Health Care Foundation

OF GREATER KANSAS CITY

2016 Policy Agenda

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Improving health care ACCESS, building community around HEALTH & issues, preventing disease burden

Health Care Foundation OF GREATER KANSAS CITY

Historical Context

On February 7, 2007, the HCF Executive Committee adopted the following public policy priorities:

- Promoting universal health coverage for the uninsured and underinsured
- Reducing disparities in access to quality health care/mental health care (racial, socioeconomic and geographic)
- Improving health care/mental health care prevention strategies

Beginning in 2009, HCF began concentrating on advocacy as a strategic focus for the foundation. Simply giving away grants would not create the systems change necessary to improve the health of the uninsured. Advocating for policy change is an important tool to advance HCF's mission.

HCF's policy agenda is intended to:

- Provide focus for HCF's staff and financial resources that are dedicated to advocacy each year. We have limited staff time and political capital; the policy agenda serves to target where those resources are expended. Beyond the use of our time, voice and political capital, HCF will continue to offer funding support and technical assistance across a wide range of health issues through:
    - o Applicant defined grants, many of which are awarded to organizations that focus on consumer health advocacy.
    - o Training and technical assistance for area nonprofit organizations who seek to build or enhance their skills to advocate on behalf of their organization and clients.
- Strike a balance between improving health care access, building community around health issues, and preventing disease burden.
- Complement our ongoing grantmaking through applicant defined grants, as well as foundation defined grants that focus on safety net health care, mental health, and healthy communities.

This strategic approach to our policy agenda does not alter our grantmaking in any way, but is intended to build upon our policy priorities.

Lessons Learned in 2015

1

HCF is positioned differently than others in the health advocacy arena.

While HCF has an important role to play in publicly championing health causes, we have a unique value-add to offer because of our role as a public foundation. As a self-funded entity with a path toward perpetuity, HCF doesn't need to pursue policy goals that preserve our existence or financial well-being. As a result, we are often able to pursue policy goals purely for their social good. This allows both the fact and perception of neutrality. *For example, in the debate around Medicaid expansion, many providers, hospitals and community-based organizations have a vested financial interest in Medicaid expansion. This interest impacts the kinds of policy reforms that entities are willing to tolerate. The same cannot be said of HCF; aside from a dogged interest in seeing more access for our target population, we have no financial interest in Medicaid expansion.*

2

We can accomplish so much when we engage directly, particularly at the local level.

Through involvement in the HealthyKC effort, HCF has taken a more direct and visible role as an advocate for certain health issues. We have been warmly received, confirming that HCF has not only a role but a mandate to play a more active and direct role in the advocacy arena. It is worth noting that this traction is unique to local policy changes. State policy issues, by their very nature, draw a wider range of supporters and opponents, which effectively lessens HCF's influence. We are uniquely well-situated to influence local policy-change efforts.

3

Inclusivity is an important value to HCF.

Through our exploration of creating a 501(c)(4) entity, HCF conducted focus groups and interviews with over a hundred area leaders. Incorporating our grantees and other key constituencies in the process led to a more informed decision. Further, it confirmed for our partners that HCF is inclusive and recognizes itself as part of a larger ecosystem of change agents.

2016 Policy Goals

Over time, the policy agenda has evolved to include tiers that are meant to indicate the extent to which HCF will dedicate staff time, operating resources, and political capital to any given policy item. This reflects the fact that we cannot and do not intend to be equally engaged in all items on our policy agenda. Some of these issues are already being led by grantees, partner foundations, or other entities.

Tier 1

Tier I priorities are those that HCF plans to support intensively, oftentimes taking a leading role. HCF will offer significant resources, in terms of funding, staff time, and/or political capital in support of these key policy priorities. See attached policy statements for the rationale behind each priority.

1. Encourage both Kansas and Missouri to reform and expand Medicaid, as allowed for in the Affordable Care Act, with a particular emphasis on meaningful policy solutions that garner support across the health care community.
2. Prevent youth tobacco initiation through:
    a. Increasing the legal minimum age of sale and purchase for tobacco products to 21.
    b. Increasing pricing on tobacco and nicotine products.
3. Work with the MOHealthNet Division to secure reimbursement for school-based services that are delivered to MOHealthNet beneficiaries.

Tier 2

Tier II priorities warrant HCF involvement, but HCF will not be leading these efforts. Many of them are being championed by other partners and grantees. Issues that support HCF's mission would be competitive for training, technical assistance, and funding. Issues currently on our radar screen:

1. Support the creation of a prescription drug registry in Missouri.

    Missouri is the only state without a prescription drug registry, a key tool to allow doctors and dentists to be smart prescribers of pain medication. As a result, some people (oftentimes those who are uninsured, underserved, low-income or racial/ethnic minorities) will be denied pain medication when they should be treated and other patients will be overprescribed, potentially leading to medication interactions. Missouri is currently in the middle of the pack for pain medication overdose deaths and heroin use, but both are rising. Pain medication abuse often leads to heroin use because heroin is now cheaper. Police indicate that heroin is a faster growing issue than meth in the state of Missouri. Between 2012 and 2015, heroin recovery in Kansas City, Missouri, increased more than five fold from 8,037 grams in 2013 to 40,597 grams in 2015. It is not common that we can prevent substance abuse disorders before they occur but this is one important tool to make that possible.

2. Encourage enhanced reimbursement rates for oral health services.

   During the 2015 legislative session, the state of Missouri expanded Medicaid services for adults to include a dental benefit. The only way to connect Medicaid recipients with actual services is to ensure that we have enough providers willing to service Medicaid patients. Unfortunately, only 10% of Missouri's dentists accept Medicaid patients. A 2014 assessment by HCF found that 86.4% of dentists reported inadequate reimbursement rates as a reason they do not see Medicaid patients. The Missouri Medicaid program reimburses dentists for roughly 47% of median retail fees, well below the reimbursement rate needed to cover overhead costs of care. To turn this coverage expansion into true access to care, we need adequate reimbursement rates that will encourage more dentists to see Medicaid patients.

3. Provide adequate funding to local public health agencies.

   High levels of spending on public health programs empower states to work proactively to implement preventive and educational programs aimed at improving health. According to the 2015 Investing in America Report published by Trust for America Report, Robert Wood Johnson Foundation; Missouri ranks 50th out of 51 United States in public health spending at $5.67 per capita. Kansas fares only slightly better, ranking at 46th with $12.50 per capita. High rates of preventable diseases are one of the biggest drivers of health care costs in the country. And, public health funding is not sufficient for local health agencies to deliver the necessary prevention programming.

"Encourage both
KANSAS & MISSOURI TO
reform & expand Medicaid"

Large coverage gap that leaves residents behind

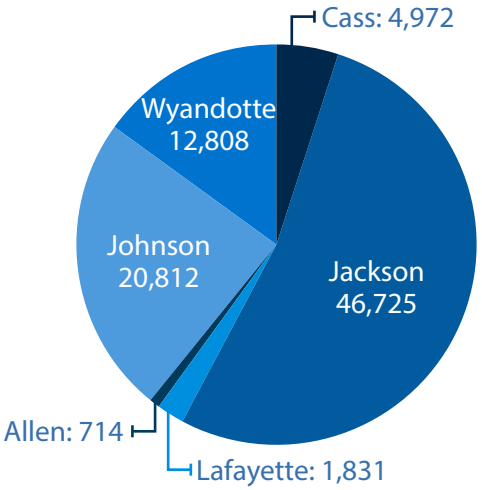
Policy Statement on Medicaid and Access to Care

Background

On June 28, 2012, the U.S. Supreme Court released its decision regarding the constitutionality of the Patient Protection and Affordable Care Act (ACA). The verdict upheld nearly every critical pillar of the ACA, except a federal requirement that state Medicaid programs expand eligibility to 138% of the federal poverty level (FPL) for parents, childless adults, and the disabled. As a result, Kansas and Missouri legislatures must decide whether or not to expand their Medicaid programs, ***which currently offers no coverage to childless adults and very low income eligibility limits for parents*** (18% FPL in Missouri and 30% FPL in Kansas). To put this into context, 18% FPL for a family of four is $4,239 annually.

The ACA envisioned a seamless health insurance coverage system that would offer individuals below 400% FPL access to quality, affordable health insurance through either Medicaid or a subsidized private plan through the health insurance marketplace. Absent Medicaid expansion, the coverage system in both Missouri and Kansas has a large coverage gap that leaves hundreds of thousands of residents behind, because they make too much money to qualify for the current Medicaid program and too little for a subsidized marketplace plan. Expanding Medicaid is affordable for our region. The national health care reform law provides the bulk of funds; meaning Kansas and Missouri won't have to pay anything until 2017 and only 10% of the expansion costs after that.

HCF's service area includes Cass, Jackson, and Lafayette Counties in Missouri, and Allen, Johnson and Wyandotte counties in Kansas. We estimate that 88,000 consumers in these counties are currently uninsured and fall into a Medicaid coverage gap.



Rationale for HCF Support

While the Health Care Foundation of Greater Kansas City is proud to have disbursed over $200 million in grants since we began grantmaking in 2005, the level of need in our service area has never been greater and far exceeds our capacity. In 2014, HCF received 360 grant applications, requesting over $43.6 million. Of these requests, HCF was able to disburse $19.5 million, meeting less than half of the demand.

The Health Care Foundation of Greater Kansas City seeks to eliminate barriers to health for the uninsured and underserved. Lack of health insurance is a serious detriment to overall wellbeing – those who are uninsured are more likely to delay necessary care, forego preventive care, receive late-stage diagnoses, and have unmanaged chronic illnesses. More than 250,000 residents of the Kansas City region are currently uninsured. Central to HCF's mission is expanding access to quality, affordable health insurance for these residents.

Medicaid beneficiaries have access to a myriad of health services not currently available to the uninsured, even those who are plugged into existing safety net health care clinics. Medicaid benefits include dental care, mental health services, home health care, durable Medicaid equipment, prescription benefits, lab work, and psychiatric care. Many of these auxiliary services are very difficult to access within the safety net system. Of particular importance, Medicaid covers family planning services and supplies for low-income women and is the single largest source of public funding for reproductive health services.

Based upon average annual Medicaid spending per enrollee, ***Medicaid expansion stands to bring $325 million into the HCF service area each year to provide health care to those who were previously uninsured.*** If HCF were to invest in these health services with its own resources, our current net assets would be spent within two years.

KEY TALKING POINTS

1. The Kansas and Missouri Medicaid programs ***currently offer no coverage to childless adults and very low income eligibility limits for parents*** (18% FPL in Missouri and 30% FPL in Kansas). To put this into context, 18% FPL for a family of four is $4,239 annually.

2. Absent Medicaid expansion, the coverage system in both Missouri and Kansas has a large coverage gap that leaves hundreds of thousands of residents behind, because they make too much money to qualify for the current Medicaid program and too little for a subsidized marketplace plan.

3. More than 250,000 residents of the Kansas City region are currently uninsured. ***Medicaid expansion stands to bring $325 million into the HCF service area each year to provide health care to those who were previously uninsured.***

SOME OF THE
135 LOCAL
ORGANIZATIONS
that have endorsed
Tobacco21|KC

- American Academy of Family Physicians
- American Heart Association
- American Lung Association
- Black Health Care Coalition
- Children's Mercy Hospital
- Greater Kansas City Dental Society
- Metropolitan Medical Society
- Mid-America Coalition on Health Care
- Park University
- Saint Luke's Health System
- Truman Medical Center
- University of Kansas Cancer Center

Policy Statement on Increasing the Age of Sale for Tobacco Products to 21

Background

Cigarettes are the only legal consumer product that, when used as intended, kill up to one-third of regular users. Unfortunately, a full 95% of current adult smokers began their habit before the age of 21. Youth smoking in both Missouri and Kansas remains above the national average. While youth cigarette smoking has declined in previous years, e-cigarette use has more than doubled and recent research suggests a high rate of conversion from electronic cigarettes to traditional tobacco products.

Youth smoking is particularly problematic since the adolescent brain is uniquely susceptible to addiction. Until the mid-20s, the human brain is still developing its decision making capacity and impulse control. As a result, young people are disproportionately responsive to peer pressure and sensation seeking. This creates a neurological "perfect storm" for nicotine addiction.

Tobacco21 policies increase the age of sale for tobacco products to 21. Since most teens report getting their tobacco products from older teens, Tobacco21 policies cut off the supply chain to reduce teen smoking. Over 80% of area high school seniors are older than 18 on graduation day; they are the supply chain for those below 18. Delaying youth tobacco use until after age 21 decreases the likelihood of addiction. In fact, those who have had their first cigarette by age 18 are twice as likely to become lifelong smokers as those who have not tried smoking by age 21.

The first city to enact such a policy was Needham, Massachusetts, where data demonstrated a 46% drop in youth smoking, more than doubled the reduction in neighboring communities. In recognition of this tremendous public health impact, 104 cities in seven states have passed Tobacco21 policies.

Rationale for HCF Support

HCF is a leader of Tobacco21|KC, a campaign of the HealthyKC effort. HealthyKC is spearheaded by the Greater Kansas City Chamber of Commerce with support from Blue Cross Blue Shield of Kansas City and hundreds of community partners. Tobacco21|KC offers an opportunity to bring the health and business voices together in support of a proven strategy to reduce youth smoking, which will eventually lead to a healthier workforce in the region and a lower tobacco-related disease burden.

Unlike so many issues that require state law changes, Tobacco21|KC strives to work city-by-city throughout the region. Such local efforts hold incredible potential for HCF where our voice, relationships, and convening authority can have significant impact.

KEY TALKING POINTS

1. More than 95% of long-term smokers started before age of 21. This is problematic since the adolescent brain is still developing and therefore uniquely susceptible to addiction.

2. Tobacco21|KC has support from the Greater Kansas City Chamber of Commerce, Blue Cross Blue Shield, and nearly 150 endorsing community organizations.

3. The first city to enact such a policy was Needham, Massachusetts, where data demonstrated a 46% drop in youth smoking, more than doubled the reduction in neighboring communities. In recognition of this tremendous public health impact, 104 cities in seven states have passed Tobacco21 policies.

Tobacco use is the leading preventable cause of premature illness & death

Policy Statement on Increasing Tobacco Pricing

Background

Tobacco-related illnesses continue to exact a heavy toll on Kansas and Missouri residents. Tobacco use is the leading preventable cause of premature illness and death accounting for at least 30% of all cancer deaths and 87% of lung cancer deaths in Missouri and Kansas. The percentage of adult smokers for both states exceeds the national average of 18.1%, with 22.1% in Missouri and 20.0% in Kansas. There are 15,400 tobacco-related deaths each year in Kansas and Missouri and over $4 billion in tobacco-related health care costs. Of these expenses, approximately $880 million are covered by state Medicaid programs. These additional medical expenses have raised the taxpayers' amount to $889 per household.

At $.17 per pack, Missouri's cigarette tax is the lowest in the nation, far below the national average of $1.60. Missouri has not increased its cigarette tax since 1993. Kansas increased its tobacco tax rate by $.50 during the 2015 legislative session, bringing Kansas' total cigarette excise tax to $1.29 per pack.

Cigarette taxes are especially effective at reducing smoking among youth, pregnant women, and low-income residents. High school seniors reduce their cigarette consumption by 6.5% for every 10% price increase. A $1.00 increase in Missouri's cigarette tax rate is expected to prevent 39,600 young people from smoking and save 24,400 lives from premature smoking-caused death. This would result in $46 million in health care cost savings over the following five years.

In addition to exploring the tax rate on cigarettes and other tobacco products, HCF is watchful for other strategies to increase tobacco pricing in Kansas and Missouri, including efforts to close an important loophole related to the master settlement agreement. Missouri is the only state in the country that has not fixed the "allocable share" loophole. Closing this loophole would prevent Missouri from losing millions of dollars in Master Settlement Agreement payments and also eliminate a competitive edge for small tobacco manufacturers. These cheap and off-brand cigarettes are oftentimes the product of choice for low-income smokers.

Rationale for HCF Support

Missouri's lowest in the nation tobacco tax has created a complex political landscape, with three separate groups vying to increase the tax on the November 2016 ballot. A common strain in all three proposals is that they propose to use the revenue generated from a tobacco tax for non-health issues (namely, transportation, early education, and higher education). This dynamic is understandable; Missouri's woefully low tax is an easy target for generating revenue. In this context, the public health value of increasing cigarette taxes can easily be overlooked. HCF's continued involvement and pressure around increased tobacco pricing is an important force to ensure that such measures are public health tools, rather than used purely to generate revenue.

KEY TALKING POINTS

1. Higher tobacco prices reduce smoking, particularly by young adults, low-income smokers, and pregnant women.
2. Missouri has the lowest tobacco tax in the nation and, not coincidentally, one of the highest adult smoking rates.
3. A $1.00 increase in Missouri's tobacco tax will decrease youth smoking by 15%. 40,000 of Missouri's young people will be prevented from smoking and 44,500 current adult smokers will quit, preventing 24,400 premature smoking-related deaths.

Missouri has the lowest tobacco tax in the nation and one of the highest adult smoking rates

SOME OF THE Previously-Funded HCF Grants THAT OFFER school-based HEALTH SERVICES

- Cristo Rey
- Compass Health Inc (formerly Pathways Community Behavioral Health)
- Lee's Summit Cares, Inc.
- The Plaza Academy
- Lexington R-V School District
- Belton School District
- USD 258 – Humboldt
- DeLaSalle Education Center
- Gordon Parks Elementary School
- KIPP Endeavor Academy

Policy Statement on Funding Mechanisms for School-Based Health Services

Background

School health services play a critical role in ensuring that children and youth have access to high-quality, affordable health care. By providing physical health, mental health, oral health, and youth development services on school campuses, school-based health centers (SBHCs) and other school health providers positively impact students' health and learning. They address a wide variety of health needs, from asthma management to flu vaccination to teen pregnancy prevention. At the same time, SBHC staff and other school health personnel can act as key partners in efforts to address chronic absenteeism and promote a positive school climate. The American Academy of Pediatrics has endorsed SBHC as a model for service delivery that offers a valuable "safety net" for young people.

The financial model for school-based health centers (SBHCs) varies from community to community. Included in the basic building blocks for sustainable programs are patient revenue (third-party and self-pay), public and private-sector grants, and in-kind partner support to cover non-billable expenses. On average, SCBHCs rely on four different grant sources for their long-term sustainability. Eighteen states dedicate funds and staff to administer school-based health center grant programs. Neither Kansas nor Missouri is among these states.

Most SBHCs (85%) bill for health care visits, either via third-party insurers or patient fees. 82% of school-based health centers around the country cite Medicaid as a source of revenue for ongoing operations. Various analyses of SBHC financing have found patient revenue to be directly influenced by policy and practice environments. This includes states' Medicaid and CHIP reimbursement policies, the type of fiscal agent running the SBHC, the distribution of SBHC users by payer, and the administrative capacity of sites to bill and collect from third-party insurers.

Rationale for HCF Support

In celebrating our 10th anniversary, HCF has taken a look back at our grantmaking over the years. We are proud to have supported nearly $5 million in grants for school-based health services, particularly mental health services. We recognize that children who are well are more likely to succeed in school and life. For children without convenient access to health services, particularly those in rural areas, school-based services offer access that wouldn't otherwise be available. Schools are an ideal setting for health service provision, as the context allows participation by parents, students, and teachers together. Through our grantmaking, we have seen incredible success in terms of health and education outcomes.

While we are very proud of our grantmaking to date, we can't sustain these services in perpetuity. We estimate that, if our funding were used to draw down Federal Medical Assistance Percentage (FMAP), we would have leveraged nearly $12 million for these services over the past ten years. In many instances, we are providing private funding to allow community-based mental health centers to provide therapy services to Medicaid beneficiaries. Unfortunately, these services are not reimbursed since they are provided in the school setting. HCF will work with Medicaid directors, policymakers, and services providers in Missouri and Kansas to explore strategies to sustain and increase access to school-based health services.

KEY TALKING POINTS

1. School-based health services offer an important strategy to increase access to health services for young people in the HCF service area, ultimately improving both health and educational outcomes. Unfortunately, neither Kansas nor Missouri have dedicated funding for school-based health services and both states have policy environments that are not conducive to school-based health services.

2. Over the previous ten years, the Health Care Foundation of Greater Kansas City has awarded more than $5 million in grants to support school-based health services, demonstrating strong outcomes for children served.

3. HCF will work with Medicaid directors, policymakers, and services providers in Missouri and Kansas to explore strategies to sustain and increase access to school-based health services.

Eliminate barriers & promote quality HEALTH for uninsured and underserved in our service area

Health Care Foundation
OF GREATER KANSAS CITY

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