



Legislative Post Audit Performance Audit Report Highlights

Health-Care Related Services: Reviewing Options for Better
Coordinating the State's Health-Care Related Programs

Report Highlights

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Audit Concern

A 2007 Legislative Post Audit identified seven different State agencies that provide various health-care related programs to Kansans. Recently, legislators have raised questions about whether the delivery system for these programs could be revamped to reduce costs, eliminate service gaps, and improve coordination, accountability, and efficiency.

Other Relevant Facts for Question 1

Kansas currently has seven State agencies with major health-care related responsibilities. They are: the Kansas Health Policy Authority (KHPA), the Departments of Social and Rehabilitation Services (SRS), Aging, Corrections, Health and Environment (KDHE), the Juvenile Justice Authority, and the Kansas Commission on Veterans' Affairs.

The Health Policy Authority was created by the 2005 Legislature to manage a number of health-care related programs. While it is the designated Medicaid agency for the State, several other agencies have Medicaid-related responsibilities.

We interviewed officials from a number of State agencies, as well as representatives from more than 20 health care associations, advocacy groups, and foundations to identify potential problems with Kansas' health-care related programs. We evaluated a number of their concerns in answering this question.

AUDIT QUESTION 1: *Could costs be reduced or services offered more effectively by better coordinating the health-care related services provided by State agencies?*

AUDIT ANSWER and KEY FINDINGS:

- Kansas could save up to \$473,000 annually by billing Medicaid for some inpatient care provided to correctional inmates. Under federal health care reform, more people will be eligible for Medicaid starting in 2014, which increases the potential savings to an estimated \$2.8 million annually.
- There are several other opportunities for State agencies to better coordinate health care programs, as follows:
 - KHPA and KDHE could share data to ensure that consumers eligible for the Women, Infants and Children Program receive those benefits.
 - The Department of Corrections and SRS could better coordinate inmate releases from the Isaac Ray unit at Larned State Hospital.
 - SRS and KHPA could coordinate their contracts for mental health services, which potentially could result in savings.
- Other problems we found—broad service gap issues—can only be addressed through State-level policy decisions, including the following:
 - It's difficult for low-income, single adults to get affordable health insurance coverage because Kansas has opted not to extend Medicaid eligibility to this population.
 - Medical providers are scarce in some areas, and many providers aren't willing to accept Medicaid payments.
 - A significant backlog in processing Medicaid and children's health insurance applications has delayed insurance coverage for low-income families.
 - Services such as lab work and x-rays often are duplicated because the medical system generally is fragmented.

We Recommended

- We made a series of recommendations to various agencies to address the coordination and savings issues we identified.

AUDIT QUESTION 2: *How will federal health care reform affect Kansas' health-care related programs?*

AUDIT ANSWER and KEY FINDINGS:

- Federal health care reform will greatly affect how health-care related services are provided in Kansas. Its three main goals are to:
 - *Reduce the number of people without health insurance*
 - *Slow the increase in health care costs*
 - *Increase accessibility of essential health care services*
- Implementing federal health care reform will require significant coordination among State agencies.
 - *Unlike a number of other states, Kansas doesn't have one entity in charge of implementing health care reform.*
 - *KHPA and the Kansas Insurance Department will need to integrate Kansas' eligibility systems for Medicaid and private insurance exchanges, and will need to coordinate an insurance ombudsman program.*
 - *The Department of Commerce and other agencies need to work together to address the shortage of health care providers.*
 - *No one entity is responsible for coordinating the pursuit of available grant funding.*
 - *Several agencies are involved in coordinating the federal Health Information Technology (HIT) initiative.*
- Kansas is taking steps to implement health care reform, but it's too early to know whether the State is on track.
 - *Many key provisions of health care reform won't take effect until 2014, and some federal regulations affecting health care reform haven't been finalized.*
 - *State agency officials are awaiting directions from the new Governor.*

We Recommended

- We recommended that the Governor should designate one entity to coordinate Kansas' health care reform efforts.

Agency Response: In general, the Governor's office and agency officials agreed with the report and our recommendations.

**DO YOU HAVE AN IDEA FOR
IMPROVED GOVERNMENT EFFICIENCY OR COST SAVINGS?**

If you have an idea to share with us, send it to ideas@lpa.ks.gov, or write to us at the address shown. We will pass along the best ones to the Legislative Post Audit Committee.

Other Relevant Facts & Findings for Question 2

In March 2010, the President of the United States signed a comprehensive health care reform bill.

State agency officials and other stakeholders told us federal health care reform will overshadow the other coordination and service gap issues facing Kansas.

As a result, this question evaluates State agencies' roles and responsibilities, as well as their accomplishments to date, for implementing various components of federal health care reform.

State agencies that previously had little involvement in health-care related programs, including the Kansas Insurance Department, the Department of Commerce, and the Department of Revenue, likely will have significant roles in implementing components of the federal health care reform.

**Estimated Potential
Cost Savings: \$473,000 per
year (\$2.8 million per year
beginning in 2014)**

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