



Overview of KanCare Provider Payment Reductions

Beneficiary Feedback

- The state wants to hear your feedback regarding recent cuts to provider reimbursement.
- These changes are the result of the 2016 Kansas Legislature's approved budget for State Fiscal Year 2017 and related administrative processes.

Why the Reductions?

- These reductions are not the steps that we wanted to take, but they are the steps we must take due to the tight state budget.
- We do not take these reductions lightly.
- We know they are causing a great deal of anxiety.
- We are doing everything possible to sustain care and services to consumers.

Outline of Rate Reductions

- Effective July 1st, 2016, all provider payments issued by the Kansas Medical Assistance Program (KanCare) will be reduced by 4 percent
- In addition to the 4 percent reduction, the following reductions are also effective on July 1, 2016:
 1. Health Care Access Improvement Program (HCAIP) – the enhanced payment rate will be reduced from 25.8% to 23.1% on applicable in-patient claims
 2. DRG Outlier – Payment percentage will be reduced from 75 percent to 55 percent
- Non-Claims Payments
 - Graduate Medical Education
 - Disproportionate Share Hospital Payments

Rate Reduction Exemptions

- We have attempted to ease the impact of the provider rate reductions by exempting some providers in order to protect the most vulnerable and underserved.
- Fourteen (14) types of providers, approximately 100 providers in all, such as rural hospitals, HCBS providers and others, are exempt.

Exempted Providers

Effective with Dates of Service on and After July 1, 2016, all Payments Issued by the Kansas Medical Assistance Program will be Reduced by 4% with the Following **Exceptions:**

- Home and Community-Based Services (HCBS)
- Critical Access Hospitals (I/P and O/P Services Only)
- Rural, Densely-Settled Rural and Frontier Hospitals as Defined by the US Census Bureau (I/P and O/P Services Only)
- Rural Health Clinics (RHCs) Encounter Rate
- Federally Qualified Health Centers (FQHCs) Encounter Rate
- WORK Program
- PACE Program
- Fee-for-Service Pharmacy Claims
- Hospice Services
- All Other Out-of-State Providers
- Services at Out-of-State Hospitals (Except for Children's Mercy Missouri)
- State Hospitals (Kansas Neurological Institute, Larned, Parsons and Osawatomie)
- Indian Health Services (IHS)
- Electronic Health Record (EHR) Payments

Other Provider Payment Reductions

Effective with dates of service on and after July 1, 2016, there will be a 4% payment reduction for other hospital services:

- Skilled Nursing
- RHC and FQHC (Services Other Than the Encounter Rate)
- Home Health
- Ambulance
- Physician Services
- Certified Registered Nurse Anesthetist (CRNA)

Nursing Homes

- There will be a 4.47 percent pay reduction for skilled nursing facilities; after the 4.47 percent provider rate reduction, skilled nursing homes will still receive a 5.8 percent increase in their provider rate.

Impact/Implementation

- We know that these changes are significant to providers.
- These payment reductions are being implemented by the three KanCare Managed Care Organizations (MCOs). If you have questions about how to access a service you need, or want help to access a service you need, please contact your MCO's customer service:

Amerigroup: 800-600-4441, TTY: 711

Sunflower: 877-644-4623, TTY: 888-282-6428

United: 877-542-9238, TTY: #711

Consumer Input

- To send us a comment about these reductions, please send an email message at KanCareReductions@kdheks.gov, or send written comment to:

KanCare Reductions
c/o Elizabeth Phelps
KDHE – Division of Health Care Finance
900 SW Jackson
Landon State Office Building - 10th Floor
Topeka, KS 66612

- We will be collecting public comment **through September 8, 2016.**