

Approved: Feb. 2, 2000
Date

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Senator Don Steffes at 9:00 a.m. on February 1, 2000 in Room 529-S of the Capitol.

All members were present except:

Committee staff present: Dr. William Wolff, Legislative Research
Ken Wilke, Office of Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Secretary Janet Schalansky, SRS
Laura Howard, Chief of Staff, SRS
Lynn Goering, Health Care Policy, SRS
Bob Day, Medicaid, SRS
Vickie Johnson-Scott, MAXIMUS
Melissa Ness, Kansas Children's Service League
Brad Smoot, AIA
Linda DeCoursey, Kansas Insurance Department

Others attending: (See Attached)

Action on SB 457—Banks and trust companies; inactive companies or departments

Senator Feleciano moved to recommend the bill for favorable passage. Motion was seconded by Senator Praeger. Motion carried.

Action on SB 459—Mortgages; mortgage business and mortgage loans

Senator Feleciano moved that the proposed amendments addressing the disclosure all registrants are required to make to consumers and requesting that these amendments be made effective upon publication in the Kansas Register be accepted and made part of the bill. Motion was seconded by Senator Praeger. Motion carried.

Senator Feleciano moved that the bill as amended be reported favorably. Motion was seconded by Senator Praeger. Motion carried.

HEALTH WAVE PRESENTATION

Janet Schalansky, Secretary of SRS, introduced members of her staff Lynn Goering, Health Care Policy; Bob Day, Medicaid; and Laura Howard, Chief of Staff. Ms Howard presented an explanation of what HealthWave is and the progress of the Title XXI State Children's Health Insurance Program (SCHIP) (Attachment 1). The program is one year old and the success of the endeavor will partially depend upon the re-enrollment numbers. There are currently 30,000 children enrolled with an expectation that the numbers will reach approximately 40,000 by the end of this year. Even though Kansas may not use all the federal funding allowed for the first year, no money will be lost as the remainder from 99 can be rolled over. The original federal funding was authorized for five years even though they have prepared statistical and financial information for a ten-year period.

Committee members asked SRS to furnish comparative information from other participating states regarding CHIP eligible, both participating and nonparticipating persons. Also requested was a per child cost, the percent and dollars spent on administrative costs. The cost and purpose of the proposed computer enhancement for SRS in the amount of \$6.3 million for HealthWave was also questioned. A point of concern expressed by the Committee was how providers are found for HealthWave participants and at what rate providers are reimbursed. Also requested from presenters was information on the numbers of participants who are behind in premium payments or cannot pay the premiums. Also questioned was why there continues to be such huge writeoffs by hospitals if there are health plans available for those of incomes far below the federal poverty level and the reimbursement for the providers is considered fair. A county-by-county count of HealthWave participants was also requested. This may help in seeing where the concentration of eligible children may reside.

CONTINUATION SHEET

Vickie Johnson-Scott, Project Director for HealthWave employed by MAXIMUS, presented information on the history, success, and activities of their outreach and marketing program (Attachment 2). Current enrollees in HealthWave are notified 45 days prior to their renewal date for updating qualifying information. Both original enrollment and renewal can be handled by mail. Prior to renewal, any outstanding premiums must be brought up to date. Ms. Johnson-Scott said she was unable to give definite numbers regarding lack of payment but she felt it was very small and did not think there had been any problems in collection. A major part of the HealthWave program has been in reeducating the parents or guardians in how to seek medical care by working within the HealthWave system rather than depending on emergency situations to address total health care.

Melissa Ness, Kansas Children's Service League, informed the Committee of how their \$2.3 million grant from the Robert Wood Johnson had given Kansas "an edge" over the other states in the development of the SCHIP project.

The discussion will continue next week on HealthWave.

Senator Praeger moved to conceptually introduce a bill which would use the SCHIP program through small employer-based insurance programs by subsidizing insurance plans for low-salaried employees. The motion was seconded by Senator Feleciano. Motion carried.

Brad Smoot, AIA, requested the introduction of legislation which would continue the deregulation of large risks for insurance companies.

Senator Feleciano moved that the request of Mr. Smoot be introduced into legislation. Motion was seconded by Senator Barone. Motion carried.

Linda DeCoursey, Kansas Insurance Department, requested the introduction of legislation addressing the deceptive sale or promotion of health-related cash discount cards (Attachment 3). The bill sets out what is unlawful and prescribes penalties.

Senator Feleciano moved that the request of the Kansas Insurance Department be introduced into legislation. Motion was seconded by Senator Barone. Motion carried.

Senator Feleciano moved that a request for a bill introduction sponsored by Senator Umbarger concerning liens upon personal injury damages recovered by patients be introduced into legislation. Motion was seconded by Senator Corbin. Motion carried.

Senator Becker moved that the Minutes of January 26 and 31 be approved. Motion was seconded by Senator Biggs. Motion carried.

The meeting was adjourned at 10:00 a.m.

SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

GUEST LIST

DATE: 2-1-00

NAME	REPRESENTING
Kerry Guthrie Fred Swoot	Health Tidewater AIA
Joseph G. Cecil Pat Morris	Family Health Partners KATA
Janet Schalausky	SNG
ED BORING	Delta Pontac
Julie Reid	KCSL
Melissa L. Ness	Ks Childrens Service League
Kevin BAZONE	Hem/weir Chrt'd.
Julie Klein	Hem + Weir Chrt'd
Marie Butholzf	KCCI
Steve Montgomery	
Linda d'Arcy	KS Insurance Agents
Kathy Darnon	MAXIMUS
Carol Deckert	" "
Vickie Johnson-Scott	" "
Mike Hutles	First Guard
John Hilde	First Guard
Carolyn Medendorp	Ks St No Assn
Kay Calvert	LWVK



State of Kansas
Department of Social
and Rehabilitation
Services

Janet Schalansky, Secretary

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Senate Financial Institutions and Insurance Committee

February 1, 2000

HealthWave Update

Office of the Secretary
Laura Howard, Chief of Staff
(785) 296-3271

Senate Financial Institutions & Insurance

Date 2/1/00

Attachment # 1

Kansas Department of Social and Rehabilitation Services
Janet Schalansky, Secretary

Senate Financial Institutions and Insurance Committee
February 1, 2000

Mr. Chairman and members of the committee, my name is Laura Howard and I am the Chief of Staff for the Department of Social and Rehabilitation Services. Thank you for the opportunity to appear before you today to present this update about our HealthWave program.

The HealthWave program reached its first anniversary on January 1, 2000. It has been an exciting and challenging year for the department as we have watched the program unfold. As of January 1, 2000, 15,206 children were enrolled in health insurance coverage through the Title XXI HealthWave program. In addition, 17,092 children have been determined eligible for the Title XIX Medicaid program through the HealthWave application process. That means more than 32,000 children who previously were uninsured are now covered by comprehensive health insurance. Original estimates by the federal government indicated there were approximately 60,000 uninsured children in Kansas, and in one year we have reached over half of them. This is shown graphically on Attachment A. This exceeds any expectations we had for the first year of the program.

Background

The Balanced Budget Act of 1997 created Title XXI of the Social Security Act, also known as the State Children's Health Insurance Program (SCHIP). Funding for the program is in the form of a block grant. Federal funding for the HealthWave program is projected to increase from \$4.3 billion in FFY 1998 to \$5 billion in FFY 2007.

State allotments are based upon a formula which for FFYs 1998 through 2000 was determined by the number of low-income uninsured children in the state for the fiscal year. Amounts allotted to a state remain available for expenditure by the state through the end of the second succeeding federal fiscal year, providing for a three-year rolling funding period on a first-in-first-out basis. Funds not expended during this three-year period are available for redistribution by the secretary of Health and Human Services to states that fully expended the amount of their allotments.

For FFY 1998, Kansas received an allotment of federal funds of \$ 30,656,520. For FFY 1999, Kansas received an allotment of \$ 30,511,738. Within this program the federal match is at the enhanced rate of 78 percent. A state match of 22 percent is required. The legislation gave states three options for implementing SCHIP. States could use the block grant funds to expand their current Title XIX (Medicaid) program; create a separate state insurance program; or use a combination of the two. After the federal legislation was signed in August 1997, two taskforces were created to look at how the program should be implemented in Kansas. The combined recommendations of these two taskforces were presented to the 1998 Legislature. As originally introduced, the legislation would have partially expanded Title XIX to even-out

eligibility criteria across age groups and created a separate state program. The 1998 Legislature passed House Substitute for Senate Bill 424, which authorized SRS to develop and implement a separate state health insurance program.

The Kansas SCHIP was implemented under the name HealthWave and is designed to mirror a private health insurance program to the extent possible. Health insurance coverage for children in the program began January 1, 1999. Major components of the program structure are as follows:

Eligibility: To qualify for HealthWave a child must:

78% federal
22% state funds

- Be under age 19 (18-year-olds must fill out their own application);
- Live in a family with an income under 200 percent of the federal poverty level (for a family of three the approximate maximum monthly income is \$2,314);
- Have no other health insurance and not have dropped insurance without good cause within the previous six months; and
- Live in a family that does not qualify for state employee health insurance. Children of state employees who are eligible for state group health insurance benefits are not eligible for HealthWave under federal rules.

The federal legislation requires states implementing a separate program to meet "screen and enroll" requirements. In other words, all applications for the Title XXI program must be screened for Title XIX eligibility. Kansas utilizes a joint application that can be used to determine eligibility for both programs to facilitate this process.

↑ Medicaid

Continuous Eligibility: Once determined eligible for either Title XXI or Title XIX, children have continuous eligibility for 12 months. In Title XIX, this provision applies to PrimeCare eligible children in the Temporary Assistance to Families and Poverty Level Eligible populations. This group represents a majority of children in Title XIX, but excludes children in the foster care, Supplemental Security Income, and Home and Community Based Services (HCBS) waiver populations.

Cost Sharing: Under federal law, cost sharing in Title XXI is limited to families above 150 percent of the Federal Poverty Level (FPL) and cannot exceed five percent of the family's income. The only cost sharing in HealthWave is a family premium. For families between 151 and 175 percent FPL, the monthly premium is \$10. For families between 176 and 200 percent FPL the monthly premium is \$15.

Benefit Package: The HealthWave benefit package is equivalent to the Early, Periodic Screening, Diagnosis and Treatment (EPSDT) packaged required in the Title XIX program for children. Services covered include doctor's visits, eye exams and glasses, prescription drugs, inpatient and outpatient services, mental health and substance

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abuse treatment (both inpatient and outpatient), dental services, and all other medically necessary services. There are no restrictions on pre-existing conditions.

The benefit package is delivered through a statewide capitated managed care system. There is no fee-for-service or retroactive coverage. Insurance benefits begin the first of the month of enrollment in a managed care program. After families receive notification that the child has been enrolled in a health plan, they need to call the health plan and select a Primary Care Physician before they will be able to receive services.

The state has contracted with three managed care organizations to provide health insurance coverage. In Region I the state has contracted with Family Health Partners to provide physical health benefits. Family Health Partners subcontracts with Doral Dental to provide dental services. In Regions II and III the state has contracted with First Guard Kansas (previously with Horizons Health Plan) for physical health benefits. Delta Dental is the dental services subcontractor for these two regions. The behavioral health benefit is provided statewide by The Consortium, Inc. (formerly the Mental Health Consortium). Health plans receive a negotiated per member/per month capitation payment from the state and are then responsible for providing all services to an enrolled child. The only services paid for by the state outside of the capitation rate are: 1) most covered transplants (health plans are responsible for kidney and cornea transplants); 2) hemophilia drugs; 3) dental services over \$1,500 and; 4) vaccines. The Managed Care Organizations are responsible for immunizations but the vaccines used are purchased through a state contract at a discounted rate. HealthWave benefits are budgeted at \$30.8 million in FY 2000.

Clearinghouse: SRS contracts with MAXIMUS to operate a centralized HealthWave clearinghouse. The clearinghouse is responsible for operating the toll-free phone line, conducting outreach and marketing, processing applications, determining eligibility, processing premiums, enrolling eligible children in health plans, and processing capitation payments.

Throughout the implementation of HealthWave, significant efforts have been made toward creating a program that is consumer friendly and accessible. One example is the toll-free HealthWave information line, 1-800-792-4884, operated from 7 a.m. to 7 p.m. Monday through Friday, and 8 a.m. to 5 p.m. on Saturday. This information line can be used to request applications, inquire about the status of an application, register complaints or grievances, ask questions about the program, request premium information, request outreach materials, or schedule an outreach event.

Outreach and marketing for HealthWave is a major function at the clearinghouse. The driving force behind outreach is to utilize existing local resources and organizations to spread the word about HealthWave. Outreach workers are assigned to different areas of the state to build up a familiarity with the community resources and people. Some outreach workers are out-stationed and some are located in Topeka. Outreach staff make presentations, provide application assistance, and distribute materials to a variety of different locations. Various marketing efforts are also utilized including radio and

television advertisements, billboards, tray liners, sack stuffers, mailings, and other promotions.

Eligibility determination is another major function of the clearinghouse. Applications received must first be screened for Title XIX eligibility. Under federal law, only state eligibility staff can authorize Title XIX benefits, but Title XXI does not have this restriction. To process applications efficiently, SRS has stationed state eligibility staff at the clearinghouse to complete the authorization of Title XIX benefits. By doing this, we eliminated the need for the case to be screened by contract staff then shipped out to a local SRS office if Title XIX eligibility was indicated. The contract for the clearinghouse is budgeted at \$5.9 million for FY 2000 .

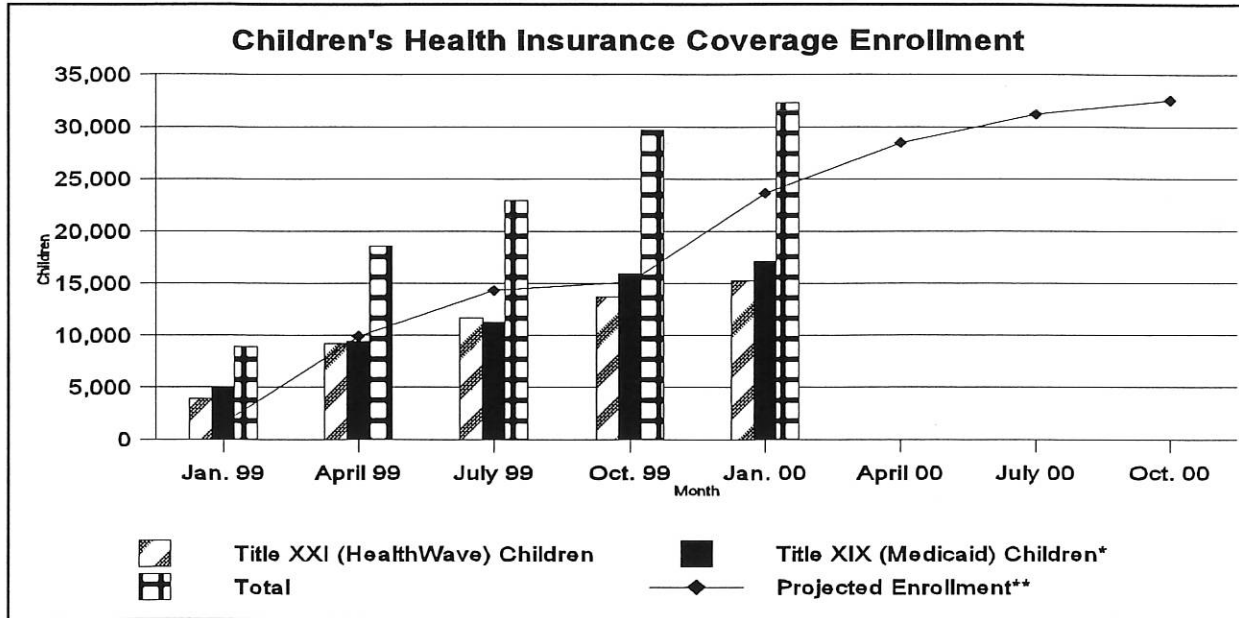
Integration: In pursuit of its goal to create an integrated health insurance program for children, the department has taken steps to align and simplify eligibility determination and other administrative processes. These include:

- continuous eligibility for 12 months for Title XXI and Title XIX children (some Title XIX children's populations are excluded);
- one simplified, mail-in application for both programs;
- a streamlined eligibility determination process including elimination of the assets test, reduction in required verification, and a standard income disregard for both programs;
- a central application processing point for those applying for children's medical benefits;
- stationing of SRS eligibility workers at the Clearinghouse to expedite Title XIX eligibility determinations;
- equivalent Early Periodic Screening Diagnosis and Treatment benefit packages in both programs;
- continuity in provider networks to the extent possible; and
- toll-free telephone line which can be used for information on both programs.

As a part of the department's long term goal of making health insurance coverage accessible for all eligible children, efforts are continuing to further integrate the Title XIX and Title XXI systems. Differences in system design, eligibility start dates, federal requirements, and other areas make the integration a challenging endeavor. Current issues within the Title XIX managed care program have also increased the complexity of the integration process. The department is committed to creating a health care system that is best for the children of Kansas and will continue to pursue that goal.

Again I would like to thank you for the opportunity to present this update today. I will now stand for questions.

Attachment A



* The Medicaid number shown in this chart reflects children determined to be eligible for Title XIX as a result of completing the HealthWave application process and does not reflect all children in the Title XIX program.

** This projection was compiled in March 1998, and shared with the 1998 Legislature before program design was completed.

February 1, 2000

**Testimony of
Vickie Johnson-Scott, Project Director, HealthWave
to
the Financial Institutions and Insurance Committee of the Kansas Senate**

Mr. Chairman, members of the committee. I'm Vickie Johnson-Scott, Project Director for HealthWave employed by MAXIMUS. As you know, MAXIMUS has a contract with the State Department of Social and Rehabilitation Services to provide Marketing, Outreach, Eligibility Determination, Enrollment, and Premium Administration for HealthWave.

I'd like to give you an overview of our HealthWave activities.

The MAXIMUS project team arrived in Kansas in August of 1998. We located facilities, interviewed, hired and trained staff, and set up and staffed a toll-free phone number for HealthWave which was available October 1, 1998. Outreach and Marketing also began that month. Enrollment materials were created and became available during November of 1998.

Within one month of the signed contract, the Clearinghouse began assisting Kansas families who did not have health insurance for their children. Families could request and receive assistance in their native language. Enrollment materials and outreach presentations are available in both English and Spanish.

The toll-free phone lines provide assistance to families from 7:00 A.M. till 7:00 P.M. Monday through Friday and 8:00 A.M. till 5:00 P.M. on Saturday. These times allow busy families the opportunity to seek personal and confidential help at their convenience.

I'm pleased to report that on January 1, 1999, not only did we get our operation up and running, but we enrolled the first 3,941 Kansas kids! Since then we've enrolled 15,567 children and teens in HealthWave. The Clearinghouse processed an additional 17,189 children and teens who were enrolled in Medicaid through their HealthWave applications. Kansas now offers health insurance to 32,756 previously uninsured children and teens.

Senate Financial Institutions & Insurance

Date 2/1/00

Attachment # 2

HealthWave Marketing and Outreach Report

Marketing and Outreach for HealthWave is as abundant and diverse as Kansas itself. Working together marketing and outreach have reached every area of the state from the high plains of western Kansas to the dense population center of Kansas City. Kansans learned about HealthWave from mass marketing methods of television and radio, billboards and newspapers. However, they act on this "new" program when someone they trust reaches them one-on-one.

That's why the 82,282 miles have been crossed and recrossed by outreach staff. HealthWave is becoming interwoven in the patchwork of the Kansas landscape.

Since outreach efforts began 14 months ago, staff have done more than **6,971** presentations, application assistance, health fairs and community contacts. Outreach personnel have personally visited with more than **108,159** people.

Schools are a major focus. Letters and sample enrollment packets were sent to each superintendent in January and July of 1999. The request was very simple, will you help us reach your patrons? Informational letters were also sent to each building principal. The response was overwhelming. During the two months of enrollment, more than 100,000 enrollment packets, flyers and brochures were mailed to Kansas schools.

To keep the momentum going, in September, school nurses, counselors and social workers also received letters asking for their unique brand of helping students. Again we're seeing the value of combining marketing and outreach by first doing the mass education and then following up one-on-one.

Not only did schools include HealthWave in their enrollment materials, they continue to ask that HealthWave become part of their agendas. Teacher training, parent teacher conferences, coaches night and school open houses have received HealthWave presentations or application assistance by our Outreach staff.

School administrators have included HealthWave information in their school newsletters. Many teachers are beginning to include HealthWave information in their notes to parents. Staff also participated in Kindergarten Round-ups and school screening in every region of the state.

The Kansas Association of School Boards wrote two different articles in their publications letting the school board members know about HealthWave and asking for their support.

The Kansas National Education Association and the Parent Teacher Association included HealthWave fliers and articles in their publications.

The Kansas State High School Activities Association included HealthWave information in presentations they did throughout the state in August to the coaches and athletic directors.

Kansas universities, community colleges, technical schools and trade schools weren't forgotten. We provided information for their freshmen and nontraditional students as well as graduate students, many of whom have uninsured children.

We do ongoing presentations to English as a Second Language classes, Welfare to Work training classes and GED classes. Many of these presentations are followed up by an application assistance to help students complete their applications.

County health departments also became partners in outreach efforts. HealthWave application assistance has been done in cooperation with WIC clinics and other special clinics. Health departments encouraged their staff to be trained in helping clients become aware of the program.

The Kansas Department of Revenue also mailed HealthWave post cards to families in the targeted HealthWave income bracket. These post cards were very successful in generating phone calls requesting applications.

Outreach staff had a very successful booth at the Kansas State Fair. More than 13,000 pieces of HealthWave materials were given to fair goers. Employers, grandparents and friends all seemed to know someone who could use the program. You know you're successful when children come up to your booth not asking for a pen, flyer or magic spring, but to tell you they learned about HealthWave at their school.

Any health fair or community festival in the 105 Kansas counties usually has a HealthWave booth. From an open house at the newly remodeled Satanta Hospital in Southwestern Kansas to "Kids Day at the Zoo" in Wichita, Outreach staff is there to help families. Parades have also been a method of getting the word out. The HealthWave entry even won first place at a parade in Wichita.

Ethnic celebrations are opportunities for outreach efforts. Families attending Cinco de Mayo in Kansas City or Wichita or Fiesta Mexicana in Topeka could not only partake of excellent food, but they also learned about health insurance for uninsured children. The Black Arts Festival was another exciting opportunity for Kansans to learn about the program.

The Indian Nations have taken a special interest in getting tribal children enrolled. HealthWave was invited to participate in tribal health fairs and Pow-wows. The Prairie Band of Potawatomie Indians Human Resources Director even invited HealthWave to do a presentation to their employees.

The Indian Alcohol Treatment Services Director in Wichita arranged for a HealthWave presentation to his staff and clients.

HealthWave Outreach tries to find families at a variety of events including county fairs, garage sales and flea markets. We were there when families came to the Sheridan County Barnyard Olympics for Children, the Chicken Flying Contest in Berryton, Topeka's Railroad Days and the Christmas gifts for families in Kansas City and Newton. HealthWave staff members all wear buttons that say "*Ask me about HealthWave.*" These buttons encourage discussions in a variety of locations like a bank line, grocery stores or other places to find out about HealthWave.

HealthWave extends our outreach efforts by training others to help personalize our focus. After the Robert Wood Johnson Grant was received, HealthWave trained their staff members and site coordinators. We are active members in the monthly JoWave, TriWave, Wyandotte County Access to Care and Leavenworth County Access to Care volunteer meetings in the Kansas City area as well as the Multi-Cultural Task Force in Dodge City. We served on the Wyandotte County Health Summit.

We understand volunteers can help us reach under served populations. That's why we trained the Wichita Chapter of Hope for Kids. Their volunteers did a door to door campaign in Wichita, visiting 1,500 families. Another group of HealthWave volunteers went door to door in the Kansas City area this fall.

Sometimes volunteers help us reach multiple locations at one time. Volunteers helped staff four Operation Immunization sites in Wichita and provided one-on-one application assistance. In Topeka and Wichita, we also trained volunteers who helped with HealthWave applications at school enrollments.

Organizations have been willing to be trained and lend their support in finding Kansas uninsured kids. The Junior League of Kansas City and Topeka adopted HealthWave as one of their special projects. Mother-to-Mother Ministries and the parish nurses in Wichita have received HealthWave training and help us find families.

HealthWave trained volunteers provided one-on-one application assistance at four Operation Immunize sites in Wichita. Mother to Mother Ministries in Wichita has also been trained in HealthWave outreach. The Junior League of Topeka and Kansas City adopted HealthWave as one of their special projects to help us reach even more families.

Community policing officers in Wichita became trained volunteers and we held application assistance at their substations for the surrounding neighborhoods. We've visited with other law enforcement agencies throughout Kansas so they can distribute HealthWave enrollment packets to families they encounter.

We also did a presentation and continue to provide enrollment information to the Women's Correctional Facility because many institutionalized women have uninsured children living with relatives throughout Kansas.

Walmart in Hays, Topeka and Wichita became a common location of application assistance for their customers in a variety of Kansas locations. This organization is one of many in Kansas that is leading the way in helping us notify their customers about this exciting opportunity.

Across Kansas from gas stations to swimming pools, restaurants to barber shops, HealthWave posters have been put up to help inform families. Laundromats, libraries, Chambers of Commerce and United Way agencies have all been important links in the outreach effort.

United Way of the Plains in Wichita hosted business training sessions for human resource professionals in Sedgwick County giving them an opportunity to learn about HealthWave and take the information back to their employees.

Nursing homes, day care centers, schools and other business organizations have given their employees HealthWave information through presentations and paycheck stuffers. When some of the businesses wouldn't return calls from Outreach personnel, they faxed them a one page informational sheet and had a tremendous response from organizations wanting information for their employees.

Flyers have been placed in grocery store bags in Topeka and Sabatha. Outreach personnel have also done presentations to employees of organizations who don't offer health insurance benefits or their benefits are too costly for families.

Apartment complexes and mobile home parks have put HealthWave information in their newsletters, put posters in their offices and are encouraging their families to learn about this exciting opportunity.

Hospitals are not only training sites for their employees, they also host community gatherings for presentations. Places of Worship are becoming involved to help their congregation learn how to provide for their children's health. Not only have they hosted application assistance events for their congregations, they've even allowed HealthWave presentations to become part of their worship service.

Special community dinners have allowed staff to meet with community leaders and discuss how outreach efforts could be tailored to their areas. With one call to Garden City, the city's Chamber of Commerce executive, a county commissioner, the United Way director and four other community leaders came to help plan their community dinner. *The Garden City Telegram* did a special interview with me the evening of the event.

Head Start organizations have been a vital link in the statewide linkage of helping families find out about the program. They, like many others have posters, application packets, presentations on site and had Outreach staff train their family visitors. Parents as Teachers include HealthWave information during their home visits.

Kansas families know HealthWave understands them and respects their needs. They love the easy to read brochure and the nine question application attached to a stamped self addressed return envelope.

Marketing activities have also been very successful in getting the phones to ring with people requesting applications. The Kansas media have given special attention to HealthWave. Personal appearances by HealthWave staff on television and radio news shows have been aired in all regions of Kansas.

HealthWave has enjoyed more than 13 hours of radio air time and 3 1/4 hours of television news air time. Sixty-four billboards have been up at various times in Kansas City, Wichita and Topeka.

Marketing efforts have included television and radio interviews, newspaper articles, billboards, bus signs, and summer movies for kids. More than **53 million** impressions have been made from radio, television and billboards alone. I personally visited every region of the state as I took to the air waves to let families know about HealthWave's existence and possible enhancement in their lives.

HealthWave reached the Spanish-speaking population in Kansas through radio spots, television interviews and news stories in Spanish. HealthWave presentations are provided in Spanish when requested.

At a recent application assistance site two radio stations encouraged their listeners to go out and get signed up. Two television stations covered the event and aired the story on their 5, 6 and 10 o'clock newscasts and their morning show. Coverage was so successful, people were waiting in line for the application site to open the following day.

Since January 1999 more than 100 newspapers articles have been written about HealthWave encouraging Kansans to find out about the program and call for an application. This is the equivalent of 4,700 column inches of newspaper stories in addition to the 15 newspaper ads we ran in various media targets throughout Kansas.

The four largest newspapers have also endorsed the program.

The *Kansas City Star* called HealthWave "The best holiday present for many area parents." Their editorial concluded, "This program is one of the best examples of government at work to improve lives of its youngest citizens."

The *Topeka Capitol Journal* called HealthWave "a great investment." Its editorial summary said, HealthWave "ranks right up there with the best investments society has ever made."

The *Hutchinson News* reported, HealthWave "is no cut-rate program; it offers full

medical and dental coverage."

The *Wichita Eagle* concluded HealthWave is doing an admirable job of publicizing the program.

HealthWave articles have also been included in school newsletters, small business newsletters and a variety of organizational newsletters.

Media endorsements and community support are only a measure of the outreach and marketing efforts. The most important determination of success is the number of children enrolled. Three months into the outreach and enrollment effort, we had enrolled children from each of our 105 Kansas counties. As of January 2000, **15,567** children have enrolled in HealthWave and another **17,189** have been enrolled in Medicaid through HealthWave applications received at the Clearinghouse.

Enrollment, Eligibility and Premium Processing

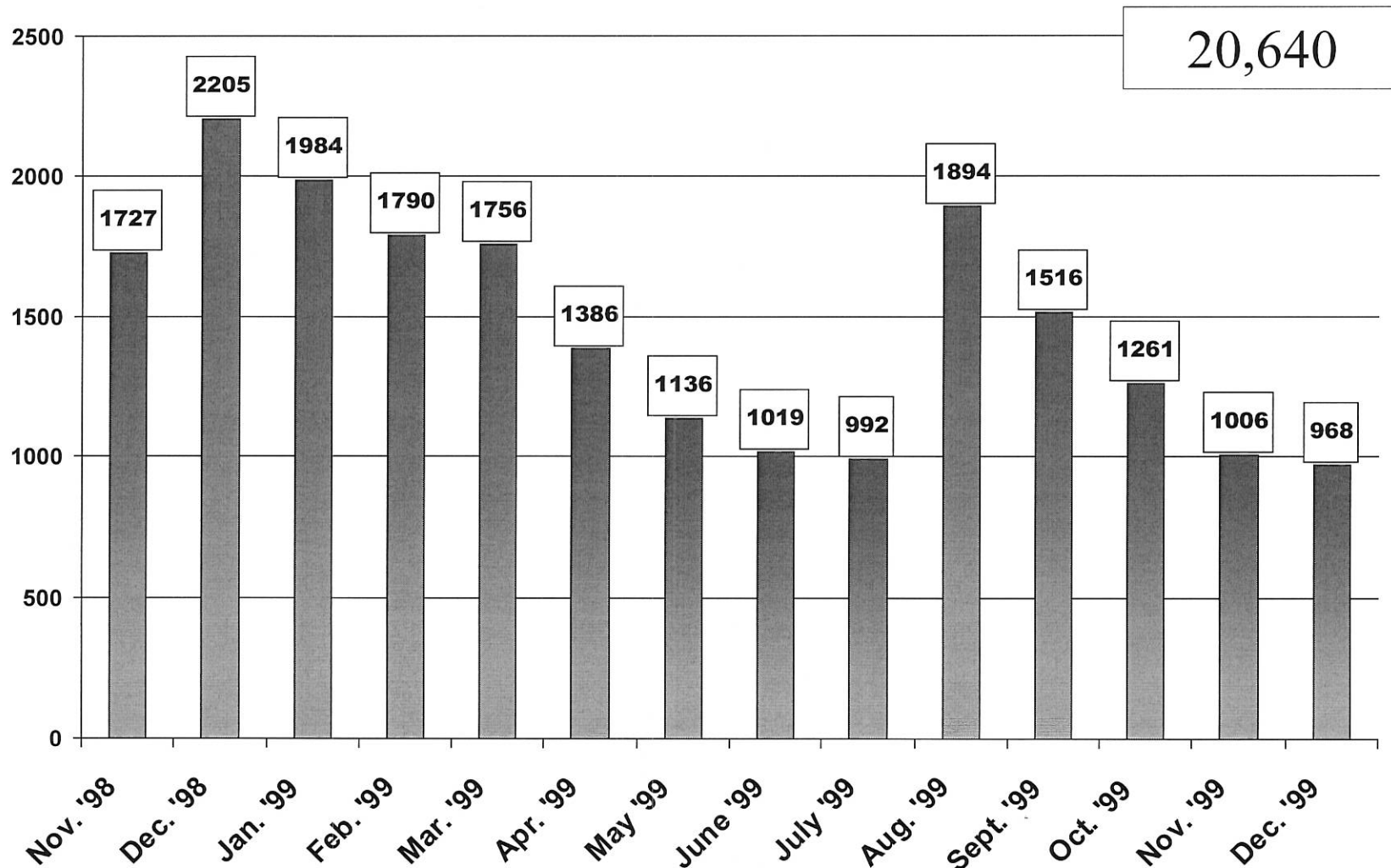
We have taken 74,753 over the past year. The Clearinghouse received and processed 20,640 applications from families throughout Kansas. We've received premium payments from 9,875 HealthWave families. (See the attachments for a detailed listing.)

Conclusion

Even though we've met with initial success, we haven't given up. We believe that repeated exposure and involvement by our team will help us reach even more families.

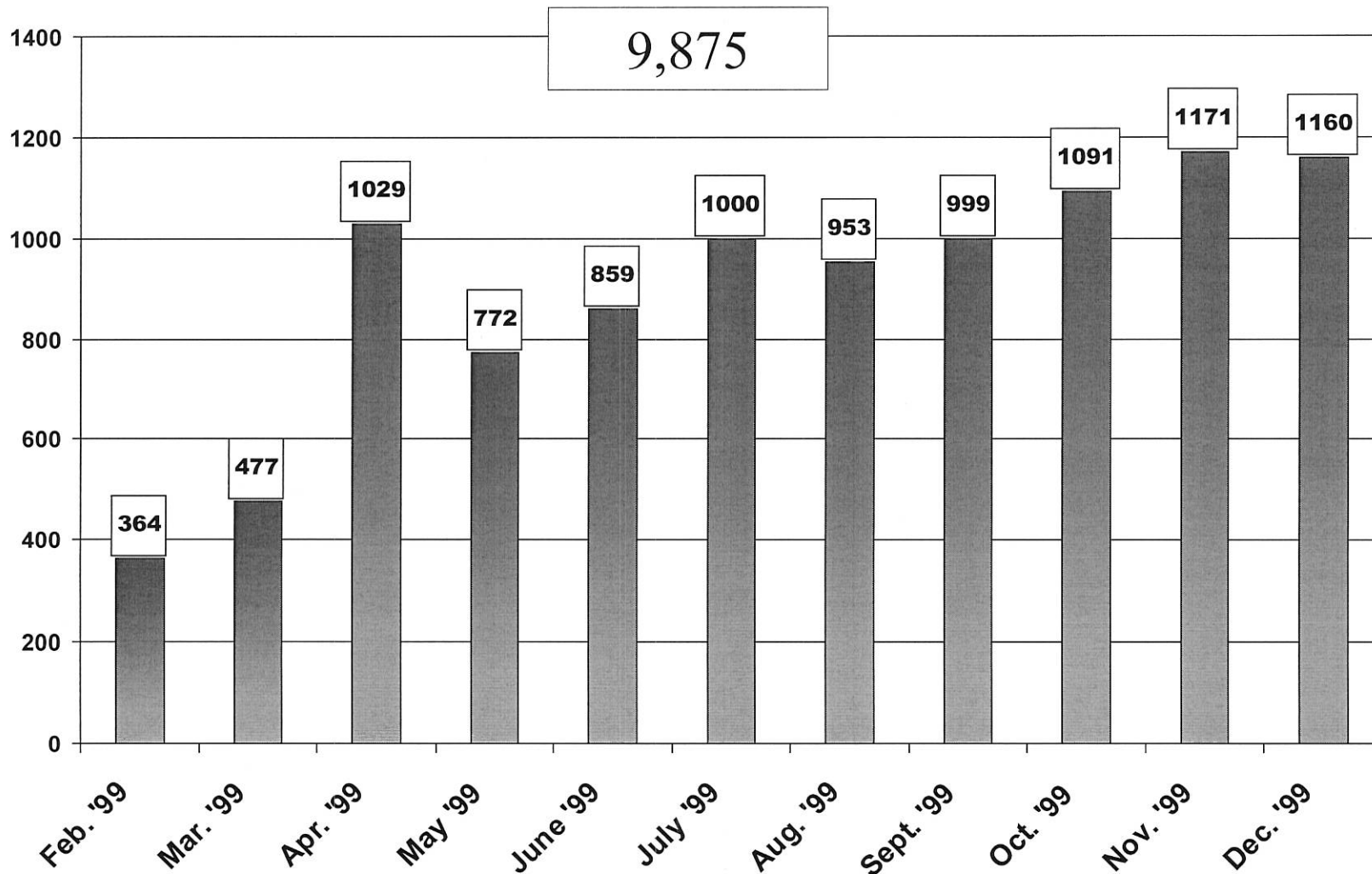
Kids in Colby are as important to us as kids in Topeka. That's why we have staff members who live and work in communities throughout Kansas. Most of our staff grew up in Kansas. They reflect our state's diverse ethnic heritage. From the former migrant farm worker to the farmers children, from the people who grew up in the shadows of airplane manufacturers to staff members who remember when Big Brutus wasn't just a tourist attraction. Our HealthWave staff know and love their state and are fierce advocates for Kansas kids.

Applications Received



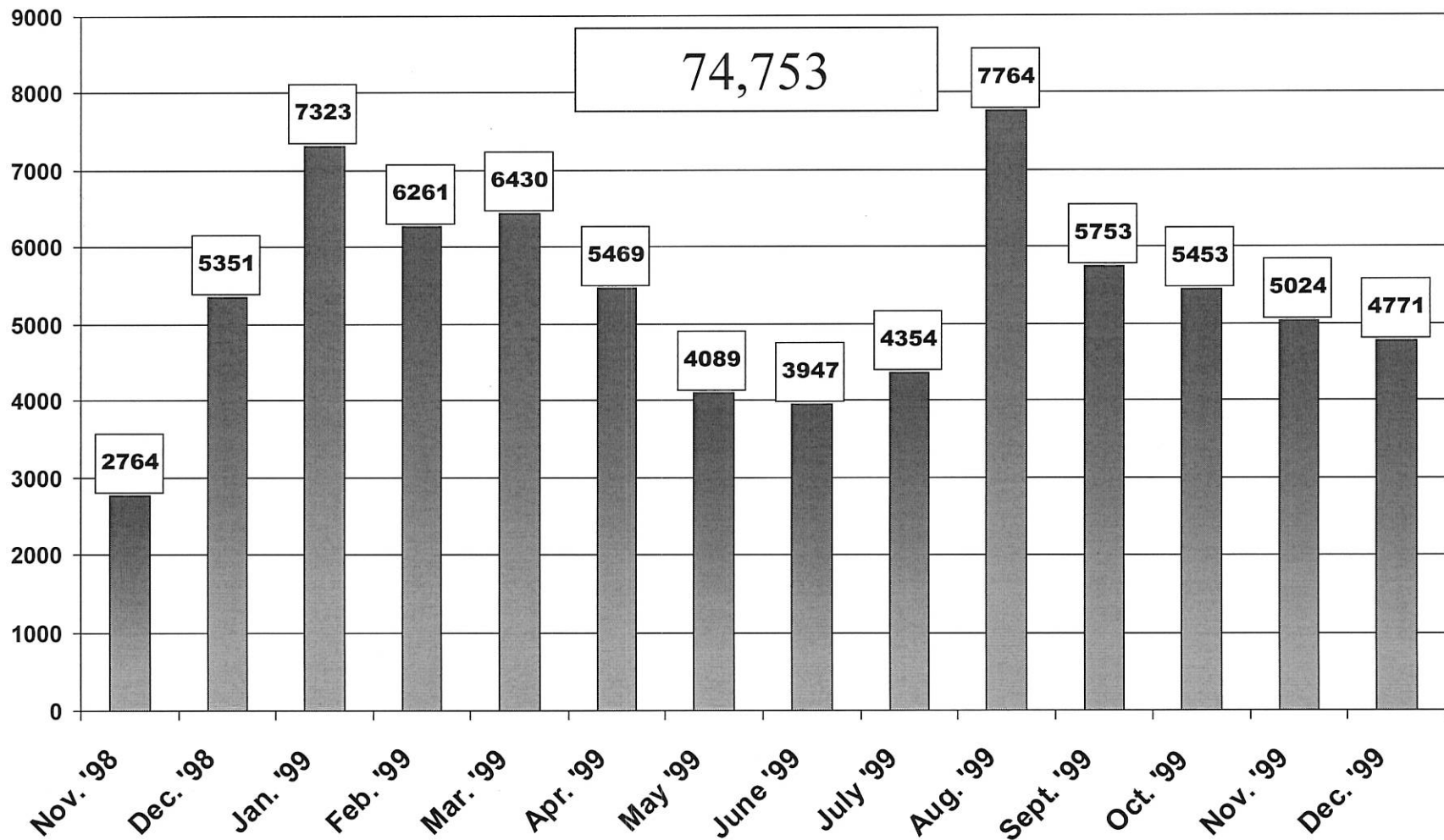
November 1998 through December 1999

Premiums Payments Received



February 1999 through December 1999

Calls Received



November 1998 through December 1999



Kathleen Sebelius
Commissioner of Insurance
Kansas Insurance Department

TO: Senate Committee on Financial Institutions and Insurance

FROM: Linda De Coursey, Director of Government Affairs

RE: Request for bill introduction: Deceptive sale or promotion of health-related cash discount cards

DATE: February 1, 2000

Mr. Chairman and members of the Committee:

I am appearing today to request the introduction of a bill by this committee on behalf of the Kansas Insurance Department. This bill is about the deceptive sale or promotion health-related cash discount cards. These discount cards purport to offer discounts or access to discounts from health care providers in health-related purchases, and appear to be a type of insurance coverage, but is not insurance coverage. The bill sets out what is unlawful, and prescribes penalties.

I respectfully request committee introduction of this bill. Thank you.

_____ BILL NO. _____

By Committee on _____

AN ACT relating to the deceptive sale or promotion of health-related cash discount cards; declaring certain acts to be unlawful and prescribing penalties therefor.

Be it enacted by the Legislature of the State of Kansas:

Section 1. As used in this act:

(a) "Discount card" means a card or any other purchasing mechanism or device, which is not insurance, that purports to offer discounts or access to discounts from health care providers in health-related purchases.

(b) "Health care provider" means a person licensed to practice any branch of the healing arts by the state board of healing arts, a person who holds a temporary permit to practice any branch of the healing arts issued by the state board of healing arts, a medical care facility licensed by the department of health and environment, a podiatrist licensed by the state board of healing arts, an optometrist licensed by the board of examiners in optometry, a pharmacist licensed by the state board of pharmacy, a dentist licensed by the Kansas dental board, a respiratory therapist, a professional corporation organized pursuant to the professional corporation law of Kansas by persons who are authorized by such law to form such a corporation and who are health care providers as defined by this subsection, a Kansas limited liability company organized for the purpose of rendering professional services

by its members who are health care providers as defined by this subsection and who are legally authorized to render the professional services for which the limited liability company is organized, a partnership of persons who are health care providers under this subsection, a Kansas not-for-profit corporation organized for the purpose of rendering professional services by persons who are health care providers as defined by this subsection; and

(c) "person" means an individual, corporation, business trust, estate, trust, partnership, association, joint venture, limited liability company, government, government subdivision or agency or any other legal, governmental or commercial entity.

Sec. 2. It shall be unlawful and a violation of this act for any person to sell, market, promote, advertise or otherwise distribute any discount card where:

(a) Such discount card does not expressly provide in bold and prominent type that the discounts are not insurance;

(b) the discounts offered by such discount card are not specifically authorized by an individual, separate contract with each health care provider listed in conjunction with the discount card; or

(c) the discounts or access to discounts offered by the discount card or the range of discounts or access to the range of discounts offered by the discount card are misleading, deceptive or fraudulent, regardless of the literal wording used.

Sec. 3. (a) Any person may maintain an action to enjoin a continuance of any act or acts in violation of this act and for the recovery of damages.

(b) Any person subject to liability under this act shall be deemed, as a matter of law, to have purposefully availed such person of the privileges of conducting activities within the state of Kansas sufficient to subject the person to the personal jurisdiction of any court in this state hearing an action brought pursuant to this act.

(c) An action for violation of this act may be brought:

- (1) In the county where the plaintiff resides;
- (2) in the county where the plaintiff conducts business;

or

(3) in the county where the discount card was sold, marketed, promoted, advertised or otherwise distributed.

(d) (1) If, in such action, the court shall find that the defendant is violating or has violated any of the provisions of this act, it shall enjoin the defendant from a continuance thereof.

(2) It shall not be necessary in any such action, except to recover for actual damages under subsection (d) (3) (B), that actual damages to the plaintiff be alleged or proved.

(3) In addition to injunctive relief, the plaintiff in the action shall be entitled to recover from the defendant:

(A) An amount equal to \$100 per discount card sold, marketed, promoted, advertised or otherwise distributed within the state of Kansas, or \$10,000, whichever is greater;

(B) three times the amount of the actual damages, if any, sustained;

(C) reasonable attorney's fees;

(D) costs; and

(E) any other relief which the court deems proper.

(e) All actions under this act shall be commenced within two years after the date on which the violation of this act occurred or within two years after the person bringing the action discovered, or in the exercise of reasonable diligence, should have discovered, the occurrence of the violation of this act. The period of limitation provided in this section may be extended for a period of 180 days if the person bringing the action proves by a preponderance of the evidence that the failure to timely commence the action was caused by the defendant engaging in conduct solely calculated to induce the plaintiff to refrain from or postpone the commencement of the action.

(f) The remedies prescribed in this section are cumulative and in addition to any other applicable criminal, civil or administrative penalties.

Sec. 4. Any person who sells, markets, promotes, advertises or otherwise distributes any discount card in Kansas shall designate an agent, who is a resident of Kansas,

for service of process and register such agent with the secretary of state.

Sec. 5. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Sec. 6. This act shall take effect and be in force from and after its publication in the statute book.