

MINUTES OF THE HOUSE HEALTH AND HUMAN SERVICES COMMITTEE

The meeting was called to order by Chairperson Landwehr at 1:30 p.m. on January 18, 2011 in Room 784 of the Docking State Office Building.

All members were present except:

Representative Phil Hermanson - excused
Representative Peggy Mast - excused

Committee staff present:

Norm Furse, Office of the Revisor of Statutes
Martha Dorsey, Kansas Legislative Research Department
Dorothy Noblit, Kansas Legislative Research Department
Debbie Bartuccio, Committee Assistant

Conferees appearing before the Committee:

Dr. Andrew Allison, Executive Director, Kansas Health Policy Authority (Attachment 1)

Others attending:

See attached list.

Dr. Andrew Allison, Executive Director, Kansas Health Policy Authority presented an agency overview (Attachment 1). He indicated recent priorities included:

- Medicaid Cost Savings Request for Information
- RAC (Recovery Audit Contract) Audit Procurement
- Clearinghouse Backlog (additional resources from CHIP bonus)
- AWP (average wholesale price) Litigation
- Implementation of Federal Reforms
- KATCH (a grant program from the federal government which the state is using to build and purchase a new Medicaid computer system) Eligibility System Procurement
- KHPA Restructuring

Dr. Allison indicated KHPA has continued to work towards eliminating the backlog and expects to have it resolved by March. A federal CHIPRA bonus grant was awarded to KHPA and the funds were applied directly to reduction of the backlog. His presentation included the review of several charts showing the Clearinghouse Workload Analysis.

Concerning implementation of the Affordable Care Act, KHPA activities include the following:

- Closely monitor and work with federal agencies (federal health reform panels and National Association of Medicaid Directors)
- Understand and describe reform
- Coordinate information system changes (Build a new platform for Medicaid and the Exchange)
- Detailed analysis of state policy choices under the ACA with \$250,000 in grants from five Kansas grant makers (matched 1-for-1). Create options for Medicaid benefit packages and to simplify Medicaid eligibility (RFP for contract analysis pending; analysis due mid-2011).
- Coordinate planning for the exchange with Kansas Insurance Department. Developed Innovator Grant application with Kansas Insurance Department which was submitted on December 21, 2010. He indicated Kansas placed an application to be one of the 5 states who will receive grant funds.
- Solicit input from stakeholders and inform policymakers.

He indicated the general charge of KHPA 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 are driven by health data.

The KHPA Board is comprised of nine members, three appointed by the Governor and six members

CONTINUATION SHEET

Minutes of the House Health and Human Services Committee at 1:30 p.m. on January 18, 2011 in Room 784 of the Docking State Office Building.

appointed by legislative leaders. Seven nonvoting, ex officio members include: Secretaries of Health and Environment, 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.

Program Responsibilities Include:

- Medicaid (regular Medicaid)
- MediKan (state program for disabled)
- Children's Health Insurance Program (CHIP)
- Ticket to Work/WorkingHealthy/WORK
- Medicaid Management Information System
- Medicaid Drug Utilization Review and Related Programs
- State Employee Health Insurance
- State Workers Compensation
- Health Care Data Governing Board
- State Health Care Insurance Databases
- Business Health Partnership Program

Agency Roles Relating to the Medicaid Program Include:

- KHPA (coordinate health policy, single state Medicaid agency, medical programs for Medicaid and CHIP, health care data)
- Department of Social and Rehabilitation Services (mental health services – Medicaid and otherwise, Medicaid disability-related home and community based waivers)
- Department of Aging (long-term care services – Medicaid and otherwise, HCBS waiver for frail elderly)
- Kansas Department of Health and Environment (public health, health promotion, health workforce issues, health facility licensure, health care safety net, vital statistics and health data)
- KDOE, JJA (Medicaid-related services to Medicaid-eligible children)

Dr. Allison reported Governor Brownback's 2011 budget includes transferring the functions of the Kansas Health Policy Authority into the Department of Health and Environment. Leadership at KHPA has begun working with KDHE staff to identify operational efficiencies and to make sure beneficiaries are protected and core services are maintained.

The Chair gave the committee members the opportunity to ask questions.

There was discussion regarding the Clearinghouse backlog and the concern that once the backlog is eliminated, would there be sufficient staffing to maintain services and prevent the development of another backlog. Dr. Allison indicated once the backlog has been eliminated, KHPA will be able to determine whether the process efficiencies that have been implemented will allow them to handle the incoming applications in a timely manner.

The committee requested information concerning the ratio of Medicaid enrollment vs CHIP enrollment. In addition KHPA will provide an estimate of how many children in CHIP have seen a delay in their enrollment for the period January 2010 to January 2011. It will also provide a description of how KHPA finds out a family or applicant has extenuating circumstances, what the process is for expediting their application, and information concerning the number of applications that have been expedited.

The Chair indicated the committee needs to understand exactly what is happening with the presumptive eligibility program, how many are occurring, how is it being used to speed up the process, etc. KHPA needs to provide these types of details to the committee.

Other questions related to the future online enrollment system. The committee requested a listing of the states which are currently using such a system as well as information as to what KHPA has learned concerning the issues/hurdles these states have encountered with the process.

Concerning the RAC (recovery audit) process, there was discussion concerning whether there is a law requiring people who have been overpaid to report that back to the state or is the burden on the state to

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identify that money. Dr. Allison indicated it is a requirement that providers notify the state of the overpayment but the penalty is essentially the same as if the state finds it in the recovery process. The Chair requested the name of the RAC contractor be provided to the committee.

KHPA was asked to provide the location of the twelve people who have been added for the KATCH program.

Concerning the handling of patients with both mental and chronic health conditions, Dr. Allison indicated the goal is to coordinate services to prevent an acute outcome. The question is how do you introduce a comprehensive medical home to cover all issues.

Chairperson Landwehr asked if there were any bills to be introduced.

Representative Ward made a motion to introduce a bill dealing with community health centers and how they are allocated cuts in budgets, from a dollar to a percentage. The motion was seconded by Representative Mah. The motion carried.

Representative Ward made a motion to introduce a bill concerning responsibilities of specialty hospitals to provide emergency services. The motion was seconded by Representative Otto. The motion carried.

Representative Bethell made a motion to introduce a bill dealing with medication tier levels on special diseases. The motion was seconded by Representative Mast. The motion carried.

Chairperson Landwehr made a motion to introduced a bill to repeal the casino exemption from the smoking ban. The motion was seconded by Representative Bollier. The motion carried.

The next meeting is scheduled for January 19, 2011.

The meeting was adjourned at 2:55 p.m.

HOUSE HEALTH & HUMAN SERVICES COMMITTEE

DATE: 1-18-11

NAME	REPRESENTING
Gytha Smith	SEL Health System
Nikki King	Health Care Access Clinic
Nancy Zogelman	Polsinelli
Doug Smith	Jayhawk Primary Care
Ann Marie Huyghe	SKIL
Brad Smoot	BCBS / FHP
Mike Reecht	Sacher Brader
Elise Higgins	Kansas Health Consumer Coalition
Stacy Westerland	KNASW
Kent Fulton	CS Com on Publication
J M Hummel	KVC Health Systems Inc.
Tom Bruno	United Methodist Healthville
Derek Hen	Brun + Associates
Shannon Bell	HEIN LAW FIRM
David Proulx	LGR
Michelle Butler	Kegamey & Assoc.
Dodie Wellshear	Cap. Strategies
Robin Clum	KAFP
	ACCFA

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**Kansas Health Policy Authority:
Agency Overview**

House Health and Human Services
January 18, 2011

Dr. Andrew Allison, KHPA Executive Director

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Recent Priorities

- Medicaid cost savings RFI
- RAC audit procurement
- Clearinghouse backlog
 - Additional resources from CHIP Bonus
- AWP litigation
- Implementation of federal reforms
- KATCH eligibility system procurement
- KHPA restructuring

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Clearinghouse Backlog

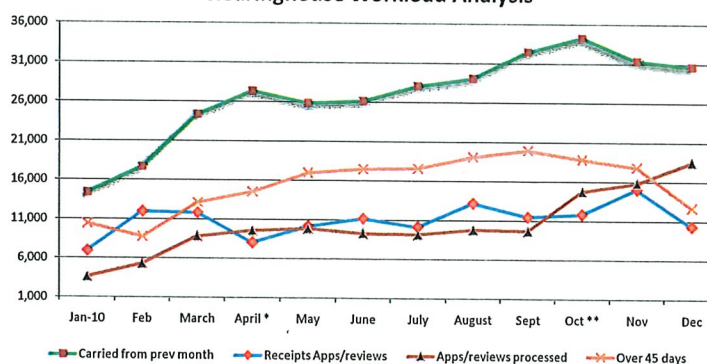
- KHPA has continued to work towards eliminating the backlog and expects to have it resolved by May
- A federal CHIPRA bonus grants was awarded to KHPA
 - Additional funds applied directly to reduction of backlog

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Clearinghouse Backlog

Clearinghouse Workload Analysis



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Clearinghouse Backlog

	Jan-10	Feb	March	April*	May	June	July	August	Sept	Oct**	Nov	Dec	Jan-11	Totals
Carried from prev month	14,417	17,708	24,379	27,401	25,891	26,197	28,108	29,076	32,487	34,284	31,379	30,624	22,501	
Apps/reviews received	6,942	11,994	11,864	8,084	10,192	11,206	10,158	13,211	11,484	11,825	15,051	10,341		132,352
Apps/reviews processed	3,651	5,323	8,842	9,594	9,886	9,295	9,190	9,801	9,687	14,730	15,806	18,464		124,269
Over 45 days	10,407	8,765	13,151	14,561	17,003	17,509	17,592	19,085	19,936	18,790	17,812	12,672		

* Numbers reflect Impact of the implementation of the 60 days extension for all reviews resulting in the number of reviews received to drop for a month.

** Numbers reflect the addition of 16 staff as of 9/27/2010

Note: production has gone up over the past 3 months. Since the staff augmentation and the implementation of policy simplifications it has increased by an average of 7,871/ month.

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Affordable Care Act Implementation: KHPA Activities

- Closely monitor and work with federal agencies
 - Federal health reform panels
 - National Association of Medicaid Directors
- Understand and describe reform
 - Estimate Potential Impact on Kansas (May 2010)
- Coordinate information system changes
 - Build a new platform for Medicaid and the Exchange (Bids received Jan. 4 2011)
- Detailed analysis of state policy choices under the ACA
 - \$250,000 in grants from five Kansas grant makers (matched 1-for-1)
 - Create options for Medicaid benefit packages and to simplify Medicaid eligibility (RFP for contract analysis pending; analysis due mid-2011)
- Coordinate planning for the exchange with Kansas Insurance Department
 - Develop Innovator Grant application with KID (submitted December 21, 2010)
- Solicit input from stakeholders and inform policymakers

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Agency Restructuring: Agency Goals

- 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

2005 Summary of Legislation, Kansas Legislative Research Department

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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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Program Responsibilities

- Medicaid (Regular Medicaid)
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- Children's Health Insurance Program
- Ticket to Work/Working Healthy/WORK
- Medicaid Management Information System
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- State Employee Health Insurance
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- Health Care Data Governing Board
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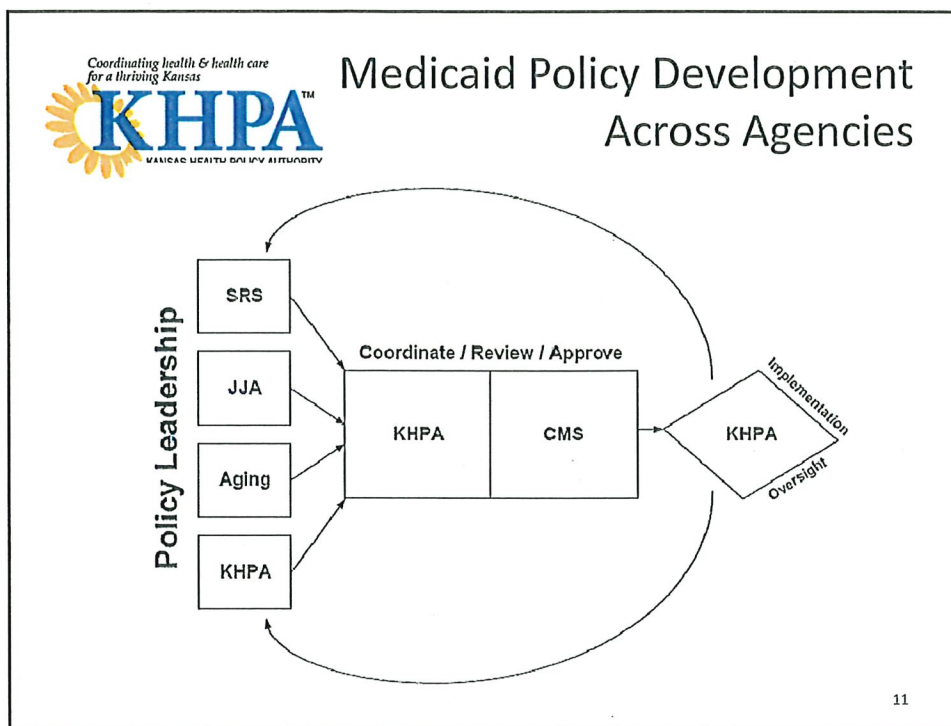
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Agency Roles Relating to the Medicaid Program

- KHPA
 - Coordinate health policy
 - Single state Medicaid agency
 - Medical programs for Medicaid and CHIP
 - Health care data
- Department of Social and Rehabilitation Services
 - Mental health services (Medicaid and otherwise)
 - Medicaid disability-related home and community based waivers
- Department on Aging
 - Long-term care services (Medicaid and otherwise)
 - HCBS waiver for frail elderly
- Kansas Department of Health and Environment
 - Public health
 - Health promotion
 - Health workforce issues
 - Health facility licensure
 - Health care safety net
 - Vital statistics and health data
- KDOE, JJA
 - Medicaid-related services to Medicaid-eligible children

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Coordinating health & health care
for a thriving Kansas

KHPA
KANSAS HEALTH POLICY AUTHORITY

Structural Changes at KHPA

- Governor Brownback's 2011 budget includes transferring the functions of the Kansas Health Policy Authority into the Department of Health and Environment
- Leadership at KHPA has begun working with KDHE staff to identify operational efficiencies and to make sure beneficiaries are protected and core services are maintained

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