

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on January 16, 2008, in Room 514-S of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Reed Holwegner, Legislative Research Department
Cody Gorges, Legislative Research Department
Amy Deckard, Legislative Research Department
Audrey Dunkel, Legislative Research Department
Julian Efird, Legislative Research Department
Kimbra Caywood McCarthy, Legislative Research Department
Leah Robinson, Legislative Research Department
Aaron Klaassen, Legislative Research Department
Heather O'Hara, Legislative Research Department
Michael Steiner, Legislative Research Department
Amy VanHouse, Legislative Research Department
Jarold Waltner, Legislative Research Department
Jim Wilson, Revisor of Statutes
Nobuko Folmsbee, Revisor of Statutes
Nikki Feuerborn, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Dr. Marci Nielsen, Executive Director, Kansas Health Policy Authority (KHPA)
Andy Allison, Kansas Health Policy Authority
Scott Brunner, Kansas Health Policy Authority

Others attending:

See attached list.

- Attachment 1 Testimony from Kansas Health Policy Authority
- Attachment 2 Listing of Fiscal Analyst, Legislative Research Department
- Attachment 3 Committee Rules
- Attachment 4 Listing of Committee Members
- Attachment 5 Listing of Budget Committee Members

Chair Schwartz welcomed the Committee to the first meeting of the 2008 Session. The fiscal analyst staff of the Legislative Research Department and the staff of the Office of the Revisor of Statutes who will be working with the Committee and the Budget Committees were introduced.

Introduction of Legislation

Representative Wolf moved to introduce legislation that would allow geriatric doctors to participate in a program established by the State for reimbursement of medical school loan expense for physicians. The motion was seconded by Representative Feuerborn. Motion carried.

Kansas Health Policy Authority

Chair Schwartz recognized Dr. Marci Nielsen, Executive Director, Kansas Health Policy Authority (KHPA), who presented an agency overview and update on agency activities (Attachment 1). Dr. Nielsen noted that the agency's annual report will be approved by the governing body at a meeting on Tuesday, January 22nd, after which time copies will be made available to legislators. The Committee voiced several concerns and requested additional information on how prescription drug prices are set; regulation of the disbursement of drugs relating to the issuance of a 90-day supply; and possible waiver of monthly service charges assessed by some financial institutions to employees who participate in the Health Savings Account Program (HSAP). Responding to another

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on January 16, 2008, in Room 514-S of the Capitol.

question from the Committee with regard to the Data Analytic Interface program, Dr. Nielsen stated that the agency will be contracting with an outside vendor to facilitate this program.

Andy Allison, KHPA, provided an overview of the State Employee Health Plan (SEHP) (Attachment 1). Mr. Allison stated that approximately 92 percent of the state employees participate in the plan.

Scott Brunner, KHPA, provided an overview on the financial aspect of the State Employee Health Plan (SEHP) (Attachment 1). Mr. Brunner noted that all budgeting and expenditures for SEHP are "off budget." Mr. Brunner indicated that the Plan operates on a calendar year basis as opposed to the state budget which is on a fiscal year basis. The Committee stated that it might be beneficial to provide an incentive to make the high deductible plan more attractive to state employees. Mr. Brunner explained that the difference in administration costs between FY 2004 and FY 2006 can be attributed to the establishment of KHPA and move of programs to KHPA from other agencies. Mr. Brunner noted that the State Health Care Commission sets coverage for SEHP including cost, premiums, and benefits.

Other Business

Other materials distributed to the Committee:

- A listing of Legislative Research Fiscal Analyst staff was distributed to the Committee (Attachment 2).
- Committee Rules (Attachment 3).
- Listings of Committee members (Attachment 4).
- Listing of the members of the Budget Committees (Attachment 5).
- A booklet on the "Critical Analysis of the State & Federal Definitions of Commercial Motor Vehicle" was distributed to the Committee (copy available from the Kansas Corporation Commission).

The meeting was adjourned at 10:55 a.m. The next meeting of the Committee will be held at 9:00 a.m. on January 17, 2008.

Representative Sharon Schwartz, Chair

House Appropriations Committee
January 16, 2008
9:00 A.M.

NAME	REPRESENTING
Brad Beeber	Her Law Firm
Steve Solomon	TFI Family Services
Candice D. [unclear]	Ks St No Queen
Jy Kamin	Center Group
Katie Firebaugh	Kearney & Assoc.
Vickilyn Kelsel	Budget
Tom Brown	EDS
Brad Amot	CCH
Kevin Robertson	KANSAS DENTAL ASSN



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

**KHPA Testimony to the House
Appropriations Committee**

January 16, 2008

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

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Objectives

- Kansas Health Policy Authority
 - Agency Overview
 - Programs
 - Budget Overview
 - Health Reform Overview
- State Employee Health Plan (SEHP)
 - Historical Health Plan Funding
 - Future Plan Management

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Agency Overview

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HOUSE APPROPRIATIONS

DATE 1-16-2008
ATTACHMENT 1



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

- KHPA created in 2005 Legislative Session
- Built on Governor Sebelius' "Executive Reorganization Order"
- 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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KHPA
Kansas Health Policy Authority
Coordinating health & health care for a thriving Kansas



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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 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.

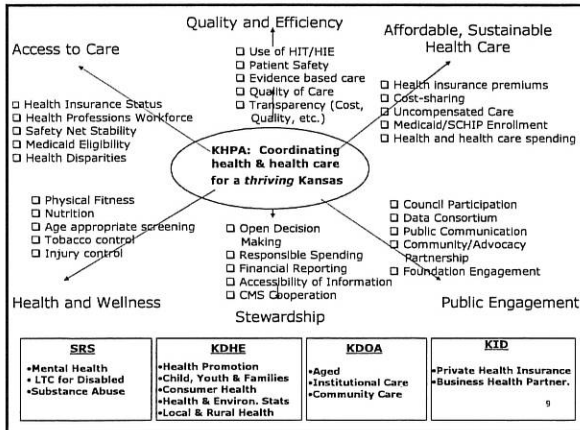
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Vision Principles & Health Indicators

- Adopted by the Board in 2006
- Provides governance and operational direction to the Board
- Provides guiding framework to analyze health reform options
- Provides "yardstick" to measure over time improved health in Kansas

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KHPA Programs

Medicaid, HealthWave, and the State Employee Health Plan (SEHP)

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Definition of Medicaid

- Medicaid is an optional source of matching funds for states wishing to purchase healthcare for selected populations
 - Run by states, governed jointly
 - Federal share varies by state from 50%-90%
 - Significant federal requirements
 - Serves as a payment source; considered an insurance product

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Background: Kansas Medicaid

- Beneficiaries: Medicaid and the State Children's Health Insurance Program (SCHIP) provides health insurance coverage to nearly 300,000 Kansans
 - Around 61% of these beneficiaries are children (under age 19)
 - Health care services covered include medical, preventive, long-term care, mental health, in-patient hospital care, office visits, prescriptions, etc.
- Spending: Medical care spending of about \$1.2 billion this fiscal year
- Claims: Process over million health claims per month directly, and nearly 300,000 through private health plans
- Scope of providers: Medicaid reimburses
 - Thousands of different services
 - Twenty thousand providers
 - Hundreds of institutions

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Background: HealthWave

- Began in 1999 as program name for State Children's Health Insurance Program (SCHIP) in Kansas
- Delivery of health care services to SCHIP and Medicaid families was integrated in 2002
- Beneficiaries:
 - Managed care program delivers health care services to:
 - 123,000 Medicaid beneficiaries
 - 38,000 SCHIP beneficiaries
- HealthWave in second year of new contracts with two private health plans:
 - UniCare Health Plan of Kansas
 - Children's Mercy's Family Health Partners

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Accomplishments in 2007: Medicaid/HealthWave

- Implemented Medicaid MCO – transition to new contractors and defended MCO contracting process
- Successful Audits and Deferral Negotiations with CMS
- Managed impact of new Citizenship/Identification requirements – managed public, legislative, and CMS impacts
- Presumptive Medical Disability – shortened process time and reduced backlog
- Reformed DSH payment policies through a hospital stakeholder process
- Increased number of dental providers and beneficiaries

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Accomplishments in 2007: Medicaid/HealthWave (2)

- Established Work Opportunities Reward Kansans (WORK) program -- cash and counseling supports for working disabled Kansans
- Enhanced match for Data Analytic Interface (DAI)
- Completed National Provider Identification (NPI) implementation
- Enhanced Care Management Pilot Project to provide high-risk beneficiaries with improved quality of care (focus on chronic disease)
- Community Health Record Pilot Program (Sedgwick County), expanding to 20 additional sites in 2008
- Linked state immunization registry with Medicaid Management Information System (MMIS)

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Background: State Employee Health Plan

- Participants (State & Non-State Groups)
 - Over 51,000 contracts
 - Around 87,300 covered lives
 - In 2007, 92% of employees enrolled:
 - 56% carry single coverage
 - 44% provide coverage for their dependents
 - Non-State Employer Group
 - In 2007, 33 educational groups (3,640 contracts)
 - In 2007, 57 local government units (1,788 contracts)
 - Around 10,055 covered lives:
 - 5,225 employees
 - 4,830 dependents

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Background: Dental Plans

- Delta Dental
 - Nearly 79,300 State/Non-State participants (includes dependents)
 - Over 11,350 Retiree participants
 - Cost over \$32.6 million from Oct. 2006 to Sept. 2007 (rolling year)
 - Over 95% of people enrolled in dental coverage use this benefit

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Background: Retiree Health Plan

- Coverage, Usage & Costs
 - Over 11,000 covered lives including over 700 dependents
 - Medical costs (includes drugs) over \$47.8 million from Oct. 2006 to Sept. 2007
 - 100% of participants incurred a claim in 2007
- Plan Design
 - Participants pay 100% of premium
 - Eligible to enroll in all health plans except Qualified High Deductible Health Plan
 - Eligible to enroll in dental, prescription drug, and vision coverage
 - If Medicare eligible, have 3 additional options:
 - Medigap Policy
 - Coventry Advantra Preferred Provider Organization
 - Coventry Advantra Private Fee-For-Service (only available in 27 counties in KS and 9 in MO)

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**Accomplishments in 2007 :
State Employee Health Plan**

- Negotiated Wellness Contract for State Employee Health Plan with focus on personal responsibility
- Added Benefit selector/Plan Selector Tool
- Increase in employer contribution for dependents (from 45 to 55%)
- Improved benefit design with focus on prevention, health and wellness
- Improved marketing materials
- Initiated financial reporting to Health Care Commission (HCC)

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**Additional Agency
Accomplishments**

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**Accomplishments in 2007:
Agency Infrastructure**

- New positions authorized and filled – staff now at operating capacity
- Integrating programs across the agency: finance, contracts, legal, operations
- Mills Move/10th Floor expansion
- Established KHPA Intranet for internal communications
- Developed internal policies to promote consistent & uniform decision making

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Accomplishments in 2007: Interagency Partnerships

- Long Term Care Partnership Program (KHPA, KDOA, KID) to offer ways to protect assets for elderly Kansans applying to Medicaid
- Updated interagency agreements between SRS, KDOA, Kansas Juvenile Justice Authority (JJA), and KHPA
- Implemented CMS-required reforms: Targeted Case Management and Local Educations Agencies
- Supported implementation of Prepaid Inpatient Health Plan (PIHP) and Prepaid Ambulatory Health Plan (PAHP), waiver for dental coverage, autism waiver

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Accomplishments in 2007: Health Reform Recommendations

- KHPA Board developed health reform recommendations aimed at increasing personal responsibility for health, paying for prevention and promoting medical homes, and improving access to affordable health insurance
- Solicited significant stakeholder input – public meetings/Advisory Councils, etc
- Successful Listening Tour in 22 communities
- Foundation funding for health reform stakeholder/data analysis process

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Accomplishments in 2007: New Initiatives

- Added significant health policy research and analysis staff capacity
- Convened first meeting of the Data Consortium to provide stakeholder input on data policy and assess State's health status
- Developed and designing Premium Assistance program to provide private health insurance for low income Kansans: Kansas Healthy Choices
- Established Inspector General's Office to provide oversight and investigate performance for delivery of services

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Fulfilling our Statutory Requirements		
Effective Health Care Purchasing	Health Promotion and Public Health	Coordinating Health and Health Care
<ul style="list-style-type: none"> ■ Implemented Medicaid MCO ■ Successful CMS Deferral Negotiations ■ Reformed DSH Payments ■ Initiated financial reporting to HCC ■ Added Benefit/Plan Selector Tool to SEHP ■ LTC Partnership ■ Increased dental providers and beneficiaries 	<ul style="list-style-type: none"> ■ Health and wellness focus for SEHP ■ Improved benefit design for SEHP ■ Developed health reform recommendations ■ Solicited stakeholder input in health reform ■ Listening tour on health reform 	<ul style="list-style-type: none"> ■ Managed impact of new citizenship identification requirements ■ Shortened process time and backlog for Presumptive Medical Disability ■ WORK program launched ■ Completed National Provider Identification Implementation ■ Community Health Record Pilot Program ■ Expanding Enhanced Care Management Pilot Project ■ Linked State Immunization records to MMIS ■ Established KHPA Intranet

Budget Overview

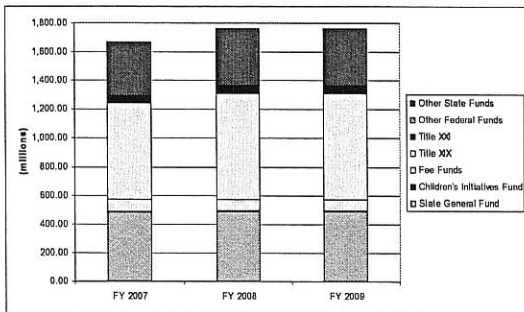
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Budget Overview

- Expenditures trends for Medicaid (Title 19), HealthWave (Title 21), and the State Employee Health Plan (SEHP)
- KHPA Board enhancement requests
 - Summary table
 - Detailed information on system improvements
- Summary of health reform recommendations

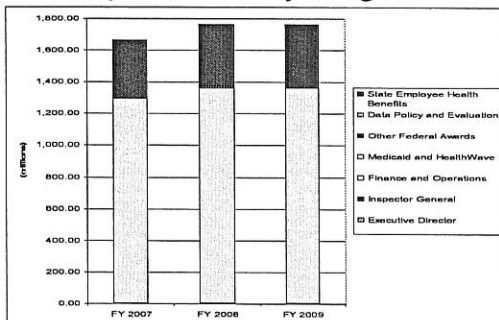
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Expenditures by Funding Source



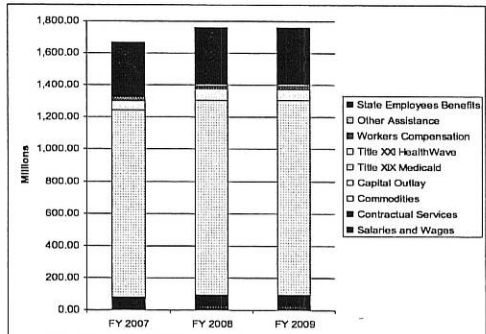
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Expenditures by Program



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Expenditures by Category



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FY 2009 Budget Enhancement Requests*

Priority	Description	State General Fund	All Funds
1	Premium Assistance Implementation (1)	5,037,000	12,075,000
2	Integrated Enrollment System	4,000,000	8,000,000
3	Medicaid Prescription Drug Prior Authorization System	206,250	825,000
4	Expand Enhanced Care Management	50,000	100,000
5	Community Health Record	50,000	100,000
Total Request		\$ 11,343,250	\$ 25,100,000

* Reflects most recent request from our Budget Appeal
 1) This item includes \$10.0 million for health benefits for those eligible ³¹ for Premium Assistance and \$2.1 million for administrative costs.

Premium Assistance Implementation

- Enhancement Request FY 2009:
 - SGF 5,037,000; All Funds 12,075,000
- Purpose: To implement first year of new private health insurance assistance program (*Kansas Healthy Choices*) in Jan 2009
 - *Employer-sponsored health insurance*
 - *State-procured private health insurance*
- Population Served: 8,500 very low income Kansas parents

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Integrated Eligibility and Enrollment System

- Enhancement Request FY 2009:
 - SGF 4,000,000; All Funds 8,000,000
- Purpose: To procure a modern integrated eligibility and enrollment software system to improve functionality, productivity, and cost-effectiveness for state operated programs
- Population Served: All Medicaid, HealthWave, and ultimately SEHP beneficiaries (also populations served by SRS). Approximately 388,000 Kansans

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Medicaid Prescription Drug Prior Authorization System

- Enhancement Request FY 2009:
 - SGF \$206,250; All Funds \$825,000
- Purpose: To procure a statewide automated prior authorization system that can be accessed at the point of care by pharmacists in order to improve patient safety and cost-effectiveness
- Population Served: All Medicaid and HealthWave beneficiaries, pharmacy and medical providers

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Pilot: Enhanced Care Management Program

- Enhancement Request FY 2009:
 - SGF 50,000; All Funds 100,000
- Purpose: To continue a care/disease management pilot program targeted at low income chronically ill Kansans in order to improve health outcomes, prevent further illness, and help to control health care costs
- Population Served: Medicaid beneficiaries in Sedgwick County who have volunteered to participate. After evaluation, potential for statewide implementation

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Pilot: Community Health Record

- Enhancement Request FY 2009:
 - SGF 50,000; All Funds 100,000
- Purpose: To continue and expand the community health record pilot project in order to promote the use of health information technology and exchange, improve health outcomes, and control administrative costs of health care
- Population Served: Medicaid beneficiaries and providers in Sedgwick County. Statewide implementation is recommended as part of health reform

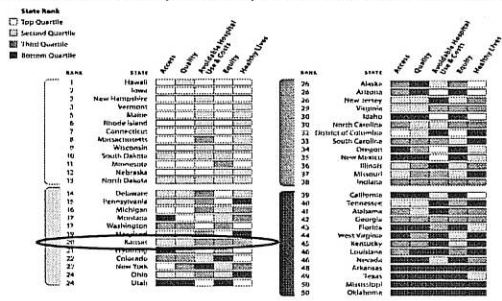
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Health Reform Overview

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Health in Kansas: Room for Improvement

State Scorecard Summary of Health System Performance Across Dimensions

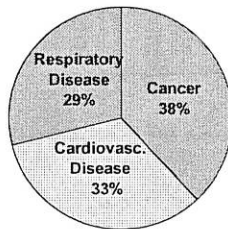


SOURCE: Commonwealth Fund State Scorecard on Health System Performance, 2017

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Tobacco Related Deaths in Kansas

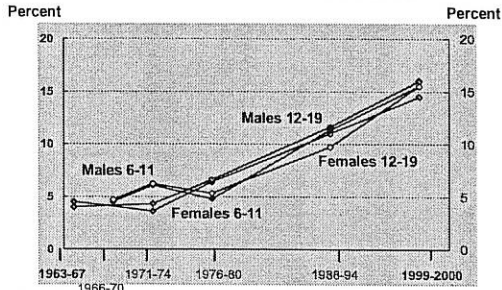
Average of 3,900 Deaths per Year in Kansas Due to Smoking



Source: Smoking Attributable Morbidity, Mortality and Economic Cost, CDC

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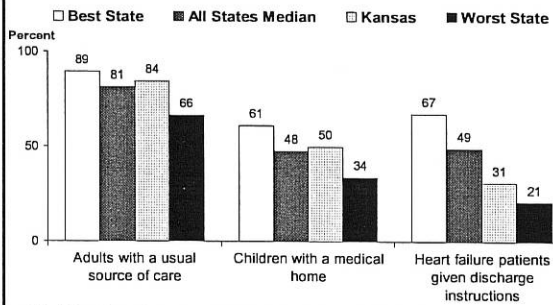
U.S. Trends for Overweight Children and Adolescents



Note: Overweight is defined as BMI \geq gender- and weight-specific 95th percentile from the 2000 CDC Growth Charts for the United States. Source: National Health Examination Surveys II (ages 6-11) and III (ages 12-17), National Health and Nutrition Examination Surveys I, II, III and 1999-2000, NCHS, CDC. 40

QUALITY: COORDINATED CARE

State Variation: Coordination of Care Indicators

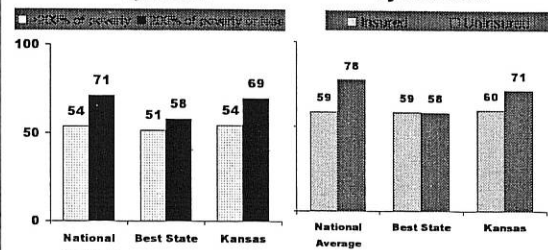


DATA: Adult usual source of care - 2002/2004 BRFSS; Child medical home - 2003 National Survey of Children's Health; Heart failure discharge instructions - 2004-2005 CMS Hospital Compare SOURCE: Commonwealth Fund State Scorecard on Health System Performance, 2007 41

EQUITY

Lack of Recommended Preventive Care by Income and Insurance

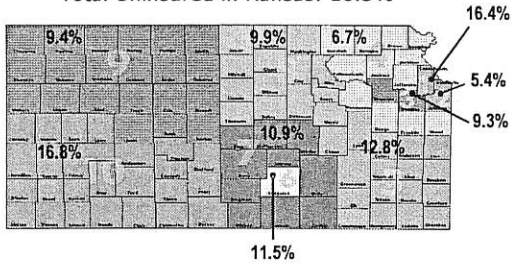
Percent of adults age 50+ who did NOT receive recommended preventive care



Note: Best state refers to state with smallest gap between national average and low income/uninsured. DATA: 2002/2004 BRFSS. SOURCE: Commonwealth Fund State Scorecard on Health System Performance, 42 2007

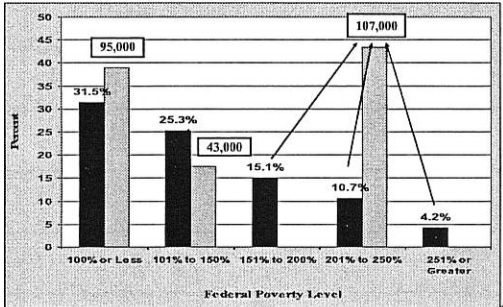
Uninsured Kansans Under Age 65, by Region

Total Uninsured in Kansas: 10.5%



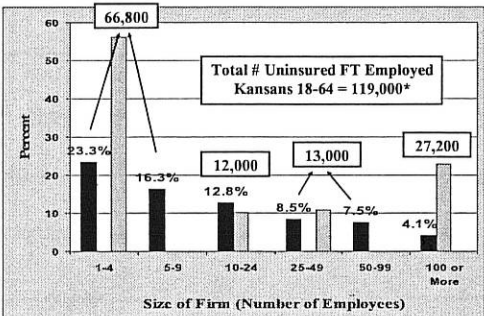
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Uninsured Kansans under Age 65 by Income as a Percent of FPL and Distribution of Uninsured



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Uninsured Full-Time Employed Kansans Age 18-64 by Size of Firm



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KHPA Board 2007 Health Reform Recommendations

Submitted to the Governor and
Legislature on November 1, 2007

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KHPA Reform Priorities

- Promoting personal responsibility (P1)
 - Responsible health behaviors
 - Informed purchase of health care services
 - Contributing to the cost of health insurance, based on ability to pay
- Prevention and medical homes (P2)
 - Focus on obesity, tobacco control, chronic disease management and incentives for primary care medical homes
- Providing and protecting affordable health insurance (P3)
 - Focus on small businesses, children, and the uninsured

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Summary: Personal Responsibility Policy Options (P1)

- Improve Health Behaviors
 - Encourage healthy behaviors by individuals, in families, communities, schools, and workplaces
 - Policies listed under P2 – pay for prevention
- Informed Use of Health Services
 - Transparency for consumers – health care cost & quality transparency project
 - Promote Health Literacy
- Shared Financial Contributions for the cost of health care
 - Policies listed under P3

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**Summary: Medical Home
Policy Options (P2)**

Promote "Medical Home" Model of Care

- Define medical home
- Increase Medicaid provider reimbursement for prevention/primary care
- Implement statewide Community Health Record
- Promote insurance card standardization

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**Summary: Pay for Prevention
Policy Options (P2)**

- Healthy Behaviors in Families & Communities:
 - Increase tobacco user fee
 - Statewide Smoking ban in public places
 - Partner with community organizations
- Healthy Behaviors in Schools:
 - Include Commissioner of Education on KHPA Board
 - Collect information on health/fitness of Kansas school children
 - Promote healthy food choices in schools
 - Increase physical education

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**Summary: Pay for Prevention Policy
Options (P2 Cont.)**

- Healthy Behaviors in Workplaces:
 - Wellness grant program for small businesses
 - Healthier food options for state employees
- Additional Prevention Options:
 - Provide dental care for pregnant women
 - Improve tobacco cessation within Medicaid
 - Expand cancer screenings

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Summary: Provide & Protect Affordable Health Insurance Policy Options (P3)

- Three targeted initiatives
 - Expand private insurance for low-income Kansans through premium assistance program: Kansas Healthy Choices
 - Improve access to coverage for Kansas children, with specific targets for enrollment
 - Increase affordable coverage for solo business owners and other small businesses

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Priorities: System Reform and Better Health

Transforming Medical Care	Improving Public Health	Expanding Affordable Insurance
<ul style="list-style-type: none"> ■ Transparency project: health care cost and quality ■ Health literacy ■ Medical home definition ■ Medicaid provider reimbursement ■ Community Health Record (HIE) ■ Form standardization 	<ul style="list-style-type: none"> ■ Increase tobacco user fee ■ Statewide smoking ban ■ Partner with community organizations ■ Education Commissioner ■ Collect fitness data in schools ■ Promote healthy foods in schools ■ Increase physical fitness ■ Wellness for small businesses ■ Healthier food for state employees ■ Dental care for pregnant women ■ Tobacco cessation in Medicaid ■ Expand cancer screening 	<ul style="list-style-type: none"> ■ Aggressive outreach and enrollment of eligible children (target population: 20,000) ■ Premium assistance for low income adults without children (target population: 39,000) ■ Small business initiatives (target population: 15,000 young adults and 12,000 employees of small businesses)

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Financing Health Reform

- Fifty cent increase in tobacco user fee
 - Estimate of \$69.7 million annually
- Increased federal matching dollars
- Hidden tax in Kansas – cost shifting
 - As much as 7%
- Cost containment - built into majority of proposals

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Future Goals for KHPA

- **(1): To improve consumer communication and provide data rich information in order to improve health and public policy.**
- **(2): To strengthen and improve leadership and organizational development within the agency.**
- **(3): To successfully implement new initiatives and programs, while consistently improving ongoing programs/initiatives.**

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Coordinating health & health care for a thriving Kansas

State Employee Health Plan: Historical and Future Reserves

January 16, 2008

Andy Allison, PhD
Medicaid Director, Deputy Director
Kansas Health Policy Authority

Scott Brunner
Chief Financial Officer
Kansas Health Policy Authority

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SEHP in a Snap Shot

- Around 88,000 total participants
 - 35,369 active employees
 - 37,022 dependents (includes State and non-State group)
 - 10,472 retirees
 - 5,157 other (non-state) public employees
- The SEHP moved to statewide health plan options in 2008
- All health plans self-funded to lower administrative costs

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SEHP in a Snap Shot

- A major health and wellness initiative began this month, strengthening the HealthQuest program
- The gatekeeper component of the HMO was eliminated
- The employer contribution for dependent coverage was raised from 45% of an average premium to 55%
- Negotiated new pharmacy contract for 2007
 - Applies manufacturer rebates at the point of sale
 - Generates an estimated \$8 million in savings

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State Employee Health Plan (SEHP) Reserves

- Health plan reserves cover unexpected future SEHP expenditures
- Reserves are the capital required to self-insure
 - Costs of medical care delivered but not yet billed to the state
 - Unexpected events such as a spike in health care costs
- Health claims are paid out from these funds
- All plan revenues flow to these funds

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Growth in Funds

- From FY 2000 – FY 2006, fund balances increased by more than 250%
 - up to \$193.2 million
 - see Table 1 and Figure 1
- Plan design changed in FY 2004-2005
 - Agency & employee contributions increased
 - Benefit design reduced
- Total expenditures for FY 2004 and 2005 increased by less than 1% and by 1.6%
- Contributions for FY 2006 and 2007 were frozen for agencies and employees

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Measurements for Reserve Amounts

- No clear rules or regulations in state or federal statute
- State's actuaries, Mercer & Segal, suggest maintaining reserves at level needed to pay claims run out if plan would be discontinued. For 2008
 - Mercer estimate for claims run out - \$38.0 million
 - Mercer sensitivity analysis indicates that contingency fund of \$15.0 million could reasonably offset unexpected increases in claims costs
 - Total recommended reserve balance = \$53.0 million

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Future Expenditure Impact on Reserves

- KHPA estimates of revenues, expenditures, & cash balances through 2017 indicate a gradual, managed, decline in balances to their target level
 - Target reserve of 15% of expenditures
 - Reserves drop from \$223.7 million in plan year 2008 to \$86.3 million in plan year 2017
 - See table 2 & Graph 2
- These projections will be updated quarterly to aid in plan management
- Projected annual increase in health costs, 6.5%, assumes future changes to manage costs

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Conclusions

- KHPA staff recommend that 15% of estimated claims expenditures be reserved as part of annual projections
- Cash reserve needed to absorb unexpected costs & to protect financial integrity of plan
- Careful plan management will allow the reserve balance to absorb some of anticipated cost increases in SEHBP over time without need for abrupt changes in benefits and contributions
- Employer & employee contributions cannot stay unchanged given expected increases in future health care costs

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<http://www.khpa.ks.gov/>

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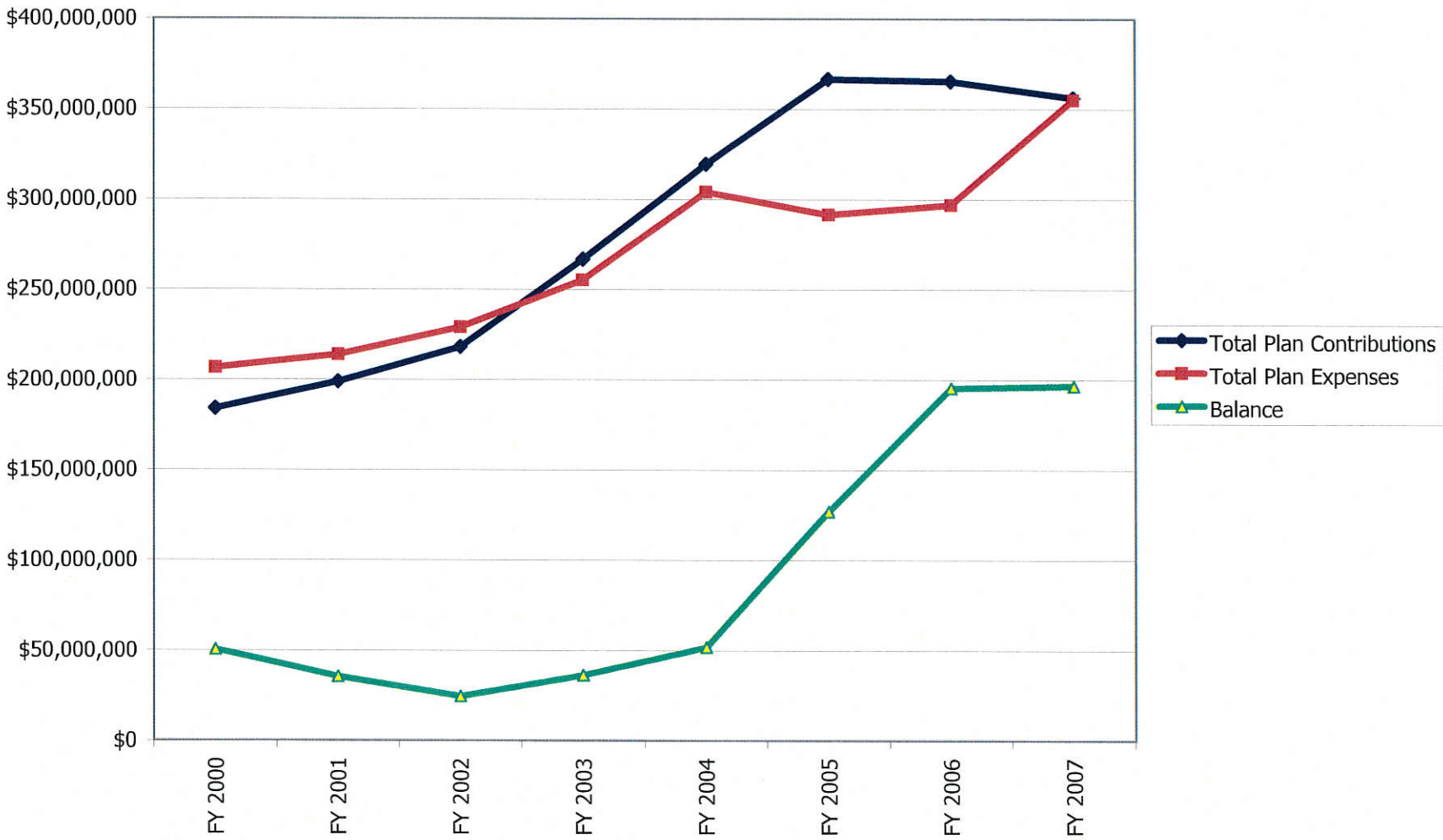
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Table 1
History of State Employee Health Benefit Plan Revenues, Expenditures, and Balances
FY 2000 - FY 2007

	FISCAL YEAR							
	2000	2001	2002	2003	2004	2005	2006	2007
REMITTANCE & RESERVE FUND								
Begin Balance:								
Reserve Fund	39,055,152	39,050,785	29,254,282	14,559,934	9,746,634	9,855,595	10,052,400	10,448,122
Remittance to Providers	33,820,241	11,377,641	6,168,315	9,861,330	26,375,054	41,708,702	116,675,422	184,644,833
Total Beginning Balance	<u>72,875,393</u>	<u>50,428,426</u>	<u>35,422,597</u>	<u>24,421,264</u>	<u>36,121,689</u>	<u>51,564,296</u>	<u>126,727,822</u>	<u>195,092,955</u>
Revenue:								
Agency Contributions	100,256,898	109,024,449	120,769,023	149,696,356	165,754,879	200,726,104	200,135,310	200,097,943
Participant Contributions	77,990,593	88,115,037	93,669,556	114,148,567	148,602,336	163,984,990	139,570,611	152,247,492
Other - rebates, penalties, etc.	5,685,582	11,465,252	18,180,611	7,797,556	5,100,207	1,753,813	25,229,868	3,375,997
Total Revenue	<u>183,933,073</u>	<u>208,604,738</u>	<u>232,619,190</u>	<u>271,642,479</u>	<u>319,457,422</u>	<u>366,464,907</u>	<u>364,935,789</u>	<u>355,721,432</u>
Reserve Fund Interest/Transfers	-4,367	-9,796,503	-14,694,348	-4,813,300	108,960	196,805	395,722	541,431
Expenses:								
Premiums, Claims & ASO Payments	205,888,527	213,380,912	228,294,048	254,741,000	303,877,757	291,258,566	296,727,928	332,269,898
Other Payments or IBNR	487,145	433,153	632,127	387,755	246,017	239,621	238,450	22,693,738
Total Expenses	<u>206,375,672</u>	<u>213,814,065</u>	<u>228,926,175</u>	<u>255,128,755</u>	<u>304,123,774</u>	<u>291,498,187</u>	<u>296,966,378</u>	<u>354,963,636</u>
End Balance:								
Reserve Fund	39,050,785	29,254,282	14,559,934	9,746,634	9,855,595	10,052,400	10,448,122	10,989,553
Remittance to Providers	11,377,641	6,168,315	9,861,330	26,375,054	41,708,702	116,675,422	184,644,833	185,402,628
End Balance	<u>50,428,426</u>	<u>35,422,597</u>	<u>24,421,264</u>	<u>36,121,689</u>	<u>51,564,296</u>	<u>126,727,822</u>	<u>195,092,955</u>	<u>196,392,181</u>
ADMINISTRATION								
Begin Balance:	1,484,187	2,201,536	2,936,054	3,237,339	756,276	405,462	858,454	1,611,873
Revenues:								
Cafeteria Fund	2,167,608	2,157,519	1,943,524	183,936	2,018,370	2,009,650	2,012,839	2,035,464
Wellness Fund	617,147	617,149	579,952	-253	528,004	576,924	605,259	645,828
Total Revenues	<u>2,784,755</u>	<u>2,774,668</u>	<u>2,523,477</u>	<u>183,683</u>	<u>2,546,375</u>	<u>2,586,574</u>	<u>2,618,098</u>	<u>2,681,292</u>
Expenses:								
Total Admin Expenses	<u>2,067,406</u>	<u>2,040,150</u>	<u>2,222,192</u>	<u>2,664,746</u>	<u>2,897,189</u>	<u>2,133,582</u>	<u>1,864,679</u>	<u>2,319,404</u>
Ending Balance	<u>2,201,536</u>	<u>2,936,054</u>	<u>3,237,339</u>	<u>756,276</u>	<u>405,462</u>	<u>858,454</u>	<u>1,611,873</u>	<u>1,973,761</u>

Graph 1

History of State Employee Health Benefit Plan Revenues and Expenditures



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Table 2
Kansas Health Policy Authority
State Employee Health Benefit Plan Reserve Projections
Medical, Pharmacy, Dental and Vision Benefits

Plan Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Available Funds												
Reserve earning interest	10,714,669	11,271,959	11,835,557	12,427,335	13,048,702	13,701,137	14,386,193	15,105,503	83,315,136	80,308,327	81,624,539	88,137,583
Remittance to Providers	181,155,339	212,433,760	199,272,078	164,680,804	134,411,940	110,162,126	92,903,166	78,506,581	0	0	0	0
Beginning Available Balance	191,870,008	223,705,719	211,107,635	177,108,139	147,460,642	123,863,263	107,289,359	93,612,084	83,315,136	80,308,327	81,624,539	88,137,583
Total Employer Contributions												
Total Employer Contributions	228,000,000	228,000,000	236,467,485	254,031,387	272,899,868	293,169,828	314,945,364	338,338,303	363,468,780	390,465,853	419,468,166	448,609,462
Total Participant Contributions												
Total Participant Contributions	124,264,612	102,366,612	109,970,013	118,138,166	126,913,018	136,339,632	146,466,419	157,345,386	169,032,400	181,587,481	195,075,106	207,754,988
Total Contributions	352,264,612	330,366,612	346,437,498	372,169,552	399,812,886	429,509,460	461,411,783	495,683,688	532,501,180	572,053,334	614,543,272	656,364,450
Total Plan Expenses												
Total Plan Expenses	320,986,191	343,528,293	381,028,771	402,438,417	424,062,700	446,768,420	475,808,368	506,735,911	539,673,746	574,752,539	612,111,454	651,898,699
Interest on Reserve Fund												
Interest on Reserve Fund	557,290	563,598	591,778	621,367	652,435	685,057	719,310	755,275	4,165,757	4,015,416	4,081,227	4,406,879
Ending Available Balance (Reserve Ending Balance)												
Ending Available Balance (Reserve Ending Balance)	223,705,719	211,107,635	177,108,139	147,460,642	123,863,263	107,289,359	93,612,084	83,315,136	80,308,327	81,624,539	88,137,583	97,010,213
Target Reserve												
Target Reserve	47,766,530	53,383,000	56,701,574	59,887,582	63,105,530	66,484,409	70,805,896	75,408,279	80,309,817	85,529,955	91,089,402	97,010,213
ADMINISTRATION (Cafeteria and Wellness Fund)												
Beginning Balance												
Beginning Balance	1,171,749	1,251,032	1,367,955	1,957,224	2,288,292	2,476,871	2,581,458	2,605,327	2,551,302	2,421,799	2,218,863	1,955,758
Revenues												
Cafeteria	2,454,977	2,454,977	2,454,977	2,479,527	2,498,123	2,511,863	2,525,678	2,539,569	2,553,537	2,567,581	2,593,257	2,619,190
Wellness	766,988	766,988	766,988	536,892	429,513	386,562	347,906	313,115	281,804	253,623	228,261	205,435
Total Revenues	3,221,965	3,221,965	3,221,965	3,016,418	2,927,637	2,898,425	2,873,584	2,852,685	2,835,341	2,821,205	2,821,518	2,824,625
Administrative Costs												
Administrative Costs	3,142,682	3,105,042	2,632,696	2,685,350	2,739,057	2,793,838	2,849,715	2,906,709	2,964,844	3,024,141	3,084,623	3,146,316
End Balance												
End Balance	1,251,032	1,367,955	1,957,224	2,288,292	2,476,871	2,581,458	2,605,327	2,551,302	2,421,799	2,218,863	1,955,758	1,634,067

State Employee Health Benefit Plan Reserve Projections

Definitions, Notes and Assumptions

General

- 1 Projections assume, no material change in enrollment counts nor single/family composition from current Plan Year (PY) 2007 levels.
- 2 Projections assume carrier mix does not change. As a result unless noted, cost increases derive only from health trend and additional increase on the base rate.
- 3 Projections reflect current benefits and planned changes according to policies adopted by HCC.
- 4 Projections reflect all plan participants, including active employees, retirees, and non-state groups.

Available Funds

- 1 The Reserve is a Pooled Investments that earn interest at 5% currently. A portion of the reserve was designated for the self funded plan (Kansas Choice) designated on Table 2 as "Reserve earning interest". "Reserve earning interest" is credited back to the Plan. The other portion of the Reserve ("Remittance to Providers") earns interest that is credited to the general fund.
- 2 It is assumed the Remittance to Providers fund's interest will be credited to the plan to maintain the required plan reserve beginning in 2015.
- 3 All claims, premiums and ASO payments are made through the reduction of the Remittance to Providers Fund. The Reserve Fund was established based upon the 1993 self-funded contract with BCBS.

Employer Contributions

- 1 Agency and participant contributions and expenditures for PY 2007 were calculated using nine months of actual data and then using the nine month average for the last three months.
- 2 Agency contributions are assumed to increase beginning in Fiscal Year ("FY") 2010 and take effect each July of each fiscal year.
- 3 The rate increases are assumed to be at health care cost trend plus 1%
- 4 Estimated Non-State employer contributions for PY 2007 are \$27 million.

Participant Contributions

- 1 Agency and participant contributions and expenditures for PY07 were calculated using nine months of actual data and then using the nine month average for the last three months.
- 2 Increases in employee contributions are assumed to be at health care cost trend plus 1% beginning in PY 2009, and take effect each January of each year.
- 3 Assumes shift of participants from Plan B to Plan A on January 1, 2008.
- 4 Includes reduction in contributions for dependents to 45% in PY 2008.

Expenses

- 1 Agency and participant contributions and expenditures for PY07 were calculated using nine months of actual data and then using the average for the last three months.
- 2 Assumes a health care cost trend rate of 6.5%
- 3 Projections assume rebalance of enrollment between Plans A and B beginning in 2009.
- 4 One-time cash flow savings accrues in PY 2008

Interest on Reserve Fund

- 1 This is the interest earned on the fund estimated at 5%

Target Reserve

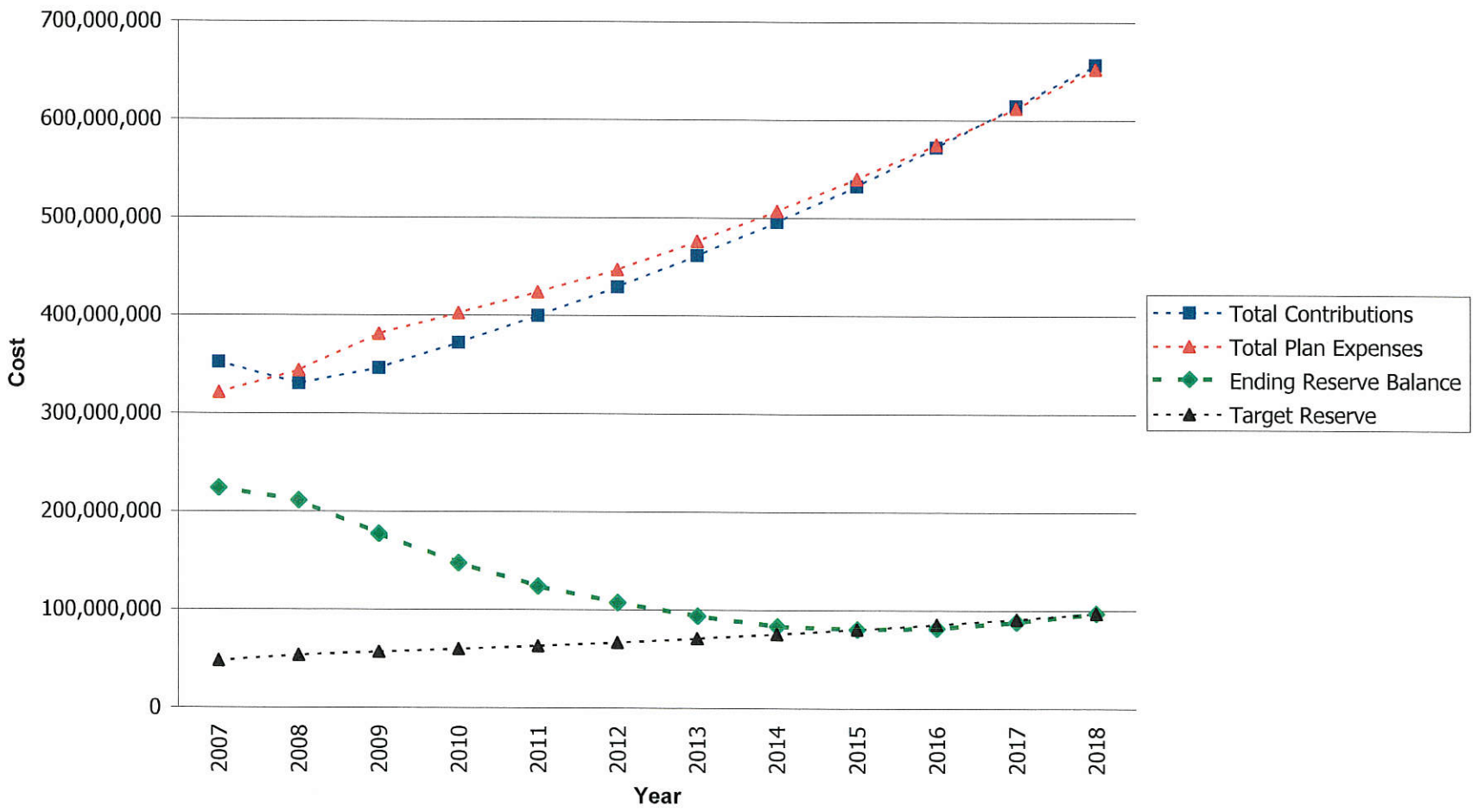
- 1 The target minimum reserve amount for the State employee health benefit plan is set at incurred but unpaid liability plus an additional amount to accommodate unexpected contingencies.
- 2 Mercer estimates the IBNR (Incurred But Not Reported) health claims in PY 2008 to be \$38 million, or about a month and a half of plan expense, and estimates a reasonable contingency of an additional \$15 million.

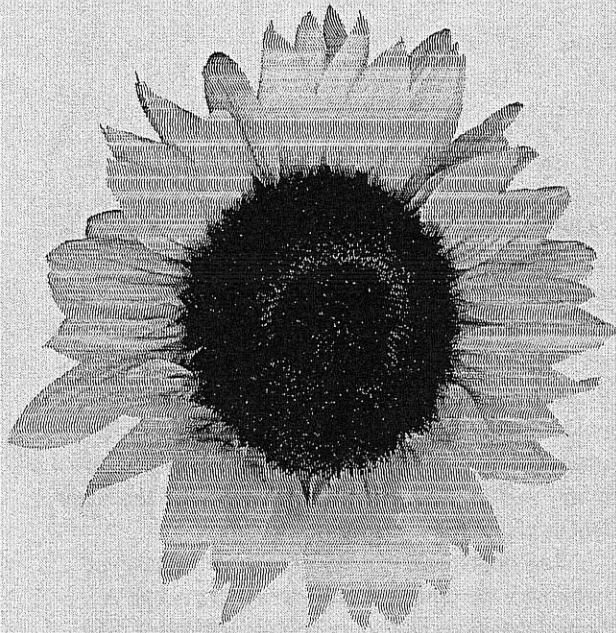
Administration

- 1 Administration expenditures are estimated to grow 2% annually.
- 2 Contribution rates for employers to cover administrative expenses is also expected to grow while the employer contribution rate for wellness is projected to decrease to maintain reasonable balances in both funds.

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Graph 2
State Employee Health Benefit Plan Reserve Balance





Kansas Health Policy Authority Board
Health Reform Recommendations
UPDATED

January 10, 2008

PREPARED BY:



1-28

EXECUTIVE SUMMARY

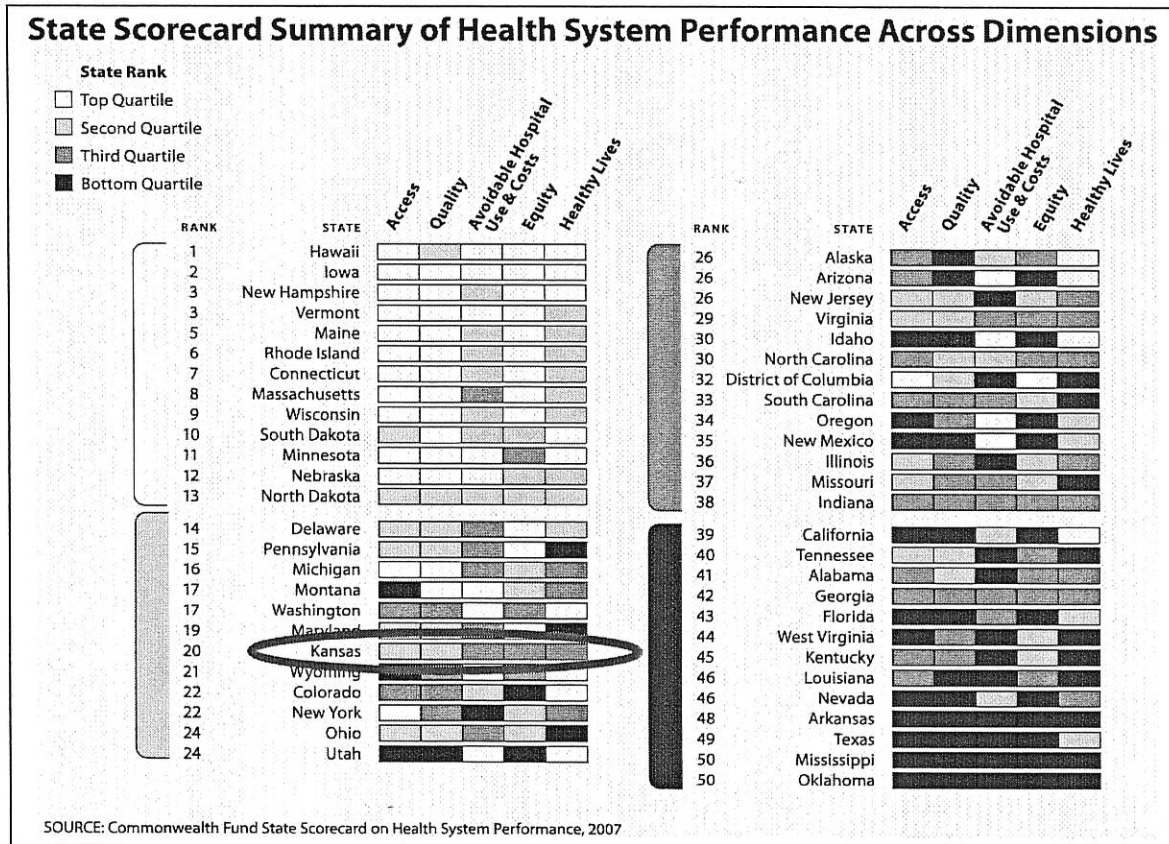
BACKGROUND

The current health system in Kansas and the nation face many challenges. Health care costs continue to rise at an unsustainable rate, the health system is inefficient and fragmented, and the health status of many Kansans is at risk. From the perspective of health system performance, Kansas currently ranks 20th in the nation¹ – we can and should do better (Figure 1). The goals of the health reform recommendations described in this report are twofold: 1) to begin the *transformation* of our underlying health system in order to address the staggering rise in health care costs and chronic disease, as well as the underinvestment in the coordination of health care; and 2) to provide Kansans in need with affordable access to health insurance. Taken together, these reforms lay out a meaningful first step on the road to improve the health of Kansans, and we respectfully submit them to the Governor and Legislature for their consideration.

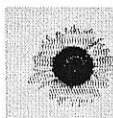
These health reform recommendations were requested by both the Governor and the Legislature. During the 2007 legislative session, the Kansas Legislature passed House Substitute for Senate Bill 11 (SB 11), which included a number of health reform initiatives. This Bill passed unanimously by both the House and Senate, and was signed into law by the Governor. In addition to creating a new "Premium Assistance program" to expand access to private health insurance, the Bill directed the Kansas Health Policy Authority (KHPA) to develop health reform options in collaboration with Kansas stakeholders.

The health reform recommendations described herein are the result of deliberations of the KHPA Board, four Advisory Councils (140 members), a 22 community listening tour, and feedback from numerous stakeholder groups and other concerned citizens of Kansas – over 1,000 Kansans provided us with their

Figure 1



*For more information about the Study, go to http://www.commonwealthfund.org/publications/publications_show.htm?doc_id=494551



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advice and suggestions. In addition, four Kansas foundations – the United Methodist Health Ministry, the Sunflower Foundation, the REACH Foundation, and the Health Care Foundation of Greater Kansas City – funded an independent actuarial and policy analysis of various health insurance models as well as the coordination of the four Advisory Councils. The modeling was instrumental in the development of the health insurance recommendations offered by the KHPA Board, and a separate document describing these models is available through the United Methodist Health Ministry Fund (www.healthfund.org).

These health reform recommendations represent just one of the many chapters required to write the story of improved health and health care in Kansas. Ultimately, the solution for our fragmented health system requires leadership at the federal level. However, the state of Kansas should debate and embrace reform solutions that can help our citizens right now. Additional policy issues – such as health professions workforce development, and a focus on the safety and quality of care – must also be addressed in subsequent health reform proposals over the course of the coming months and years.

PRIORITIES

Kansas established three priorities for health reform:

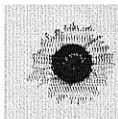
- 1) **Promoting Personal Responsibility** – for healthy behaviors, informed use of health care services, and sharing financial responsibility for the cost of health care;
- 2) **Promoting Medical Homes and Paying for Prevention** – to improve the coordination of health care services, prevent disease before it starts, and contain the rising costs of health care; and
- 3) **Providing and Protecting Affordable Health Insurance** – to help those Kansans most in need gain access to affordable health insurance.

The combination of these health reforms helps to improve the health status of Kansans, begins to contain the rising cost of health care in our state, and improves access to affordable health insurance.

The table below outlines the reform priorities recommended by the KHPA Board on November 1, 2007. Those policy initiatives identified as high priority are marked by an asterisk.

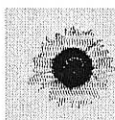
SUMMARY OF REFORM RECOMMENDATIONS

Promoting Personal Responsibility (P1)		
Policy Option	Population Served	Estimated Cost
Improve Health Behaviors. Encourage healthy behaviors by individuals, in families, communities, schools, and workplaces. (Policies listed under P2)		
Informed Use of Health Services		
*P1 (1) Transparency for Consumers: Health Care Cost & Quality Transparency Project. Collect and publicize Kansas specific health care quality and cost information measures which will be developed for use by purchasers and consumers	All Kansans with access to the Internet (or access to public libraries)	\$200,000 State General Fund (SGF) for Phase II of the Transparency project
*P1 (2) Promote Health Literacy. Provide payment incentives to Medicaid/HealthWave providers who adopt health literacy in their practice settings	Medicaid/HealthWave enrollees under care of these providers	\$280,000 All Funds (AF) \$140,000 SGF for pilot program with Medicaid/ Health-Wave providers
Shared Financial Responsibility. Asking all Kansans to contribute to the cost of health care. (Policies listed under P3)		
Estimated Costs for P1	\$480,000 AF \$340,000 SGF	



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Promoting Medical Homes and Paying for Prevention (P2)		
Policy Option	Population Served	Estimated Cost
Promoting Medical Homes		
*P2 (1) Define Medical Home. Develop statutory/regulatory definition of medical home for state-funded health programs – Medicaid, HealthWave, State Employee Health Plan (SEHP)	Beneficiaries of state-funded health care plans	Planning process should incur minimal costs to KHPA
*P2 (2) An Analysis of and Increase in Medicaid Provider Reimbursement. Increased Medicaid/HealthWave reimbursement for primary care and prevention services	Beneficiaries and providers in Medicaid and Health-Wave programs	\$10 million AF; \$4 million SGF
P2 (3) Implement Statewide Community Health Record (CHR). Design statewide CHR to promote efficiency, coordination, and exchange of health information for state-funded health programs (Medicaid, HealthWave, SEHP)	Beneficiaries of state-funded health care plans	\$1.8 million AF; \$892,460 SGF
P2 (4) Promote Insurance Card Standardization. Promote and adopt recommendations from Advanced ID Card Project for state-funded health programs	Kansans who qualify/enrolled in state-funded health care plans	\$172,000 AF; \$86,000 SGF
Paying for Prevention: Healthy Behaviors in Families/Communities		
*P2 (5) Increase Tobacco User Fee. Institute an increase in the tobacco user fee \$.50 per pack of cigarettes, and an increase in the tax rate of other tobacco products to 57% of wholesale price.	Total Kansas population	Provides revenues of \$61.57 million. Dept of Revenue estimate 12/07
*P2 (6) Statewide Restriction on Smoking in Public Places. Enact statewide smoking ban in public places, couples with Governor's Executive Order requiring state agencies to hold meetings in smoke-free facilities	1.4 million working adults in Kansas	No cost to the state; limited evidence of other cost implications
*P2 (7) Partner with Community Organizations. Expand the volume of community-based health and wellness programs through partnerships between state agencies and community organizations	All residents and visitors to state of Kansas	Costs dependent upon scope of project (number of organizations)
Paying for Prevention: Healthy Behaviors in Schools		
*P2 (8) Include Commissioner of Education on KHPA Board. Expand the KHPA Board to include an ex-officio seat for the Kansas Commissioner of Education	Kansas school children	No cost
*P2 (9) Collect Information on Health/Fitness of Kansas School Children. Support the establishment of a state-based surveillance system to monitor trends of overweight, obesity, and fitness status on all public school-aged children in Kansas	Kansas school children K-12; for 2006-07 year, there were 465,135 enrolled K-12 students	Schools would incur some indirect costs for staff training and body mass index (BMI) measurement



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Promoting Medical Homes and Paying for Prevention (P2) (continued)		
Policy Option	Population Served	Estimated Cost
<i>Paying for Prevention: Healthy Behaviors in Schools</i>		
*P2 (10) Promote Healthy Food Choices in Schools. Adopt policies that encourage Kansas school children to select healthy food choices by competitively pricing and marketing these foods and restricting access to foods with little or no nutritional value	Kansas school children K-12; for 2006-07 year, there were 465,135 enrolled K-12 students	Depending on pricing policies, implementation of this initiative may reduce or increase the revenue generated
*P2 (11) Increase Physical Fitness and School Health Programs. Strengthen physical education (PE) requirements and expand Coordinated School Health (CSH) programs	465,135 enrolled K-12 students	\$8,500 per participating school. KDHE has requested \$1.8 million SGF for the CSH program for participation of 100 districts
<i>Paying for Prevention: Healthy Behaviors in Workplace</i>		
*P2 (12) Wellness Grant Program for Small Business. Develop a community grant program to provide technical assistance and start-up funds to small businesses to assist them in the development of workplace wellness programs	Kansas employees of small firms	\$100,000 SGF for pilot project
*P2 (13) Healthier Food Options for State Employees. Expand healthy food choices in state agency cafeterias and vending machines	Approximately 45,000 state employees	Costs depend on contract negotiations and pricing policies
<i>Paying for Prevention: Additional Prevention Options</i>		
*P2 (14) Provide Dental Care for Pregnant Women. Include coverage of dental health services for pregnant women in the Kansas Medicaid program	6,600 Pregnant women enrolled in Medicaid	\$1.3 million AF; \$524,000 SGF
*P2 (15) Improve Tobacco Cessation within Medicaid. Improve access to Tobacco Cessation programs in the KS Medicaid program to reduce tobacco use, improve health outcomes, and decrease health care costs	Approximately 84,000 Medicaid beneficiaries who smoke	\$500,000 AF; \$200,000 SGF for an annual cost
*P2 (16) Expand Cancer Screenings. Increase screenings for breast, cervical, prostate, and colon cancer through expansion of the Early Detection Works (EDW) program	7,500 women (for Breast/Cervical screenings); 6,100 men (for prostate cancer screening); and 12,000 Kansans (for colorectal cancer screenings)	KDHE has requested \$6.7 million SGF for cost of expansion of all three cancer screenings
Estimated Costs for P2	\$22.4 million AF \$14.3 million SGF	



Providing and Protecting Affordable Health Insurance (P3)		
Policy Option	Population Served	Estimated Cost
*P3 (1) Access to Care for Kansas Children and Young Adults		
<ul style="list-style-type: none"> Aggressive targeting and enrollment of children eligible for Medicaid and HealthWave Include specific targets and timelines for improved enrollment. Inability to meet targets will "trigger" additional action by the KHPA, to include the consideration of mandating that all children in Kansas have health insurance Allow parents to keep young adults (through age 25 years) on their family insurance plan Develop Young Adult policies with limited benefit package and lower premiums 	<p>Estimated 20,000 Medicaid/HealthWave eligible</p> <p>Estimated 15,000 young adults</p>	<p>\$22 million AF \$14 million SGF</p>
*P3 (2) Expanding Insurance for Low-Income Kansans**		
<ul style="list-style-type: none"> Expansion population for the Premium Assistance program <ul style="list-style-type: none"> Adults (without children) earning up to \$10,210 annually[100% federal poverty level (FPL)] 	Estimated 39,000 low income Kansas adults	\$119 million AF \$ 56 million SGF
*P3 (3) Affordable Coverage for Small Businesses		
<ul style="list-style-type: none"> Encourage Section 125 plans (develop Section 125 "toolkits") and education campaign for tax-preferred health insurance premiums Develop a "voluntary health insurance clearinghouse" to provide on-line information about health insurance and Section 125 plans for small businesses and their employees Add sole proprietors and reinsurance to the very small group market (VSG: one to ten employees). Stabilize and lower health insurance rates for the smallest (and newest) businesses: obtain grant funding for further analysis Pilot projects – support grant program in the Department of Commerce for small business health insurance innovations 	Estimated 12,000 small business owners and their employees	-\$5 million AF*** \$1 million SGF
<p>(***Note: At the person level, the uncompensated care costs for the previously uninsured are reduced due to this change, hence the reduction in All Funds shown above. Practically, however, at the program level, the State of Kansas will not change the State's Disproportionate Share Hospital reimbursement methodology.)</p>		
Estimated Costs for P3 Cost of all 3 policy options is:		<p>\$136 million AF \$ 71 million SGF</p>
Total Costs		<p>\$158.9 million AF** \$ 85.7 million SGF ** (includes federal matching dollars)</p>

Two additional components of health reform, separate from the policies listed here, are being submitted to the Governor and Legislature as part of the KHPA budget. Funding for each is essential as the "building blocks" of health reform: 1) **Premium Assistance. As designed in SB 11, this request asks for a \$5.037 million enhancement (\$12.075 AF) for the Premium Assistance program in FY2009; these funds will provide private health insurance to parents of children

eligible for Medicaid who earn less than 50% of the FPL (approximately \$10,000 for a family of four); and 2) **Web-Based Enrollment System**. The KHPA budget asks for a \$4 million enhancement for FY2009 (\$8 million AF) to implement a new electronic eligibility system that can support premium assistance, enhanced outreach, and program participation through web-based enrollment.



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 579 Revisor of Statutes
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 367 Kansas State University
 367 KSU-Veterinary Medical Center
 367 KSU-Agricultural Extension
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 Home/Veterans Home
 331 Insurance Department
 270 Health Care Stabilization Board
 of Governors
 261 Kansas Guardianship Program
 625 Securities Commissioner
 159 Department of Credit Unions
 028 Accountancy Board
 531 Board of Pharmacy
 167 Dental Board

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 349 Judicial Council
 565 Department of Revenue
 562 Board of Tax Appeals
 328 Board of Indigents' Defense Services
 300 Department of Commerce
 360 Kansas Inc.
 371 Kansas Technology Enterprise Corp.
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 288 State Historical Society
 670 State Treasurer
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 482 Board of Nursing
 102 Behavioral Sciences Regulatory Board
 105 Board of Healing Arts

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 555 Rainbow Mental Health Facility
 363 Kansas Neurological Institute
 507 Parsons State Hospital
 247 Governmental Ethics Commission
 100 Board of Barbering
 149 Board of Cosmetology
 204 Mortuary Arts Board
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 122 Citizen Utility Ratepayer Board
 709 Kansas Water Office
 055 Animal Health Department
 373 Kansas State Fair Board
 634 State Conservation Commission
 488 Optometry Board
 Coordinator, Water Plan Fund

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 325 Beloit Juvenile Correctional Facility
 355 Atchison Juvenile Correctional Facility
 412 Larned Juvenile Correctional Facility
 352 Kansas Juvenile Correctional Complex
 016 Abstracters Board
 543 Real Estate Appraisal Board
 549 Real Estate Commission
 663 Board of Technical Professions
 700 Board of Vet. Medical Examiners

AMY VANHOUSE (6-4443)

AmyV@klrd.state.ks.us
 264 Department of Health and Environment
 276 Department of Transportation
 034 Adjutant General
 280 Highway Patrol
 083 Attorney General-Kansas Bureau
 of Investigation
 234 Fire Marshal
 529 Commission on Peace Officers Standards
 and Training
 Coordinator, Fiscal Database

JAROD WALTNER (8-7041)

JarodW@klrd.state.ks.us
 521 Department of Corrections
 177 Ellsworth Correctional Facility
 195 El Dorado Correctional Facility
 313 Hutchinson Correctional Facility
 400 Lansing Correctional Facility
 408 Larned Correctional Facility
 581 Norton Correctional Facility
 660 Topeka Correctional Facility
 712 Winfield Correctional Facility
 626 Sentencing Commission
 523 Parole Board
 058 Commission on Human Rights
 094 Bank Commissioner

HOUSE APPROPRIATIONS

DATE 1-16-2008
 ATTACHMENT 2

LEGISLATIVE FISCAL ANALYST ASSIGNMENTS—FY 2009

Abstracters Board **MICHAEL STEINER (6-4181)**
 Accountancy Board **CODY GORGES (6-3184)**
 Adjutant General **AMY VANHOUSE (6-4443)**
 Administration, Department of **JULIAN EFIRD (6-3535)**
 Aging, Department on **AMY DECKARD (6-4429)**
 Agriculture, Department of **HEATHER O'HARA (6-7792)**
 Animal Health Department **HEATHER O'HARA (6-7792)**
 Arts Commission, Kansas **AARON KLAASSEN (6-4396)**
 Atchison Juvenile Correctional Facility **MICHAEL STEINER (6-4181)**
 Attorney General **LEAH ROBINSON (6-4447)**

Bank Commissioner **JAROD WALTNER (8-7041)**
 Barbering, Board of **KIMBRA CAYWOOD MCCARTHY (8-7260)**
 Behavioral Sciences Regulatory Board **AARON KLAASSEN (6-4396)**
 Beloit Juvenile Correctional Facility **MICHAEL STEINER (6-4181)**

Citizen Utility Ratepayer Board **HEATHER O'HARA (6-7792)**
 Commerce, Department of **REED HOLWEGNER (6-)**
 Corrections, Department of **JAROD WALTNER (8-7041)**
 Cosmetology, Board of **KIMBRA CAYWOOD MCCARTHY (8-7260)**
 Credit Unions, Department of **CODY GORGES (6-3184)**

Dental Board **CODY GORGES (6-3184)**

Education, State Department of **LEAH ROBINSON (6-4447)**
 El Dorado Correctional Facility **JAROD WALTNER (8-7041)**
 Ellsworth Correctional Facility **JAROD WALTNER (8-7041)**
 Emergency Medical Services Board **AARON KLAASSEN (6-4396)**
 Emporia State University **AUDREY DUNKEL (6-3183)**

Fair Board, Kansas State **HEATHER O'HARA (6-7792)**
 Fire Marshal, State **AMY VANHOUSE (6-4443)**
 Fort Hays State University **AUDREY DUNKEL(6-3183)**

Governmental Ethics Commission **KIMBRA CAYWOOD MCCARTHY (8-7260)**
 Governor **LEAH ROBINSON (6-4447)**
 Guardianship Program, Kansas **CODY GORGES (6-3184)**

Healing Arts, Board of **AARON KLAASSEN (6-4396)**
 Health and Environment, Department of **AMY VANHOUSE (6-4443)**
 Health Care Stabilization Bd. of Gov. **CODY GORGES (6-3184)**
 Health Policy Authority, Kansas **AMY DECKARD (6-4429)**
 Hearing Aid Examiners **KIMBRA CAYWOOD MCCARTHY (8-7260)**
 Highway Patrol **AMY VANHOUSE (6-4443)**
 Human Rights, Commission on **JAROD WALTNER (8-7041)**
 Hutchinson Correctional Facility **JAROD WALTNER (8-7041)**

Indigents' Defense Services, Board of **REED HOLWEGNER (6-4404)**
 Insurance Department **CODY GORGES (6-7260)**

Judicial Branch **REED HOLWEGNER (6-4404)**
 Judicial Council **REED HOLWEGNER (6-4404)**
 Juvenile Justice Authority **MICHAEL STEINER (6-4181)**

Kansas Bureau of Investigation (Attorney Gen.) **AMY VANHOUSE (6-4443)**
 Kansas Corporation Commission **HEATHER O'HARA (6-7792)**
 Kansas Development Finance Authority **JULIAN EFIRD (6-3535)**
 Kansas Juvenile Correctional Complex **MICHAEL STEINER (6-4181)**
 Kansas Inc. **REED HOLWEGNER (6-4404)**
 Kansas Lottery **JULIAN EFIRD (6-3535)**
 Kansas Neurological Institute **KIMBRA CAYWOOD MCCARTHY (8-7260)**
 Kansas Public Employees Retirement System **JULIAN EFIRD (6-3535)**
 Kansas State University **AUDREY DUNKEL (6-3183)**
 KSU-Agricultural Extension **AUDREY DUNKEL(6-3183)**
 KSU-Veterinary Medical Center **AUDREY DUNKEL (6-3183)**
 Kansas Technology Enterprise Corp. **REED HOLWEGNER (6-4404)**

Labor, Department of **CODY GORGES (6-3184)**
 Lansing Correctional Facility **JAROD WALTNER (8-7041)**
 Larned Correctional Facility **JAROD WALTNER (8-7041)**
 Larned Juvenile Correctional Facility **MICHAEL STEINER (6-4181)**
 Larned State Hospital **KIMBRA CAYWOOD MCCARTHY (8-7260)**
 Legislative Coordinating Council **J. G. SCOTT (6-4397)**
 Legislative Research Department **J. G. SCOTT (6-4397)**
 Legislature **J. G. SCOTT (6-4397)**
 Lieutenant Governor **LEAH ROBINSON (6-4447)**

Mortuary Arts Board **KIMBRA CAYWOOD MCCARTHY (8-7260)**

Norton Correctional Facility **JAROD WALTNER (8-7041)**
 Nursing, Board of **AARON KLAASSEN (6-4396)**

Optometry Board **HEATHER O'HARA (6-7792)**
 Osawatomie State Hospital **KIMBRA CAYWOOD MCCARTHY (6-7260)**

Parole Board **JAROD WALTNER (8-7041)**
 Parsons State Hospital **KIMBRA CAYWOOD MCCARTHY (8-7260)**
 Peace Officers Standards and Training, Comm. of **AMY VANHOUSE (6-4443)**
 Pharmacy, Board of **CODY GORGES (6-3184)**
 Pittsburg State University **AUDREY DUNKEL (6-3183)**
 Post Audit, Division of **J. G. SCOTT (6-4397)**

Racing and Gaming Commission **JULIAN EFIRD (6-3535)**
 Rainbow Mental Health Facility **KIMBRA CAYWOOD MCCARTHY (8-7260)**
 Real Estate Appraisal Board **MICHAEL STEINER (6-4181)**
 Real Estate Commission **MICHAEL STEINER (6-4181)**
 Regents, Board of **AUDREY DUNKEL (6-3183)**
 Revenue, Department of **REED HOLWEGNER (6-4404)**
 Revisor of Statutes **J. G. SCOTT (6-4397)**

School for the Blind **J. G. SCOTT (6-4397)**
 School for the Deaf **J. G. SCOTT (6-4397)**
 Secretary of State **LEAH ROBINSON (6-4447)**
 Securities Commissioner **CODY GORGES (6-3184)**
 Sentencing Commission **JAROD WALTNER (8-7041)**
 Social and Rehabilitation Services, Dept. of **AMY DECKARD (6-4429)**
 State Conservation Commission **HEATHER O'HARA (6-7792)**
 State Historical Society **AARON KLAASSEN (6-4396)**
 State Library **AARON KLAASSEN (6-4396)**
 State Treasurer **AARON KLAASSEN (6-4396)**

Tax Appeals, Board of **REED HOLWEGNER (6-4404)**
 Technical Professions, Board of **MICHAEL STEINER (6-4181)**
 Topeka Correctional Facility **JAROD WALTNER (8-7041)**
 Transportation, Department of **AMY VANHOUSE (6-4443)**

University of Kansas **AUDREY DUNKEL (6-3183)**
 University of Kansas Medical Center **AUDREY DUNKEL (6-3183)**

Veterans Affairs/Soldiers Home/Veterans Home **CODY GORGES (6-3184)**
 Veterinary Medical Examiners, Board of **MICHAEL STEINER (6-4181)**

Water Office, Kansas **HEATHER O'HARA (6-7792)**
 Wichita State University **AUDREY DUNKEL (6-3183)**
 Wildlife and Parks, Department of **JULIAN EFIRD (6-3535)**
 Winfield Correctional Facility **JAROD WALTNER (8-7041)**

COMMITTEE RULES
2008
KANSAS HOUSE APPROPRIATIONS COMMITTEE

1. In any case where committee rules do not apply, House Rules shall govern. All powers, duties and responsibilities not addressed herein are reserved to the Chairman.
2. A substitute motion is in order, but no additional substitute motion shall be in order until the prior substitute motion is disposed of.
3. Amendments to motions are not in order except upon consent of the member making the motion and his or her second.
4. A motion to table or take from the table shall be in order only when such item is on the agenda or is taken up by the Chairman. The motion requires a simple majority and is, unless otherwise determined by the Chairman, non-debatable.
5. The intent of all motions regarding provisos or policy shall be submitted in writing with copies available for Committee members and staff.
6. Calling for the question is reserved to the Chairman.
7. Bills of substantive nature will not be worked on the same day as the hearing without the unanimous consent of the committee members present.
8. Cellular phones are prohibited in the House Appropriations Committee room, unless audible tones or ringers are disabled. Text messaging and the use of the cell phone during Committee meeting is not allowed.
9. Adjournment is reserved to the Chairman.

HOUSE APPROPRIATIONS

DATE 1-16-2008
ATTACHMENT 3

**2008 LEGISLATIVE SESSION
APPROPRIATIONS COMMITTEE MEMBERS**

<u>Member</u>	<u>Room #</u>	<u>Secretary/Phone</u>
Representative Sharon Schwartz, Chair	517-S	Sue Flerlage, 6-7637
Representative Lee Tafanelli, Vice-Chair	514-S	Gina Bowes, 6-7639
Representative Virginia Beamer	446-N	Rosemary Cubie, 6-7677
Representative Bob Bethell	161-W	Judy Holiday, 6-7616
Representative Pat George	115-S	Arlinda Shaughnessy, 6-7646
Representative Mitch Holmes	310-S	Sandra Summers, 6-7631
Representative Richard Kelsey	446-N	Rosemary Cubie, 6-7677
Representative Ty Masterson	411-S	Ellen Martinez, 6-1769
Representative Joe McLeland	503-N	Dee Heideman, 6-7681
Representative JoAnn Pottorff	122-W	Lisa Davis, 6-7501
Representative Larry Powell	142-W	Joyce Bishop, 6-7694
Representative Jason Watkins	411-S	Ellen Martinez, 6-1769
Representative Kay Wolf	411-S	Judy Marks, 6-7655
Representative Kevin Yoder	142-W	Melba Waggoner, 6-7693
Representative Bill Feuerborn, Ranking Minority	322-S	Ellie Luthye, 6-7697
Representative Barbara Ballard	322-S	Ellie Luthye, 6-7697
Representative Tom Burroughs	322-S	Marilyn Sanderson, 6-7688
Representative Sydney Carlin	521-S	Shirley Akers, 6-7651
Representative Doug Gatewood	135-N	Joyce Hedrick, 6-7648
Representative Jerry Henry	322-S	Marilyn Sanderson, 6-7688
Representative Harold Lane	DSOB	Vernita Mitchell, 6-7690
Representative Tom Sawyer	135-N	Joyce Hedrick, 6-7648
Representative Jerry Williams	DSOB	Vernita Mitchell, 6-7690

January 9, 2008 (3:59pm)

HOUSE APPROPRIATIONS

DATE 1-16-2008
ATTACHMENT 4

**HOUSE APPROPRIATIONS BUDGET COMMITTEE CHAIRS/MEMBERS
2007-2008 LEGISLATIVE SESSION**

Agriculture & Nat'l Resources Budget Committee

(1:30 - 3:30 p.m., 431-N)

Ad Hoc Members

Representative John Grange, 411-S (6-7655)
Representative Clay Aurand, 142-W (6-7672)
Representative Carl Holmes, 142-W (6-7670)
Representative Vaughn Flora, 322-S (6-7647)

Education Budget Committee

(1:30 - 3:30 p.m., 514-S)

Ad Hoc Members

Representative Mike O'Neal, 121-W (6-7679)
Representative John Faber, 161-W (6-7500)
Representative Lana Gordon, 142-W (6-7652)
Representative Deena Horst, 122-W (6-7501)
Representative Bob Grant, 421-S (6-7650)

General Government Budget Committee

(1:30 - 3:30 p.m., 531-N)

Ad Hoc Members

Representative Kasha Kelley, 110-S (6-7654)
Representative Rocky Fund, DSOB (6-7689)
Representative Charles Roth, 115-S (6-7646)
Representative Annie Kuether, DSOB (6-7669)

Legislative Budget Committee

(On Call)

Ad Hoc Members

Representative Jene Vickrey, 121-W (6-6014)
Representative Melvin Neufeld, 390-W (6-2302)
Representative Ray Merrick, 384-W (6-7662)
Representative Don Dahl, 330-N (1-3500)
Representative Dennis McKinney, 327-S (6-7630)
Representative Eber Phelps, 327-S (6-7691)
Representative Jim Ward, 327-S (6-7675)

Social Services Budget Committee

(3:30 - 5:30 p.m., 514-S)

Ad Hoc Members

Representative Peggy Mast, 446-N (6-7685)
Representative David Crum, DSOB (6-7642)
Representative Marc Rhoades, DSOB (6-7696)
Representative Tom Hawk, 322-S (6-7665)

Transportation & Public Safety Budget Committee

(1:30 - 3:30 p.m., 527-S)

Ad Hoc Members

Representative Tom Moxley, DSOB (6-7636)
Representative Tim Owens, 446-N (6-7685)
Representative Jeff Whitham, DSOB (6-7671)
Representative Josh Svaty, 322-S (6-7656)
Representative Stan Frownfelter, DSOB (6-7659)

Representative Larry Powell, Chair

Joyce Bishop, Secretary 142-W (6-7694)

Representative Sharon Schwartz, 517-S (6-7637)
Representative Jason Watkins, 411-S (6-1769)
Representative Doug Gatewood, 135-N (6-7648)
Representative Sydney Carlin, 521-S (6-7651)

Representative Joe McLeland, Chair

Dee Heideman, Secretary, 503-N (6-7681)

Representative Ty Masterson, 411-S (6-1769)
Representative Bill Feuerborn, 322-S (6-7697)
Representative Tom Sawyer, 135-N (6-7648)

Representative Kevin Yoder, Chair

Melba Waggoner, Secretary, 142-W(6-7693)

Representative Virginia Beamer , 446-N(6-7677)
Representative JoAnn Pottorff, 122-W (6-7501)
Representative Harold Lane, DSOB (6-7690)
Representative Tom Burroughs, 322-S (6-7688)

Representative Sharon Schwartz, Chair

Sue Flerlage, Secretary, 517-S (6-7637)

Representative Bob Bethell, Chair

Judy Holliday, Secretary, 161-W (6-7616)

Representative Pat George, 115-S (6-7646)
Representative Dick Kelsey, 446-N (6-7677)
Representative Jerry Henry, 322-S (6-7688)
Representative Barbara Ballard, 322-S (6-7697)

Representative Lee Tafanelli, Chair

Gina Bowes, 514-S (6-7639)

Representative Mitch Holmes, 310-S (6-7631)
Representative Kay Wolf, 411-S (6-7655)
Representative Jerry Williams, DSOB(6-7690)

January 9, 2008 (2:45pm)

HOUSE APPROPRIATIONS

DATE 1-16-2008
ATTACHMENT 5