children. Increases outreach and enrollment of children currently eligible for HealthWave*.	\$550,000 SGF
Expand Community Health Record. Implementing the statewide Community Health Record*.	\$384,000 SGF
Fund Cancer Screening. Continue funding for the cancer screening for breast and cervical cancer screening program*.	\$1.5 Million SGF
Expands Medicaid for Pregnant Women. Expands Medicaid coverage, including tobacco cessation* to pregnant women up to 200% Federal Poverty Level.	\$460,000 SGF
Increase Funding for Safety Nets. Includes additional funding for safety net clinics.	\$2.5 Million SGF

Studies

Medicaid Reform Studies
Allows the KHPA Inspector General to keep a portion of moneys recovered from persons committing Medicaid fraud.
Modernizing Medicaid benefits and payment policies to encourage wellness, efficiency, and aligning Medicaid payment policies with Medicare payment policies.
Allowing medical assistance recipients whose assistance has ceased to purchase coverage for up to three years.
Examine experience of other states regarding Medicaid reform.
Long-term care.
Waste, fraud, and abuse.
Health Opportunity Accounts.
Other reforms allowed by Federal law.

Private Insurance Studies
Individual and small business tax credits.
Encouraging Health Savings Accounts (HSAs)/High-deductible health plans.
Section 125 plans.
Allowing insurers to provide incentives in return for participation in programs promoting wellness and disease prevention.
Allowing insurers to offer young adult policies with limited benefits and reduced premiums*.
Changes to the Kansas Health Insurance Association (high-risk pool).
Plans, eligibility, and the use of reinsurance mechanisms*.
Small business health policies including the creation of a Small Business Health Policy Committee*.
Allowing "Very Small Employers" (1-10) to obtain group health insurance*.
Making health insurance more affordable for small business and employees*.

Other Health Reform Studies
Workforce.
Physical fitness in schools*.
Transparency.
Statutory legislative committee on health futures.
HSA employer contribution to State Employee Health Plan.

* Indicates items that were included as part of KHPA's 21 point reform package.