

Approved: 1-23-01
Date

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Sandy Praeger at 9:30 a.m. on January 18, 2001 in Room 234-N of the Capitol.

All members were present except: Senator Corbin, excused

Committee staff present: Dr. Bill Wolff, Kansas Legislative Research Department
Ken Wilke, Office of the Revisor of Statutes
JoAnn Bunten, Committee Secretary

Conferees appearing before the committee:

Matthew S. Goddard, Vice President, Heartland Community Bankers Association
Chris Clarke, Legislative Post Audit
Robert St. Peter, M.D., Kansas Health Institute

Others attending: See attached list.

Introduction of bills

Matthew S. Goddard, Vice President, Heartland Community Bankers Association, requested introduction of legislation that would add a lender or designated closing agent to those parties authorized under existing law to make demand upon a mortgagee or its assignee for the entering of satisfaction of a mortgage. Senator Feleciano made a motion that the Committee introduce the proposed legislation, seconded by Senator Barnett. The motion carried.

Legislative Post Audit Report on HealthWave

Chris Clarke, Legislative Post Audit, briefed the Committee on a performance audit report dated December 2000 entitled *HealthWave: Reviewing the Program's Finances and Services*. A copy of the report can be obtained from the Legislative Division of Post Audit. The audit answered the following questions:

- (1) Did the Department of SRS do all it could to generate competition, and to screen out bidders of questionable financial stability?
- (2) Did actions by the Department appear to contribute to Horizon's liquidation, and does the State have any obligation to fully reimburse Horizon's former providers?
- (3) What effect did Horizon's liquidation have on the HealthWave Program and on the state, and is the Program now financially sound?
- (4) To what extent has HealthWave been successful in providing services to Kansans enrolled in the Program?

Concern was expressed during Committee discussion that low Medicaid managed-care capitation rates were the primary cause of Horizon's financial losses, and that the state needs to be a better business partner. Bob Day, SRS, contributed to the discussion by noting that SRS is currently in the bidding process by issuing requests for proposals for providers and will monitor the financial stability of the contractors. A listing of Kansas Medicaid Capitation Rates was distributed to the Committee. (Attachment 1)

Evaluation of HealthWave

Robert St. Peter, M.D., Kansas Health Institute, provided information on a three-year evaluation of HealthWave as outlined in his written testimony. (Attachment 2) Dr. St. Peter noted during Committee discussion that KHI is conducting a survey to find out why children are dropping out of HealthWave which could be attributed to families obtaining private insurance, moving out of state, or going into Medicaid. He pointed out that 22% of families in HealthWave also have children in Medicaid. A member of the Committee suggested that Maximus may not be providing adequate outreach and education on the HealthWave program in order to secure a higher enrollment.

Adjournment

The meeting was adjourned at 10:30 a.m. The next meeting of the Committee is scheduled for January 23, 2001.

SENATE FINANCIAL INSTITUTIONS & INSURANCE
COMMITTEE GUEST LIST

DATE: 1-18-01

NAME	REPRESENTING
Bill Sneed	NIAA
Chris Clarke	LPA
Andy Shaw	Kearney Law Office
Bob Williams	Ks. Pharmacists Assoc
James Humphrey	Federico Consulting
George Barber	GBBA
Rich Wilber	Alliance Ins Co's
Matt Goddard	HCBA
Fin Liu	Division of the Budget
Andy Allison	Kansas Health Institute
Robert St-Peter	"
Dodie Weeks Johnson	Ks Action for Children
Seth Bridge	Sen. Brungardt
Harry Bossi	Dept of Admin
Cathy McNorton	Ks Trial Lawyers Assn.
Jeremy Anderson	Kansas Ins Dept
Larrie Ann Lower	KATHP
Mike Huttles	First Guard
Kathy Damron	Bridgeport Dental
Tom Bell	KIPA

Becker

SFY 2002

	Johnson/ Leavenworth County	Northeast Kansas	Sedgwick County	Southeast Kansas	Western Kansas	Wyandotte County	
TAF & PLE < 1	\$218,378.70	\$447,712.20	\$388,665.73	\$400,932.58	\$189,404.26	\$366,041.76	\$2,011,135.23
TAF & PLE 1-5 M	\$29,670.30	\$100,331.40	\$25,616.25	\$75,910.32	\$28,099.92	\$54,707.40	\$314,335.59
TAF & PLE 6-14 M	\$24,096.00	\$77,428.48	\$17,199.75	\$53,453.26	\$20,765.16	\$36,784.08	\$229,726.73
TAF & PLE 1-5 F	\$29,006.25	\$113,719.20	\$23,187.50	\$65,599.04	\$25,243.75	\$50,662.50	\$307,418.24
TAF & PLE 6-14 F	\$22,057.04	\$69,634.00	\$17,338.30	\$48,630.88	\$21,286.88	\$39,178.12	\$218,125.22
TAF & PLE 15-21 F	\$21,162.60	\$60,380.03	\$15,976.00	\$49,877.00	\$15,085.08	\$29,469.03	\$191,949.74
Preg Wom < 22	\$8,205.12	\$36,052.80	\$15,167.04	\$28,966.56	\$8,453.76	\$13,155.60	\$110,000.88
Preg Wom 22-29	\$10,240.80	\$39,605.72	\$13,995.18	\$24,985.24	\$7,635.12	\$9,835.15	\$106,297.21
Preg Wom 30+	\$2,693.12	\$8,829.75	\$5,068.81	\$6,119.82	\$1,933.36	\$2,305.80	\$26,950.66
TAF 22-29 F	\$15,098.17	\$44,846.12	\$16,878.88	\$33,126.99	\$9,025.42	\$27,456.51	\$146,432.09
TAF 30-34 F	\$8,119.10	\$27,237.52	\$11,180.40	\$19,926.72	\$5,725.01	\$12,644.50	\$84,833.25
TAF 35+ F	\$18,839.40	\$48,813.80	\$20,626.78	\$37,235.52	\$12,466.47	\$34,434.40	\$172,416.37
TAF & PLE 15-21 M	\$7,370.07	\$20,716.70	\$6,290.62	\$21,534.24	\$5,248.85	\$12,913.10	\$74,073.58
TAF 22-34 M	\$1,654.69	\$5,723.05	\$2,582.41	\$10,431.64	\$1,923.13	\$1,801.34	\$24,116.26
TAF 35+ M	\$8,850.24	\$17,712.00	\$5,113.13	\$22,402.17	\$6,610.14	\$7,743.96	\$68,431.64
	\$425,441.60	\$1,118,742.78	\$584,886.78	\$899,131.97	\$358,906.32	\$699,133.24	\$4,086,242.70

105.90
 Delivery Rate 365 \$1,375,320.00
 Total Revenue \$5,461,562.70
 Avg PMPM 141.54
 % change in revenue since CY 1999, given enrollment distribution as of January 2001 32.66%

SFY 2001

	Johnson/ Leavenworth County	Northeast Kansas	Sedgwick County	Southeast Kansas	Western Kansas	Wyandotte County	
TAF & PLE < 1	\$188,738.05	\$362,406.13	\$295,093.47	\$342,645.45	\$135,619.28	\$337,049.77	\$1,661,552.15
TAF & PLE 1-5 M	\$33,389.12	\$104,126.25	\$31,683.67	\$85,732.59	\$33,486.05	\$50,322.85	\$338,740.53
TAF & PLE 6-14 M	\$27,952.00	\$74,994.37	\$17,649.56	\$54,804.35	\$22,512.63	\$35,898.85	\$233,811.76
TAF & PLE 1-5 F	\$32,625.22	\$83,904.02	\$25,047.08	\$71,117.09	\$26,136.83	\$42,632.32	\$281,462.56
TAF & PLE 6-14 F	\$23,478.20	\$71,308.22	\$18,757.35	\$52,248.14	\$22,053.22	\$38,834.87	\$226,680.00
PLE 15-21 F & Preg Wom < 22	\$22,610.47	\$97,335.61	\$23,968.56	\$61,309.00	\$18,374.80	\$28,037.26	\$251,635.70
Preg Wom 22-29	\$9,194.39	\$36,742.02	\$15,877.16	\$21,982.70	\$6,563.07	\$7,201.93	\$97,561.28
Preg Wom 30+	\$2,444.67	\$7,560.40	\$5,189.37	\$5,444.26	\$2,180.63	\$1,837.63	\$24,656.97
TAF 15-21 F	\$9,665.30	\$30,871.36	\$12,935.34	\$22,310.70	\$7,974.04	\$19,491.91	\$103,248.65
TAF 22-29 F	\$15,015.38	\$43,101.05	\$16,062.69	\$31,235.58	\$8,954.01	\$24,612.29	\$138,981.01
TAF 30-34 F	\$7,777.45	\$19,837.70	\$9,990.94	\$14,200.86	\$4,478.62	\$8,792.86	\$65,078.43
TAF 35+ F	\$15,372.22	\$32,804.06	\$14,759.50	\$28,556.12	\$7,957.53	\$25,713.68	\$125,163.11
TAF & PLE 15-21 M	\$8,375.16	\$15,938.21	\$6,961.50	\$19,178.99	\$4,802.47	\$11,557.68	\$66,814.00
TAF 22-34 M	\$1,645.59	\$3,355.69	\$2,170.46	\$7,698.20	\$1,101.53	\$980.37	\$16,951.85
TAF 35+ M	\$7,599.45	\$9,912.81	\$4,835.27	\$16,931.32	\$4,364.22	\$4,544.06	\$48,187.13
	\$405,882.68	\$994,197.92	\$500,981.92	\$835,395.35	\$306,558.92	\$637,508.32	\$3,680,525.12

95.38
 Delivery Rate 365 \$1,323,855.00
 Total Revenue \$5,004,380.12
 Avg PMPM 129.69

CY

	Johnson/ Leavenworth County	Northeast Kansas	Sedgwick County	Southeast Kansas	Western Kansas	Wyandotte County	
TAF & PLE < 1	\$171,330.84	\$328,981.60	\$267,877.15	\$311,043.44	\$123,111.18	\$305,963.84	\$1,508,308.05
TAF & PLE 1-5 M	\$30,309.66	\$94,522.74	\$28,761.50	\$77,825.52	\$30,397.65	\$45,681.60	\$307,498.67
TAF & PLE 6-14 M	\$25,374.00	\$68,077.68	\$16,021.75	\$49,749.77	\$20,436.30	\$32,587.92	\$212,247.42
TAF & PLE 1-5 F	\$29,616.21	\$76,165.60	\$22,737.00	\$64,558.00	\$23,726.24	\$38,700.36	\$255,503.41
TAF & PLE 6-14 F	\$21,312.82	\$64,731.50	\$17,027.37	\$47,429.32	\$20,019.26	\$35,253.15	\$205,773.42
PLE 15-21 F & Preg Wom < 22	\$20,525.12	\$88,358.40	\$21,757.95	\$55,654.50	\$16,680.10	\$25,451.40	\$228,427.47
Preg Wom 22-29	\$8,346.40	\$33,353.32	\$14,412.82	\$19,955.25	\$5,957.76	\$6,537.70	\$88,563.25
Preg Wom 30+	\$2,219.20	\$6,863.11	\$4,710.76	\$4,942.14	\$1,979.51	\$1,668.15	\$22,382.87
TAF 15-21 F	\$8,773.87	\$28,024.11	\$11,742.32	\$20,253.00	\$7,238.60	\$17,694.18	\$93,726.08
TAF 22-29 F	\$13,630.52	\$39,125.86	\$14,581.24	\$28,354.74	\$8,128.19	\$22,342.31	\$126,162.86
TAF 30-34 F	\$7,060.14	\$18,008.08	\$9,069.48	\$12,891.12	\$4,065.56	\$7,981.90	\$59,076.28
TAF 35+ F	\$13,954.45	\$29,778.56	\$13,398.24	\$25,922.40	\$7,223.61	\$23,342.12	\$113,619.38
TAF & PLE 15-21 M	\$7,602.72	\$14,468.24	\$6,319.44	\$17,410.12	\$4,359.54	\$10,491.72	\$60,651.78
TAF 22-34 M	\$1,493.82	\$3,046.20	\$1,970.28	\$6,988.20	\$999.94	\$889.95	\$15,388.39
TAF 35+ M	\$6,898.56	\$8,998.56	\$4,389.32	\$15,369.75	\$3,961.71	\$4,124.96	\$43,742.86
	\$368,448.33	\$902,503.56	\$454,776.62	\$758,347.27	\$278,285.15	\$578,711.26	\$3,341,072.19
							86.59
Delivery Rate	365						\$1,201,945.00
Total Revenue							\$4,543,017.19
Avg PMPM							117.74

CY 1999

	Johnson/ Leavenworth County	Northeast Kansas	Sedgwick County	Southeast Kansas	Western Kansas	Wyandotte County	
TAF & PLE < 1	\$169,989.30	\$328,144.20	\$268,722.54	\$308,571.80	\$122,875.10	\$302,216.32	\$1,500,519.26
TAF & PLE 1-5 M	\$24,075.90	\$74,923.59	\$23,138.00	\$60,725.52	\$24,879.66	\$35,968.12	\$243,710.79
TAF & PLE 6-14 M	\$19,482.00	\$50,532.88	\$12,601.75	\$37,436.00	\$15,858.36	\$24,522.72	\$160,433.71
TAF & PLE 1-5 F	\$23,655.84	\$60,603.20	\$18,311.50	\$52,268.32	\$19,191.02	\$30,779.64	\$204,809.52
TAF & PLE 6-14 F	\$15,581.74	\$49,302.50	\$13,016.90	\$36,124.32	\$15,622.56	\$27,152.68	\$156,800.70
PLE 15-21 F & Preg Wom < 22	\$19,347.16	\$82,663.20	\$18,173.16	\$51,419.50	\$15,830.80	\$23,545.60	\$210,979.42
Preg Wom 22-29	\$7,640.80	\$30,723.00	\$12,029.94	\$18,434.85	\$5,516.96	\$5,979.35	\$80,324.90
Preg Wom 30+	\$2,033.60	\$6,220.78	\$3,978.23	\$4,471.74	\$1,841.97	\$1,495.35	\$20,041.67
TAF 15-21 F	\$6,360.55	\$20,103.67	\$7,956.48	\$14,468.64	\$5,282.75	\$12,541.05	\$66,713.14
TAF 22-29 F	\$10,242.26	\$29,279.29	\$10,582.92	\$21,461.49	\$6,184.33	\$16,868.43	\$94,618.72
TAF 30-34 F	\$5,371.66	\$14,057.60	\$7,061.04	\$10,129.68	\$3,222.33	\$6,197.80	\$46,040.11
TAF 35+ F	\$10,920.80	\$22,974.14	\$10,498.79	\$20,496.00	\$5,802.60	\$18,305.96	\$88,998.29
TAF & PLE 15-21 M	\$5,704.86	\$10,249.08	\$4,701.59	\$12,871.04	\$3,116.54	\$7,581.06	\$44,224.17
TAF 22-34 M	\$1,224.36	\$2,365.20	\$1,574.30	\$5,668.65	\$798.32	\$696.75	\$12,327.58
TAF 35+ M	\$5,650.88	\$7,223.76	\$3,603.64	\$12,500.73	\$3,251.61	\$3,334.24	\$35,564.86
	\$327,281.71	\$789,366.09	\$415,950.78	\$667,048.28	\$249,274.91	\$517,185.07	\$2,966,106.84
							76.87
Delivery Rate	365						\$1,150,845.00
Total Revenue							\$4,116,951.84
Avg PMPM							106.70

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PrimeCare (Medicaid Managed Care) Rates - effective 07/01/00 (SFY 01)

1-3

	Johnson/Leavenworth Counties	Northeast Kansas	Sedgwick County	Southeast Kansas	Western Kansas	Wyandotte County
TAF & PLE < 1	\$361.57	\$341.89	\$317.65	\$357.67	\$298.72	\$429.91
TAF & PLE 1-5 M	\$50.13	\$51.27	\$55.10	\$62.67	\$58.44	\$40.98
TAF & PLE 6-14 M	\$46.59	\$38.90	\$37.16	\$40.99	\$43.13	\$31.83
TAF & PLE 1-5 F	\$49.21	\$42.81	\$47.26	\$52.60	\$45.30	\$36.82
TAF & PLE 6-14 F	\$40.07	\$38.54	\$35.59	\$40.44	\$38.62	\$32.55
PLE 15-21 F & Preg Wom < 22	\$115.36	\$135.19	\$112.53	\$111.47	\$96.71	\$107.84
Preg Wom 22-29	\$114.93	\$119.29	\$149.78	\$121.45	\$113.16	\$110.80
Preg Wom 30+	\$152.79	\$123.94	\$167.40	\$129.63	\$167.74	\$122.51
TAF 15-21 F	\$81.22	\$80.60	\$87.40	\$86.48	\$93.81	\$69.86
TAF 22-29 F	\$100.77	\$95.99	\$97.94	\$103.09	\$107.88	\$87.59
TAF 30-34 F	\$127.50	\$107.81	\$118.94	\$107.58	\$121.04	\$92.56
TAF 35+ F	\$180.85	\$137.83	\$143.30	\$169.98	\$139.61	\$149.50
TAF & PLE 15-21 M	\$59.40	\$35.74	\$53.14	\$52.69	\$42.50	\$41.57
TAF 22-34 M	\$91.42	\$55.93	\$83.48	\$81.03	\$64.80	\$65.36
TAF 35+ M	\$237.48	\$137.68	\$210.23	\$209.03	\$161.64	\$162.29

Delivery Rate

\$3,627.00

The delivery rate is the same for all populations, ages, and areas of the state.

04/25/2000

Mental health, family planning, and dental costs are not included in the PrimeCare rates, but are covered by Medicaid as FFS.

Kansas Medicaid Capitation Rates to be effective 07/01/2001 (SFY 2002)

	Johnson/ Leavenworth County	Northeast Kansas	Sedgwick County	Southeast Kansas	Western Kansas	Wyandotte County
TAF & PLE < 1	\$418.35	\$422.37	\$418.37	\$418.51	\$417.19	\$466.89
TAF & PLE 1-5 M	\$44.55	\$49.40	\$44.55	\$55.49	\$49.04	\$44.55
TAF & PLE 6-14 M	\$40.16	\$40.16	\$36.21	\$39.98	\$39.78	\$32.61
TAF & PLE 1-5 F	\$43.75	\$58.02	\$43.75	\$48.52	\$43.75	\$43.75
TAF & PLE 6-14 F	\$37.64	\$37.64	\$32.90	\$37.64	\$37.28	\$32.84
TAF & PLE 15-21 F	\$84.99	\$74.27	\$66.85	\$86.74	\$72.87	\$66.37
Preg Wom < 22	\$124.32	\$124.32	\$124.32	\$124.32	\$124.32	\$138.48
Preg Wom 22-29	\$128.01	\$128.59	\$132.03	\$138.04	\$131.64	\$151.31
Preg Wom 30+	\$168.32	\$144.75	\$163.51	\$145.71	\$148.72	\$153.72
TAF 22-29 F	\$101.33	\$99.88	\$102.92	\$109.33	\$108.74	\$97.71
TAF 30-34 F	\$133.10	\$148.03	\$133.10	\$150.96	\$154.73	\$133.10
TAF 35+ F	\$221.64	\$205.10	\$200.26	\$221.64	\$218.71	\$200.20
TAF & PLE 15-21 M	\$52.27	\$46.45	\$48.02	\$59.16	\$46.45	\$46.45
TAF 22-34 M	\$91.93	\$95.38	\$99.32	\$109.81	\$113.13	\$120.09
TAF 35+ M	\$276.57	\$246.00	\$222.31	\$276.57	\$244.82	\$276.57

Delivery Rate \$3,768.00

The delivery rate is the same for all populations, ages, and areas of the state.

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KANSAS HEALTH INSTITUTE

Robert F. St. Peter, M.D., President

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Financial Institutions and Insurance Committee

January 18, 2001

Health Wave Program Enrollment During the First 18 Months

Presenter: Robert F. St. Peter, M.D.

Kansas Health Institute

Healthier Kansans through informed decisions

The Kansas Health Institute is an independent, non-profit health policy and research organization located in Topeka, Kansas. Established in 1995 with a multi-year grant from the Kansas Health Foundation, the Institute conducts research and policy analysis on issues that affect the health of Kansans.

Senate Financial Inst. & Insurance

Date: 1-18-01

Attachment No. 2

HealthWave Program Enrollment
During the First 18 Months



Kansas Health Institute

Robert F. St. Peter, M.D.

R. Andrew Allison, Ph.D.

Committee on Financial Institutions and Insurance
January 18, 2001



HealthWave Evaluation Project

- Comprehensive, 3-year evaluation of HealthWave
- Funded by federal agencies and local foundations, \$1.4 million total funding
- Research team includes KHI, KUMC, KU, KSU, KFMC, SRS and KDHE



Major Goals of Project

- Enrollment and participation in program
- Enrollees experience with the program
- Understand the “big picture” impact of implementing such a program
- Impact on the number of uninsured children in Kansas



Who Is Enrolling in HealthWave?

- Compared to Medicaid enrollees, HealthWave enrollees are:
 - older
 - more from rural areas
 - fewer African Americans and Hispanics
 - about one-third pay some premium
- Compared to all Kansas children:
 - more likely to have fair or poor health status



Key Findings So Far

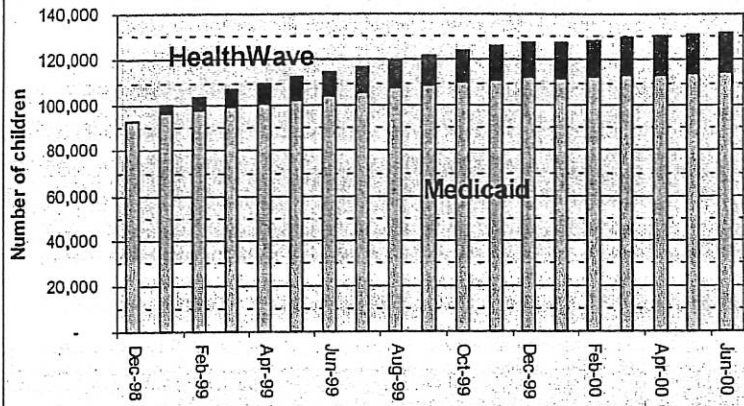
- 39,000 more children were covered by public health insurance programs 18 months after HealthWave implementation
- Future enrollment gains are likely to be much more difficult to achieve
- Despite legislative intent, many eligible children do not receive 12 months of continuous coverage



Key Findings So Far (cont.)

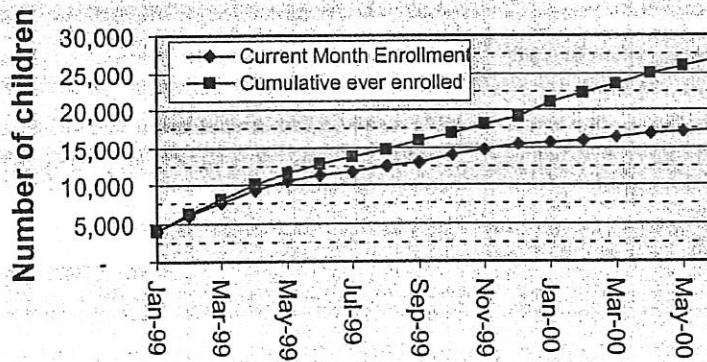
- Re-enrollment presents a significant barrier to continuing coverage for many children
- Enrollee turnover in *and between* HealthWave and Medicaid is very high
- These findings have important implications for families, participating health plans and the State

Enrollment in Public Health Insurance



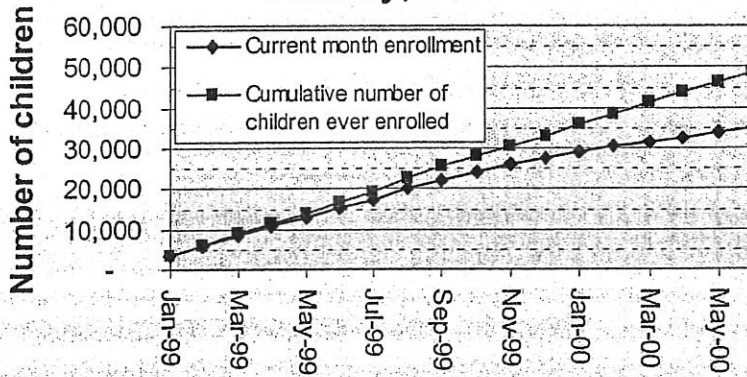
Note: Medicaid totals do not include disabled children enrolled in the SSI program.

Enrollment in HealthWave



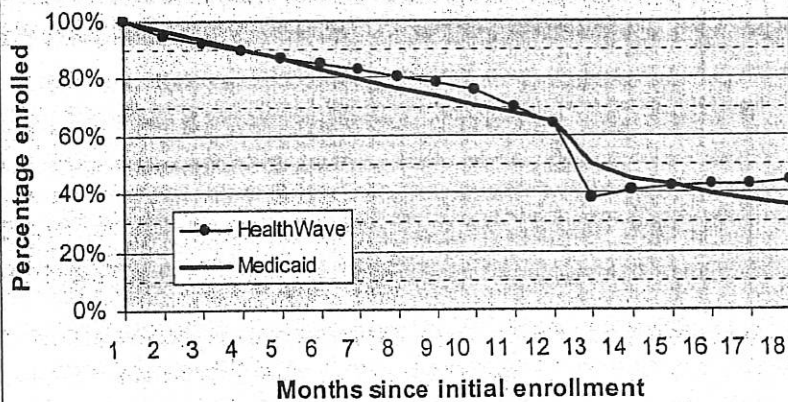
Kansas Health Institute, 2000

New Enrollees in Medicaid since January, 1999

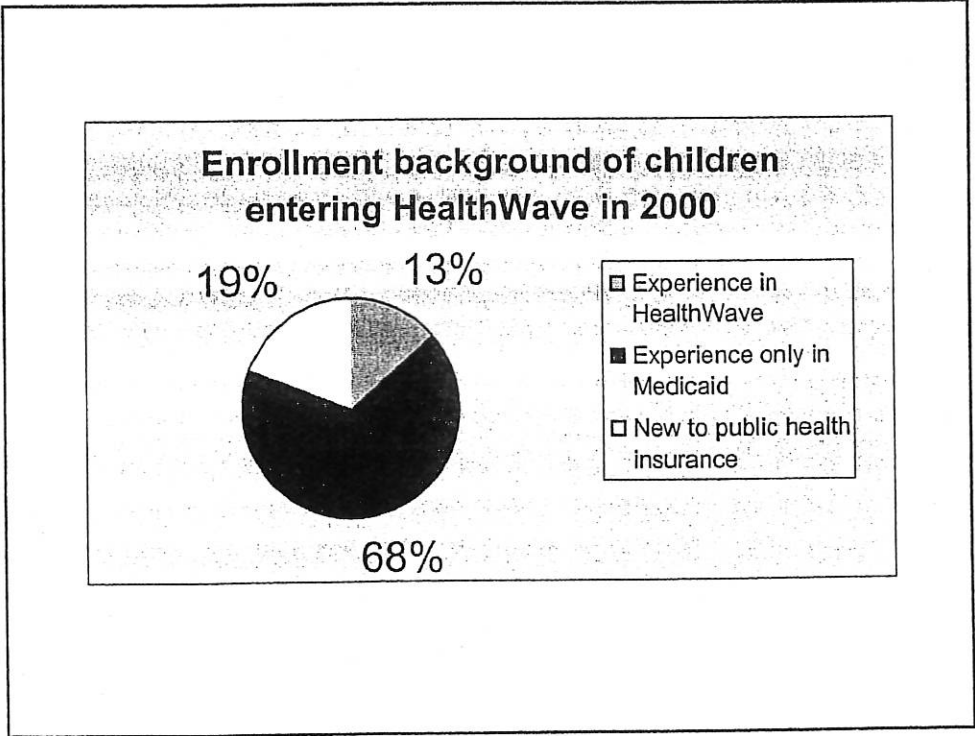
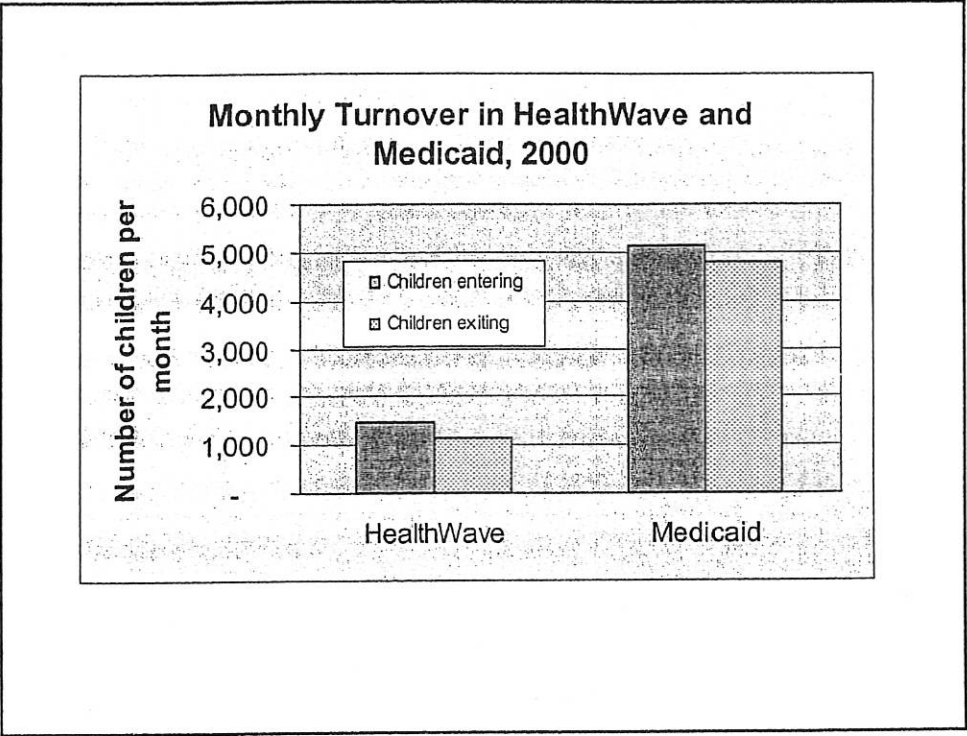


Note: Medicaid totals do not include disabled children enrolled in SSI
 Kansas Health Institute, 2000

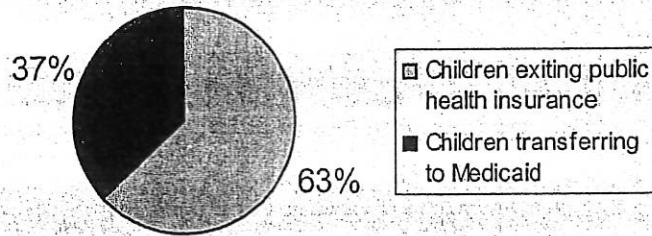
Children Remaining in the HealthWave and Medicaid Programs After Enrollment



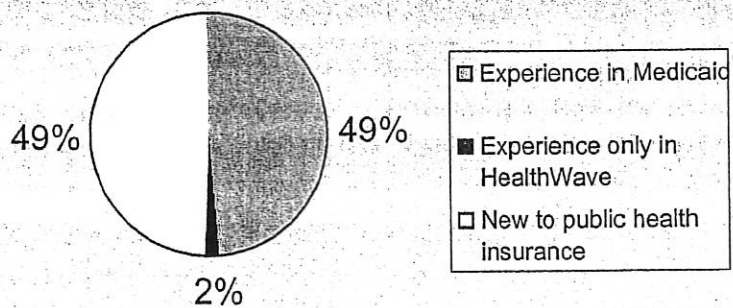
Note: Medicaid totals do not include disabled children enrolled in SSI
 Kansas Health Institute, 2000



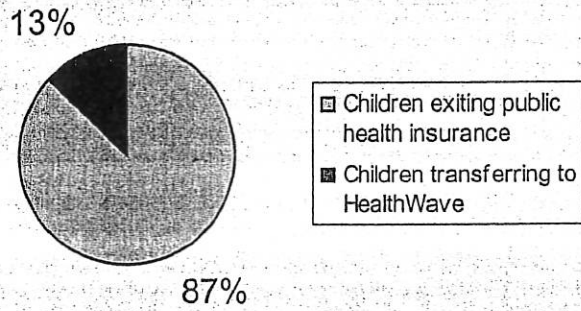
Destination of children leaving HealthWave in 2000



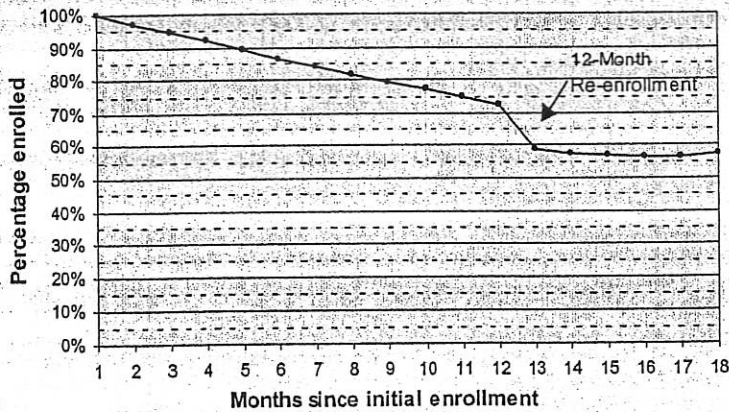
Enrollment background of children entering Medicaid in 2000



Destination of children leaving Medicaid in 2000



Children Remaining in Public Health Insurance After Enrollment



Note: Children with Medicaid experience prior to January 1999 excluded from analysis.



Important Implications

- Future enrollment increases in HealthWave likely to be more difficult to achieve
 - enhance (and target?) outreach efforts
 - minimize drop-out from program
 - limited by size of current eligible pool
 - below 200% federal poverty level
 - dependents of non-state employees
 - no coverage in last 6 months
- Population reached may be somewhat different than that anticipated



Important Implications

- Opportunity exists to provide more continuous coverage:
 - reduce premature drop-out in first 12 months
 - focus effort on re-enrollment period
 - streamline interaction between HealthWave and Medicaid programs which have significant overlap in enrollees



Important Implications

- Family's ability to get care
- Health plans financial stability and accountability for quality of care
- State's ability to monitor and meet needs of children