

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:40 A.M. on January 26, 2007, in Room 123-S of the Capitol.

All members were present except:

Senator Steve Morris- excused
Senator Mark Taddiken- excused

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Don Jordan, Acting Secretary, Kansas Department of Social and Rehabilitation Services
Dr. Marcia Nielsen, Executive Director, Kansas Health Policy Authority

Others attending:

See attached list.

Bill Introduction

Senator Teichman moved, with a second by Senator Steineger, to introduce a conceptual bill concerning repealing the salary cap on employees of the attorney general and the insurance commissioner. Motion carried on a voice vote.

Chairman Umbarger mentioned that a joint meeting will be held with the House Appropriations Committee on Wednesday, February 21, 2007, in Room 514-S, at 8:00 a.m. There will be a presentation by John Paul Woodley, Assistant Secretary of the Army, who will discuss the Corps of Engineers activities in Kansas.

The Chairman welcomed Don Jordan, Acting Secretary, Kansas Department of Social and Rehabilitation (SRS), presented an overview of the agency (Attachment 1). Mr. Jordan mentioned that the mission of SRS is to protect children and promote adult self-sufficiency. Their vision is partnering to connect Kansans with supports and services to improve lives. Detailed descriptions of the Health Care Policy and Integrated Service Delivery divisions were provided by Acting Secretary Jordan. Information was also provided regarding consensus and other caseloads.

Chairman Umbarger welcomed Dr. Marcia Nielsen, Executive Director, Kansas Health Policy Authority (KHPA), who provided an overview of the agency (Attachment 2). Dr. Nielsen provided a legislative history explaining that the agency was created in the 2005 legislative session. The general charge of the Authority is to develop and maintain a coordinated health policy agenda that combines effective purchasing and administration of health care with health promotion oriented public health strategies which is driven by health data. The top priority budget initiatives for the KHPA are adding staff to the Medicaid Eligibility Clearinghouse, complete staffing and infrastructure for the Authority and develop a data management and policy analysis program. Dr. Nielsen mentioned that the three largest programs they have are Medicaid (regular Medicaid), MediKan and State Children's Health Insurance Program.

There were committee questions and discussion both with SRS and KHPA.

The meeting adjourned at 11:40 a.m. The next meeting is scheduled for January 29, 2007.



Kansas Department of Social and Rehabilitation Services

Agency Overview

For

Senate Ways and Means Committee

Don Jordan, Acting Secretary

January 26, 2007

*Senate Ways and Means
1-26-07
Attachment 1*

SRS Mission and Vision



Mission: To Protect Children and Promote Adult Self-Sufficiency

Vision: Partnering to connect Kansans with supports and services to improve lives

SRS Guiding Principles

All of us, every day, working on behalf of and with Kansans are guided by these principles:

- Act with integrity and respect in our work with customers, partners, and each other
- Champion customer success
- Demonstrate leadership without regard to position or title; embrace responsibility, take risks, make decisions and act to overcome challenges
- Strive for continuous improvement
- Demonstrate passion for our mission
- Recognize the value of partnerships both within the agency and with community partners to stretch capacity and achieve extraordinary results

Kansas Department of Social and Rehabilitation Services

Office of the Secretary
Don Jordan, Acting Secretary

Health Care Policy

- Addiction and Prevention Services
- Community Supports and Services
 - Developmental Disability Services
 - Physical Disability Services
 - Traumatic Brain Injury Services
 - Serious Emotional Disturbance Waiver
 - Technology Assisted Children Waiver
- Mental Health Services
- State Hospitals
 - Kansas Neurological Institute
 - Larned State Hospital
 - Osawatomie State Hospital
 - Parsons State Hospital and Training Center
 - Rainbow Mental Health Facility
 - Sexual Predator Treatment Program

Integrated Service Delivery

- Child Protective Services
- Child Welfare
 - Adoption
 - Family Preservation
 - Foster Care
- Economic and Employment Support
 - Food Assistance
- Child Care and Early Childhood Development
- Rehabilitation Services
- Child Support Enforcement
- Regional Offices
 - Kansas City Metro
 - Northeast Region
 - South Central Region
 - Southeast Region
 - West Region
 - Wichita Region

Prevention and Employee Supports

- Prevention and Community Capacity Building
- Diversity and Cultural Competency
- Employee Services
- Organizational and Leadership Development
- Strategic Management and Performance Improvement

Administration

- Accounting and Administrative Operations
- Audit and Consulting Services
- Financial Management
- Customer Affairs
- Information Technology
- Legal
- Public and Governmental Services

Prevention and Community Capacity

- This effort seeks to infuse prevention throughout all of the agency's programs, planning, policies and practices.
- SRS will focus its efforts on the following six risk factors to target service delivery to more effectively address the issues that place SRS customers at risk.
 - **Poverty** – Conditions of extreme deprivation, poor living conditions, high unemployment
 - **Low Attachment and Community Disorganization** – Sense of inability to change environmental conditions compounded by fragmented supports
 - **Early Initiation (Age of Onset)** – Involvement at an early age increases the likelihood of the issues escalating to serious levels of intensity
 - **Individual and Family History** – Exposure increases the likelihood that individuals (including children) become involved in destructive behaviors
 - **Family Management** – Unclear expectations, failure to supervise and monitor, and excessively severe, harsh, or inconsistent punishment
 - **Family Conflict** – Persistent, serious conflict between primary caregivers or between caregivers and children
- This focused effort will prepare staff and partners to more effectively protect children and promote adult self sufficiency.

SRS Expenditures by Category

FY 2008 Budget –Governor’s Budget Recommendation (in Millions)

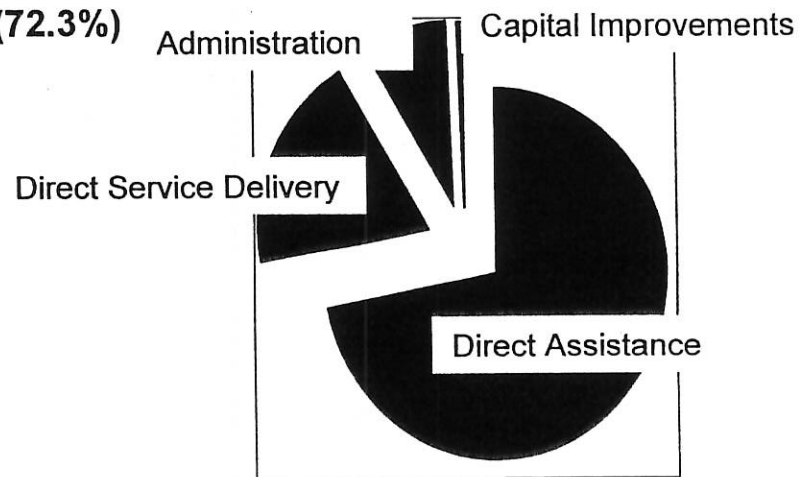
Direct Service Delivery **\$302.8 (19.1%)**

Administration **\$129.6 (8.2%)**

Capital Improvements **\$8.1 (.5%)**

Direct Assistance **\$1,148.2 (72.3%)**

Cash Assistance	\$92.8
Child Care & Employment	\$103.0
Substance Abuse	\$40.8
Mental Health	\$220.2
Developmental & Physical	
Disability	\$466.0
Children and Family	
Services	\$199.3
Rehabilitation Services	\$25.8
Other	\$.3

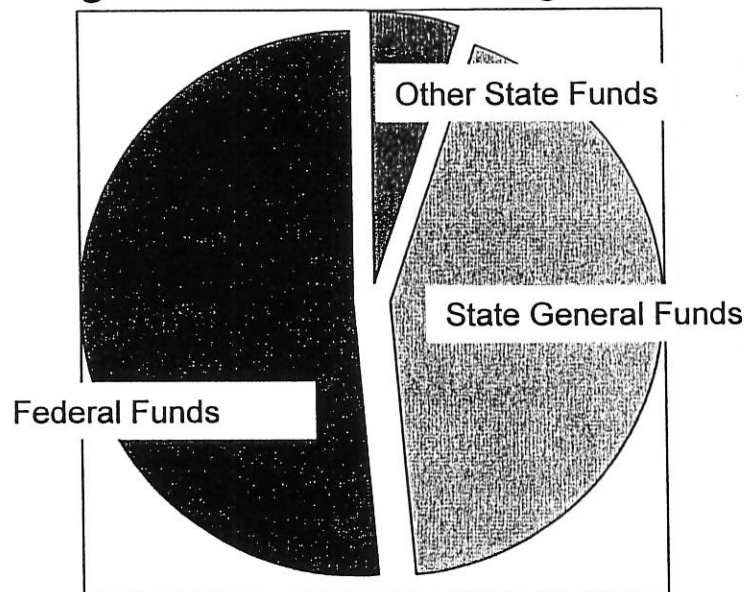


Total \$1,588.7 (All Funds)

Totals may not add due to rounding

SRS Expenditures by Revenue Source

FY 2008 Budget – Governor’s Budget Recommendation (In millions)



Total \$1,588.7 (All Funds)

(Totals may not add due to rounding)

State General Funds	\$688.7 (43.4%)
Federal Funds	\$816.3 (51.4%)
Other State Funds	\$83.7 (5.3%)
Fee Funds	\$39.4
Children’s Initiative Fund (tobacco)	\$35.0
State Institution Building Fund	\$7.9
Other	\$1.4

Summary of Expenditures

Annual Expenditures in Millions for State Fiscal Years 2005 & 2006 (All Funds)

<u>Child, Adult, and Family Safety and Well-Being Services</u>	<u>SFY 2005</u>	<u>SFY 2006</u>
Adult Protective Services	\$0.3	\$0.3
Services to Preserve Families	\$14.1	\$14.3
Reintegration/Foster Care	\$129.1	\$121.7
Adoption Resource Services (1)	—	\$3.5
Adoption Subsidy/Permanent Guardianship	\$19.1	\$19.8
Independent Living Services	\$1.2	\$1.9
<u>Financial and Employment Services</u>		
Child Care Assistance	\$63.1	\$74.7
Child Care Quality Initiatives	\$3.2	\$3.0
Early Head Start	\$7.2	\$7.9
Child Support Collections (2)	\$156.3	\$161.0
Low Income Energy Assistance	\$11.2	\$25.7
Food Assistance	\$174.9	\$185.1
Food Distribution Assistance	\$4.0	\$3.6
General Assistance	\$9.0	\$8.7

(1) New in FY 2006

(2) Amounts represented in child support collections

Summary of Expenditures

Annual Expenditures in Millions for State Fiscal Years 2005 & 2006 (All Funds)

<u>Financial and Employment Services (cont.)</u>	<u>SFY 2005</u>	<u>SFY 2006</u>
Vocational Rehabilitation	\$19.6	\$19.6
Services for the Blind and Visually Impaired	\$2.5	\$2.3
Disability Determination	\$13.5	\$13.5
Temporary Assistance for Families (TAF)	\$64.9	\$63.9
TAF Employment Services	\$10.6	\$10.0
 <u>Behavioral Health and Disability Services</u>		
Developmental Disability Services (3)	280.4	\$287.6
State Mental Retardation Hospitals	\$46.7	\$50.1
Mental Health Services (3)	\$203.0	\$212.4
State Mental Health Hospitals	\$58.1	\$67.7
Grants To Centers for Independent Living	\$1.3	\$1.3
Physical Disability Services	\$70.9	\$83.2
Services for Traumatic Brain Injured	\$11.0	\$12.3
Services for Technology-Assisted Children	\$18.2	\$18.1
Sexual Predator Treatment Program	\$6.5	\$9.2
Addiction Treatment Services (3)	\$33.5	\$33.4

(3) FY 2006 expenditure includes FY 2006 expenses paid in 2007

Summary of Persons Assisted

State Fiscal Years 2005 & 2006

<u>Child, Adult, and Family Safety</u>	<u>Caseload Unit</u>	<u>SFY 2005</u>	<u>SFY 2006</u>
<u>and Well-Being Services</u>			
Adult Protective Services	Annual Investigations	5,495	6,835
Services to Preserve Families	Annual Families	6,895	6,551
Reintegration/Foster Care	Average Monthly Children	4,876	5,265
Adoption Resource Services (1)	Annual Families	--	314
Adoption Subsidy/Permanent Guardianship	Average Monthly Children	5,483	5,792
Independent Living Services	Annual Youth	347	547
<u>Financial and Employment</u>			
<u>Services</u>			
Child Care Assistance	Average Monthly Children	18,721	19,527
Child Care Quality Initiatives		--	--
Early Head Start	Annual Enrollment	825	825
Child Support Collections (2)	Average Monthly Persons	271,910	276,592
Low Income Energy Assistance	Annual Persons	101,429	98,853
Food Assistance	Average Monthly Persons	175,710	182,821
Food Distribution Assistance	Average Monthly Persons	23,389	23,859
General Assistance	Average Monthly Persons	4,681	4,613

[1] New in FY 2006

[2] The amounts represent average monthly number of persons receiving child support collections

Summary of Persons Assisted

State Fiscal Years 2005 & 2006

<u>Financial and Employment</u>	<u>Caseload Unit</u>	<u>SFY 2005</u>	<u>SFY 2006</u>
<u>Services (cont)</u>			
Vocational Rehabilitation	Average Monthly Persons	8,546	8,404
Services For the Blind and Visually Impaired	Annual Persons	950	950
Disability Determination	Average Monthly Claims Processed	2,922	2,935
Temporary Assistance for Families (TAF)	Average Monthly Persons	44,681	44,592
TAF Employment Services	Average Monthly Persons	17,629	17,328
 <u>Behavioral Health and Disability Services</u>			
Developmental Disability Services	Annual Persons	9,314	11,284
State Mental Retardation Hospitals	Average Daily Census	360	364
Mental Health Services	Annual Persons	33,178	34,244
State Mental Health Hospitals	Average Daily Census	386	397
Grants to Centers for Independent Living	Annual Persons	1,000	1,000
Physical Disability Services	Average Monthly Persons	4,499	5,533
Services for Traumatic Brain Injured Persons	Average Monthly Persons	171	193
Services for Technology-Assisted Children	Average Monthly Persons	272	286
Sexual Predator Treatment Program	Average Daily Census	122	136
Addiction Treatment Services	Annual Person	15,622	15,678

Consensus Caseloads

SRS Expenditures for Major Caseload Categories

Governor's Budget Recommendation

(Consensus Caseloads in Millions)

Population	FY 2006 Actual	FY 2007 GBR	FY 2008 GBR	FY 2006-2007 Change		FY 2007-2008 Change	
				Amount	%	Amount	%
Temporary Assist/Families	\$63.9	\$61.0	\$64.4*	(\$2.9)	(4.8%)	\$3.4	5.6%
General Assistance	8.7	8.5	8.0	(\$0.2)	(2.3%)	(\$0.5)	(6.3%)
Child Welfare/Out of Home	121.7	133.0	136.0	\$11.3	9.3%	\$3.0	2.3%
NF - Mental Health	11.8	12.3	12.6	(0.5)	4.2%	0.3	2.4%
Mental Health	136.0	157.0	152.0	\$21.0	15.4%	(5.0)	(3.3%)
Community Support Services	45.4	57.8	52.9	\$12.4	27.3%	(4.9)	(9.3%)
Addiction and Prevention	12.4	16.6	19.0	4.2	33.9%	2.4	14.5%

*Includes enhancement for job retention for persons leaving the program. \$60.0 million with enhancement

Other Caseloads

SRS Expenditures for Major Caseload Categories
 Governor's Budget Recommendation
 (Other Caseloads In Millions)

Population	FY 2006 Actual	FY 2007 GBR	FY 2008 GBR	FY 2006-2007 Change		FY 2007-2008 Change	
				Amount	%	Amount	%
Child Care Assistance	74.7	77.6	79.0	(2.9)	(3.9%)	(1.4)	1.8%
Adoption Support	20.2	21.0	23.3	8	4.0%	2.3	11.0
Family Preservation	10.7	11.9	11.9	1.2	11.2%	0	0%
Rehabilitation Services	21.3	21.4	21.4	0.1	0.5%	0	0%
ICF-MR	17.4	18.3	18.6	0.9	5.2%	0.3	1.6%
MR-DD Waiver	221.1	254.0	260.6	32.9	14.9%	6.6	2.6%
PD Waiver	81.0	93.4	103.8	12.4	15.3%	10.4	11.1%
Traumatic Brain Injured Waiver	5.6	6.2	6.3	0.6	10.7%	0.1	1.6%
TA Waiver	.2	.2	.2	0	0	0	0
Grandparents as Caregivers	0	2.1	4.0	0	0	1.9	90.5%

Consensus Caseloads

Average Monthly People for Major Caseload Categories
 Governor's Budget Recommendation

Population	FY 2006 Actual	FY 2007 GBR	FY 2008 GBR	FY 2006-2007 Change		FY 2007-2008 Change	
				Amount	%	Amount	%
Temporary Assist/Families	44,592	41,942	46,982*	(2,650)	(6.3%)	5,040	12.0%
General Assistance	4,613	4,441	4,180	(172)	(3.9%)	(261)	(6.27%)
Child Welfare/Out of Home	5,204	5,367	5,512	163	3.1%	145	2.7%
NF - Mental Health	568	556	556	(12)	(2.2%)	0	0%
Mental Health	23,334	23,790	24,139	456	2.0%	349	1.5%
Community Support Services	8,385	8,881	8,881	496	5.9%	0	0%
Addiction and Prevention	1,434	1,585	1,645	151	10.5%	60	3.8%

* Includes an enhancement for job retention for persons leaving the program. 41,254 without enhancement

Other Caseloads

Average Monthly People for Major Caseload Categories
 Governor's Budget Recommendation

Population	FY 2006 Actual	FY 2007 GBR	FY 2008 GBR	FY 2006-2007 Change		FY 2007-2008 Change	
				Amount	%	Amount	%
Child Care Assistance	19,527	21,131	21,131	1,604	8.2%	0	0%
Adoption Support	5,725	6,079	6,611	354	6.2%	532	8.8%
Family Preservation (Families) Referred	2,836	2,980	2,893	144	5.1%	(87)	-3.0%
Rehabilitation Services	8,404	8,261	8,041	(143)	-1.7%	(220)	-2.7%
ICF-MR	263	269	269	6	2.3%	0	0
MR-DD Waiver	6,262	6,625	6,886	363	5.8%	261	3.9%
PD Waiver	5,533	5,654	6,360	121	2.2%	706	12.5%
Traumatic Brain Injured Waiver	165	170	170	5	3.0%	0	0%
Grandparents as Caregivers	0	2,034	2,034	2,034	100%	0	0%
TA Waiver	40	40	40	0	0%	0	0%

Totals may not add due to rounding

Home and Community Based Services

Waiver Overview

FY 2006

Technology Dependent

- Children birth to 18 years, hospitalized or imminent risk of hospitalization
- Requires medical device to compensate for loss of vital body function
- Services 40-48 children per month

\$185,143 All Funds

Traumatic Brain Injury

- Individuals 16 to 64 years of age
- Person has sustained a traumatically acquired brain injury
- Served an average of 165 individuals per month
- This is a rehabilitation waiver. Average length of stay on the waiver is 2 years and 11 months

\$5,614,556 All Funds

Physical Disability

- Individuals 16 to 64 years of age
- Must be determined disabled by Social Security standards
- Must require assistance completing daily living activities or instrumental activities of daily living
- Are eligible for care provided in a nursing home
- Served average of 5,533 individuals per month

\$80,980,683 All Funds

Developmental Disability

- Individuals age 5 and up who meet definition of mental retardation or developmental disability
- Eligible for care in an Intermediate Care Facility/Mental Retardation (ICF/MR)
- Served an average of 6,262 individuals per month
- There are 1,358 individuals on the waiting list

\$221,149,613 All Funds

2007 SRS Legislative Proposals

- **Child Support Enforcement Fee Clarification.** The DRA of 2005 (Deficit Reduction Act of 2005, Public Law 109-171), requires each State to establish a \$25 annual fee for certain Child Support Enforcement (CSE) cases in which the family has never received Temporary Assistance to Families (TAF) under Title IV-A of the social security act.
- **Revised Interstate Compact on Placement of Children.** Updates the ICPC that was adopted in 1976.
- **Child Support Enforcement Medical Support Changes.** This legislation alters the priority of income withholding for a medical support order and clarifies other medical support provisions, insuring compliance with new requirements set forth in the Deficit Reduction Act of 2005.
- **Child Support Enforcement Insurance Liens.** Expands existing administrative child support enforcement remedies by creating procedures to identify and intercept insurance proceeds otherwise payable to support debtors.
- **Alcohol and Drug Abuse Treatment.** Current statutes do not accurately reflect the current treatment provider system, funding streams, best practices, or philosophy of the Federal agency that provides funding for treatment services. With this legislation, these statutes will be rewritten into one set of statutes.
- **DUI Fines.** Success of the 4th time DUI law has resulted in an increase in the number of offenders being served in treatment services which has placed an additional burden on the administrative and care coordination needs for the system. This legislation increases the percent of the fines SRS receives for the community alcoholism and intoxication program fund
- **Autism Registry.** Creates an Autism Registry



Kansas Health Policy Authority
Coordinating health & health care for a thriving Kansas

MARCIA J. NIELSEN, PhD, MPH
Executive Director

ANDREW ALLISON, PhD
Deputy Director

SCOTT BRUNNER
Chief Financial Officer

Testimony on:
Kansas Health Policy Authority Overview

presented to:
Senate Committee on Ways and Means

by:
Dr. Marcia Nielsen
Executive Director

January 26, 2007

For additional information contact:

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*Senate Ways and Means
1-26-07
Attachment 2*

Senate Committee on Ways and Means
January 26, 2007

Kansas Health Policy Authority Overview

Good morning, Mr. Chairman and members of the Committee. I appreciate the opportunity to update the Senate Committee on Ways and Means regarding the Kansas Health Policy Authority's activities since last legislative session. I want to give you a brief overview of the work this agency has done and continues to do in the mission of improving health care for Kansans.

We believe we are an agency that coordinates health and health care for a thriving Kansas. In fact, that is our vision statement, and I believe it correlates well with the mission the Legislature gave us. In addition to launching our vision statement for our employees this past Monday, the Authority has taken on a number of initiatives since we became a new independent agency in July of last year:

- ***Focused on budget and finance.*** Since I became Executive Director in July, the Kansas Health Policy Authority has placed a focus on the budget and finance areas of the agency.
 - KHPA developed and received Board approval for its first budget as a state agency.
 - KHPA is now engaged in monthly public reporting of budget performance and financial status, including key administrative and programmatic details.
 - KHPA is reorganized to reflect the increased focus on financial and budgetary responsibilities, including the hiring of the agency's first Chief Financial Officer, Scott Brunner, former Director of the Kansas Medicaid and HealthWave programs.

- ***Increased communication.*** Transparency is an important part of the process of advancing health policy in the state, and effective communication is a significant means to increase our transparency. The Kansas Health Policy Authority has worked to increase its communication efforts with all stakeholders.
 - KHPA developed a new website, which is updated daily, to better inform consumers, providers, and purchasers about our programs and policies.
 - The agency instituted new ways to communicate with its staff, including the creation of a staff e-newsletter, which is distributed weekly to staff members, and established quarterly all-staff town hall meetings.
 - KHPA conducted five town hall meetings for stakeholders. These community meetings were held in Hays, Kansas City, Wichita, Pittsburg, and Garden City, allowing area residents an opportunity to voice opinions regarding the future of the Kansas health system.
 - KHPA created an Interagency Deputy Secretaries Planning Group to better coordinate the health issues and policies facing the State and Kansans. The group meets monthly to discuss new initiatives, share ideas, and facilitate effective programmatic coordination.

- ***Developed and maintained relationships with stakeholders.*** Partnership is vital to successful programs and operations of the Kansas Health Policy Authority, and the agency has continued to develop its relationships with various stakeholders throughout Kansas.
 - KHPA collaborated with stakeholders to ensure the continued success of the Provider Assessment program.

Kansas Health Policy Authority Overview

Kansas Health Policy Authority ♦ Presented on: 1/26/07

- The first two of an ongoing series of Disproportionate Share Hospital (DSH) policy planning meetings for hospitals were conducted to provide input that ensures funding is equitable and the program advances state health policy.
 - KHPA worked with other state agencies to develop and oversee implementation of a CMS audit, deferral, and disallowance work plan to resolve outstanding issues, led by Dr. Barb Langner, Associate Professor at The University of Kansas School of Nursing.
 - KHPA has continued to support broadly collaborative efforts focused on health information technology and health information exchange initiatives aimed at improving quality and efficiency in health and health care.
- ***Renewed emphasis on health and wellness.*** With data showing the importance of a healthy lifestyle, the Kansas Health Policy Authority has worked to emphasize the importance of health and wellness.
 - L.J. Frederickson was hired as the State Employee Health Benefits and Plan Purchasing Director and is working to increase the promotion of health and wellness in the State Employees Health Benefits Plan (SEHBP), including signing a new pharmacy benefits manager contract with Caremark which will save the State \$3.6 million annually.
 - KHPA's quality and innovation team has analyzed State Employee Health Benefits Plan data, and planning has begun to enhance wellness efforts for state employees.
 - KHPA has explored additional health and wellness initiatives for Medicaid beneficiaries as outlined by the submitted FY 2008 budget, including reimbursement to physicians for weight management counseling, integrating Medicaid immunization records with KDHE, and a request for funding to study and implement health promotion programs for Medicaid beneficiaries.
 - ***Strengthened Medicaid and HealthWave programs.*** As the single state agency for Medicaid, the Kansas Health Policy Authority has strengthened its Medicaid and HealthWave programs to provide affordable and quality care to enrolled Kansans.
 - On July 1, 2006, KHPA became the single state Medicaid agency, bringing efficiency to the program and maximizing the state's purchasing power. KHPA is applying this leadership role in the multi-agency Medicaid program to increase transparency, improve cooperation, and streamline operations.
 - KHPA signed two contracts for Medicaid managed care services with two contractors, saving the state between \$10 to \$15 million annually and introducing choice and competition into this important and growing market.
 - KHPA submitted six Medicaid transformation grant proposals which will work to increase quality and efficiency of care.
 - KHPA conducted a systematic review of its Medicaid Information Technology Architecture (MITA) to identify opportunities for structural improvement in data management and operational structures. Future MITA reviews will focus on organization structure to more effectively coordinate health care purchasing.

In terms of a vision and broad goals for the Authority -- which is the purview of the Health Policy Authority Board -- the legislation is clear. The Kansas Health Policy Authority shall develop and maintain a coordinated health policy agenda that combines the effective purchasing and administration of health care with health promotion oriented public health strategies. The powers, duties, and functions of the Authority are intended to be exercised to improve the health of the people of Kansas by increasing the quality, efficiency, and effectiveness of health services and public health programs.

Kansas Health Policy Authority Overview

Kansas Health Policy Authority ♦ Presented on: 1/26/07

At the Board Retreat held in February 2006, there were a number of strategies and long-term goals developed to assist the Board in meeting its broad mission and charge. Using these strategies as a guideline, the Board, during recent meetings and after many spirited discussions, identified overall priorities and goals for the Authority. This fall, the Board refined and approved the draft Vision Principles to include the six areas as described below.

- Access to Health Care
- Quality and Efficiency in Health Care
- Affordable and Sustainable Health Care
- Promoting Health and Wellness
- Stewardship
- Education and Engagement of the Public

Access to Health Care. The intent of the first vision principle, Access to Health Care, is that Kansans should have access to patient-centered health care and public health services which ensure the right care, at the right time, and at the right place. The Authority will analyze and seek to eliminate the many barriers Kansans face in attaining preventive health services. This includes making available non-emergent care options for uninsured populations seeking primary care services.

Quality and Efficiency. The second principle, Quality and Efficiency, addresses how the health delivery system in Kansas should focus on quality, safety, and efficiency, and be based on best practices and evidence-based medicine. It also means that health promotion and disease prevention should be integrated into the delivery of health services. Addressing quality and safety are very important in ensuring that Kansans receive the appropriate care to prevent further health complications. Ensuring that Kansans receive appropriate care, while containing costs, is a challenge for all health care providers. A great deal of work is currently being done in the field of health information technology and exchange. Several initiatives currently underway include the Governor's Health Care Cost Containment Commission (staffed by the Authority), Advanced Technology ID cards, and the Community Health Record of which e-prescribing is a critical part. Evidence-based medicine is the conscientious, explicit and judicious use of the current best evidence in making decisions about the care of individual patients. Employing these concepts yields efficiency in health finance, and that leads to the next principle.

Affordable and Sustainable Health Care. The third principle, Affordable and Sustainable Health Care, speaks to the financing of health care in Kansas and how it should be equitable, seamless, and sustainable for consumers, purchasers, and government. Regardless of geography or insurance status, access to affordable health care must meet the varying needs of Kansans across the State. Kansans should be able to depend upon a stable health system for their families without undermining the economic growth of our State.

Health and Wellness. The next principle, Promoting Health and Wellness, emphasizes that Kansans should pursue healthy lifestyles with a focus on wellness – to include physical activity, nutrition, and refraining from tobacco use – as well as through the informed use of health services over their life course. Whenever possible, the Authority intends to implement programs that seek to encourage Kansans to improve their own health. These programs will include evaluation, education, and even incentives. Combined with incentives, providing affordable health care for Kansans may result in more individuals taking advantage of preventive services. Additionally, we will encourage partnerships among health care providers and patients, and incentives for providers and beneficiaries to promote prevention and healthy behaviors will need to be explored.

Kansas Health Policy Authority Overview

Kansas Health Policy Authority ♦ Presented on: 1/26/07

Responsible Stewardship. The next principle, Stewardship, means that the Authority will operate with the highest level of integrity, responsibility, and transparency for the resources entrusted to us by the citizens and the State of Kansas. First and foremost, the members of the Authority Board will make every effort to ensure that the policy options we put forth balance the best interests of all involved parties, including taxpayers and those that need and provide health services. At the same time, the State has created this as an independent agency to encourage decision making and idea fostering with regard to health care to not be affected by other political forces that commonly affect State agencies. The Authority plans to take advantage of this objective decision making environment that holds such a noble goal in the forefront.

Education and Engagement of the Public. Last but not least, Education and Engagement of the Public calls for Kansans to be educated about both health and health care delivery to encourage public engagement in developing an improved health system for all Kansans. One of the greatest challenges of the health system is communicating its issues outside of the health community. The system is complicated and as a result, it is easy for the public to become disengaged. And yet, every Kansas family is directly affected by their and others' health care costs. This is the reason that the Authority seeks to engage the public in the discussion about improving our health system and also our personal responsibility for our own health.

These vision principles will be used to help guide the Authority in the direction of formulating a comprehensive health agenda to achieve the goals laid out by the legislature.

As required by statute, in 2006, the Kansas Health Policy Authority Board developed and approved an initial set of health indicators that correlate with each vision principle. These indicators will include baseline and trend data on health care, health outcomes, healthy behaviors, KHPA operational integrity, and health costs.

In 2007, these health indicators will be prioritized, reviewed, and approved by the KHPA Board. The next step will be to identify the best way to quantify and measure these indicators to observe changes over time and track the impact of state health policy initiatives. The process for identifying the specific measures to be used will soon be finalized and options will be discussed by the Board in the near future.

On January 22-23, the Board will be holding its annual retreat at the Eldridge Hotel in Lawrence. We will be discussing a number of items as well as hearing from Chairman Barnett, Governor Kathleen Sebelius, and House and Senate leaders regarding their health care goals for the Legislative session. We will also be discussing our goals for the future of health care in Kansas.

As we participate in this legislative process and look to the future, we look forward to working closely with you to advance these ambitious goals to improve the health of all Kansans. I thank you for your time and welcome any of your questions.

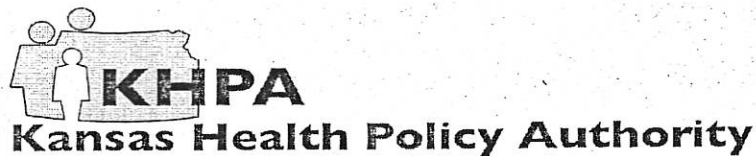


KHPA: Legislative History

Marcia J Nielsen PhD MPH
Executive Director, Kansas Health Policy Authority

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K1



- Created in 2005 Legislative Session
- Built on an "Executive Reorganization Order" proposed by the Governor
- Modified by State Legislature to:
 - Create a nine member Board to govern health policy
 - Executive Director reports to Board
 - Added a specific focus on health promotion and data driven policy making

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Kansas Health Policy Authority

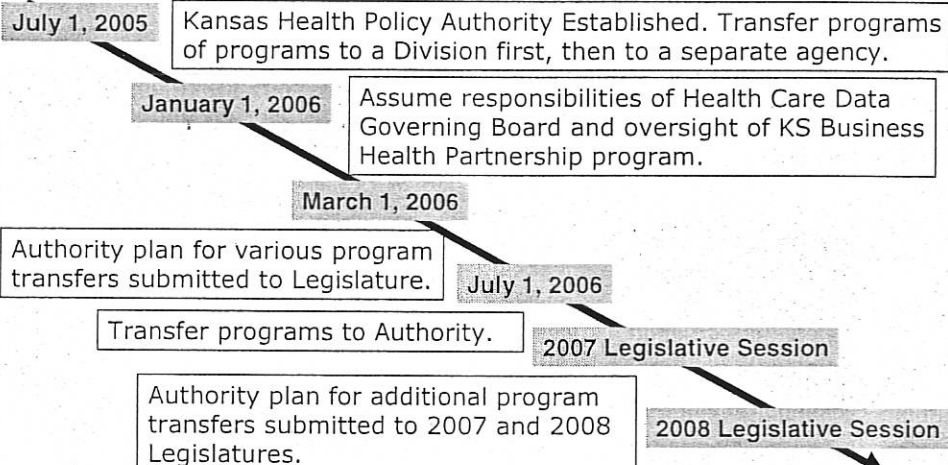
- The general charge of the Authority is to:
 - (1) develop and maintain a coordinated health policy agenda that
 - (2) combines effective purchasing and administration of health care
 - (3) with health promotion oriented public health strategies
 - (4) which is driven by health data

2005 Summary of Legislation, Kansas Legislative Research Department

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Kansas Health Policy Authority



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KHPA Board Members

- Nine voting board members
 - Three members appointed by the Governor
 - Six members appointed by legislative leaders.
- Seven nonvoting, *ex officio* members include:
 - Secretaries of Health and Environment, Social and Rehabilitation Services, Administration, and Aging; the Director of Health in the Department of Health and Environment; the Commissioner of Insurance; and the Executive Director of the Authority.

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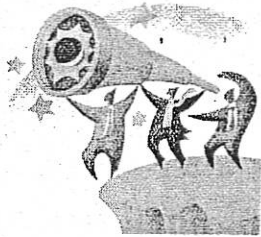
Programs Transferred to KHPA in 2006

- | | |
|---|---|
| ■ Medicaid
(Regular Medicaid) | ■ Medicaid Drug
Utilization Review &
related programs |
| ■ MediKan | ■ State Employee Health
Insurance |
| ■ State Children's
Health Insurance
Program | ■ State Workers
Compensation |
| ■ Ticket to
Work/Working Healthy | ■ Health Care Data
Governing Board |
| ■ Medicaid Management
Information System | ■ Business Health
Partnership Program |

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*KHPA: Coordinating health
and health care for a
thriving Kansas*

7



Vision Principles

- Adopted by the Board this fall
- Will provide direction to the Board as they and this agency develops and maintains a coordinated health policy agenda
- Guiding framework of the Board and the work the Agency intends to accomplish

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Six Vision Principles

- Access to Care
- Health and Wellness
- Quality and Efficiency
- Responsible Stewardship
- Affordable and Sustainable Health Care
- Education and Engagement of the Public

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Access to Care

Kansans should have access to patient-centered health care and public health services which ensure the right care, at the right time, and the right place.

- Analyze and seek to eliminate barriers
- Make available non-emergent care options for uninsured populations seeking services.

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Quality and Efficiency

The delivery of care in Kansas should emphasize positive outcomes, safety and efficiency and be based on best practices and evidence-based medicine.

- *Health promotion and disease prevention should be integrated*
- *Ensure Kansans receive appropriate care to prevent future health complications*

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Affordable & Sustainable Health Care

The financing of health care and health promotion in Kansas should be equitable, seamless, and sustainable for consumers, providers, purchasers, and government.

- *Access to care must meet the varying needs of Kansans across the State*
- *Accessible stable health system without undermining State's economic growth*

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Health and Wellness

Kansans should pursue healthy lifestyles with a focus on wellness as well as a focus on the informed use of health services over their life course.

- Implement programs to encourage Kansans to improve own health
- Encourage partnerships among providers and patients
- Incentives for providers and beneficiaries will be explored

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Responsible Stewardship

The KHPA will administer the resources entrusted to us by the citizens and the State with the highest level of integrity, responsibility and transparency.

- *Ensure policy options balance best interests of all involved parties*
- *Take advantage of this objective decision-making environment to foster ideas*

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Education & Engagement of the Public

Kansans should be educated about health and health care delivery to encourage public engagement in developing an improved health system for all.

- *Communicate issues outside of the health community*
- *Public engagement key to improving our health system*

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Top Priority Budget Initiatives for the KHPA

OPERATIONS:

- **Add staff to the Medicaid Eligibility Clearinghouse** to process applications within the mandated timelines and conduct quality reviews of HealthWave determinations. KHPA is requesting four (4) additional FTE and 17 contract staff via a supplemental request for FY 2007 for \$496,000 SGF, and an enhancement for FY 2008 for \$573,000 SGF. New federal guidelines regarding citizenship and identification requirements have placed an unfunded burden on our Clearinghouse resulting in 18,000 to 20,000 Medicaid beneficiaries and potential beneficiaries either losing coverage at the time of their annual review or being denied coverage at their initial time of application. The number of delayed or abandoned applications has steadily risen since the July implementation. Hiring new staff is the only solution, as KHPA has exhausted other options such as shifting funds specified for other projects within the contract.
- **Complete staffing and infrastructure for the Authority** to operate as an independent agency, and as the single state agency responsible for the Medicaid program. In order to fulfill the agency's mission, KHPA is requesting 22 staff via a supplemental for FY 2007 for \$531,000 SGF and 20 additional staff via an enhancement for FY 2008 bringing the annual SGF to \$813,000. Positions in the supplemental request are mainly in the areas of finance, accounting, and oversight. These resources are the minimum necessary to ensure the financial integrity of the programs that the Authority administers.
- **Develop a data management and policy analysis program** that promotes data driven health policy decisions, improving health care efficiency, lowering health care costs, and improving overall health status. In an enhancement for FY 2008 for \$385,000 SGF the Authority is proposing to contract for the development of a data analytic interface that will bring various data sets together and provide staff with tools to access the data quickly and in more meaningful ways. Using data to analyze the efficiency and quality of health care services will enhance the ability of the state to better control health care costs in the public and potentially private sector, as well as increase the quality of health care.

Agency Website: www.khpa.ks.gov

Address: Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220

Medicaid and HealthWave:

Phone: 785-296-3981

Fax: 785-296-4813

State Employee Health

Benefits and Plan Purchasing:

Phone: 785-296-6280

Fax: 785-368-7180

State Self Insurance Fund:

Phone: 785-296-2364

Fax: 785-296-6995

PROGRAMS:

- **Extend the Community Health Record (CHR) pilot program** and the information learned from the program will be examined to evaluate the impact of the information technology on Medicaid providers and beneficiaries (\$125,000 SGF / \$250,000 All Funds).

Enhancement Initiatives for FY 2008

PROGRAMS:

- **Expand access to health care for children through the creation of a "Healthy Kansas First Five" Program**, which would expand low-cost insurance options through HealthWave to children age five and under from low and moderate income families who lack health insurance (\$4.0 million SGF / \$10.0 million All Funds).
- **Continuation of statewide Health Information Exchange projects** and support of HIE initiatives in other agencies as well, through information sharing and collaboration (\$373,000 SGF / \$623,000 All Funds).
- **Provide greater health information transparency for consumers** by establishing a two-phase initiative that will collect and make available health and health care data resources to consumers and costs and health care quality information developed by the Data Consortium be publicized for use by purchasers and consumers (\$150,000 SGF).
- **Allow coverage for dental services to adults** who are currently enrolled in the Kansas Medicaid program (\$3.5 million SGF / \$8.8 million All Funds).
- **Provide childhood obesity counseling through Kansas Medicaid**, which would include incentives for primary care providers to monitor body mass index, diet and physical activity (\$590,000 SGF / \$1,475,000 All Funds).
- **Increase awareness and education efforts about health and wellness and Medicaid eligibility** (\$337,000 SGF / \$823,000 All Funds).
- **Develop a Long Term Care (LTC) Partnership program** between KHPA, as the Medicaid agency, and the Kansas Insurance Department to encourage people to purchase LTC insurance policies (\$104,000 SGF / \$208,000 All Funds).
- **Extend the Enhanced Care Management (ECM) pilot project** in Sedgwick County, which works with community resources to improve the quality of care and appropriate health care utilization by adult Medicaid beneficiaries with chronic illness (\$500,000 SGF / \$1.0 million All Funds).
- **Creation of a Health Data Consortium** which will advise the Kansas Health Policy Authority Board on the development of indicators.
- **Link the state immunization registry with the Medicaid Management Information System (MMIS)** to target immunizations for all eligible beneficiaries.
- **Improving Workplace Health and Wellness within the State Employee Health Plan**
- **Re-tool the Small Business Health Partnership Program in collaboration with the Kansas Business Health Policy Committee (KBHPC)** to improve the accessibility and affordability of health insurance for small businesses.

STUDIES: (Total \$255,000 SGF / \$342,500 All Funds)

- Study **ePrescribing for Inclusion** in the Medicaid program
- Study **consolidating prescription drug assistance programs** across Kansas
- Study **Workforce Shortage** in Rural and Underserved Urban Kansas
- Study **Medicaid Beneficiary Wellness**
- Study **Deficit Reduction Act (DRA) Flexibilities** for Kansas