

Public Notice and Comment Period – KanCare Extension

The Kansas Department of Health and Environment (KDHE) will be submitting to the Centers for Medicare and Medicaid Services (CMS) a request to extend the KanCare program under Section 1115(a) of the Social Security Act. The current KanCare demonstration expires on December 31, 2017. KDHE is requesting a one-year extension of the current KanCare demonstration, including the Uncompensated Care Pool and the Delivery System Reform Incentive Payment Pool. The requested extension period is January 1, 2018 through December 31, 2018. KDHE is not requesting any changes to the demonstration for the one-year extension period.

KanCare – Summary of Program and Extension Information

KanCare is the program through which the State of Kansas administers Medicaid. After a long period of study, the State determined that contracting with multiple managed care organizations (MCOs) would result in the provision of more efficient and effective health care services to the populations covered by Medicaid and Children’s Health Insurance Program (CHIP) in Kansas, and would ensure coordination of care and integration of physical and behavioral health services with each other and with home- and community-based services (HCBS).

On August 6, 2012, the State of Kansas submitted a Medicaid Section 1115 demonstration proposal, entitled KanCare, to CMS. CMS approved that proposal on December 27, 2012, effective from January 1, 2013, through December 31, 2017. The State is now preparing to submit an application to extend the KanCare program for one year, effective from January 1, 2018 through December 31, 2018.

KanCare is operating concurrently with the State’s Section 1915(c) HCBS waivers. Together with the 1115 demonstration, these waivers provide the authority necessary for the State to require enrollment of almost all Kansas Medicaid beneficiaries (including the aged, disabled, and some dual eligibles) into a managed care delivery system to receive state plan and waiver services. KanCare also includes a Safety Net Care Pool (also referred to as an Uncompensated Care Pool) to support certain hospitals that incur uncompensated care costs for Medicaid beneficiaries and the uninsured, and provides incentives to hospitals for programs that result in delivery system reforms that enhance access to health care and improve the quality of care.

The KanCare demonstration program:

- Maintains Medicaid state plan eligibility;
- Maintains Medicaid state plan benefits;
- Allows the State to require eligible individuals to enroll in MCOs to receive covered benefits through such MCOs, including individuals on HCBS waivers, except:
 - American Indian/Alaska Natives, who are presumptively enrolled in KanCare but who have the option of affirmatively opting out of managed care; and
- Provides benefits, including long-term services and supports (LTSS) and HCBS, via managed care.

The original goals of the KanCare demonstration were to:

- Provide integration and coordination of care across the whole spectrum of health including physical health, behavioral health, and LTSS/HCBS;
- Improve the quality of care Kansas Medicaid beneficiaries receive through integrated care coordination and financial incentives paid for performance (quality and outcomes);
- Control Medicaid costs by emphasizing health, wellness, prevention and early detection as well as integration and coordination of care; and
- Establish long-lasting reforms that sustain the improvements in quality of health and wellness for Kansas Medicaid beneficiaries as well as provide a model for other states that are reforming their programs for Medicaid payment and delivery systems.

Because Kansas is simply requesting a one-year extension of its 1115 demonstration, with no program changes, the KanCare goals remain the same for the extension period.

The one-year extension of KanCare is designed to continue the program as it is currently structured, including the following:

Eligibility

KanCare currently includes almost all Kansas Medicaid beneficiaries (including the aged, disabled, and some dual eligibles). See the current 1115 demonstration Special Terms and Conditions for the full list of groups included in KanCare at the following link: <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ks/ks-kancare-ca.pdf> (pages 11-17). Because Kansas is not requesting changes to Medicaid eligibility or managed care covered populations in the extension, no change is anticipated in any eligibility group.

Covered Benefits

The KanCare program integrates medical, behavioral, and long-term care health delivery systems and covers mandatory and optional services under the approved Medicaid state plan. Kansas is not requesting any changes in covered benefits for this extension.

Cost Sharing Requirements

There are no co-payments under the KanCare MCOs. Kansas is not requesting any changes in cost sharing for this extension.

Annual Enrollment and Aggregated Expenditures

Kansas does not anticipate a significant change in enrollment or aggregated expenditure trends for the extension period. The following table summarizes the annual enrollment and aggregated expenditures for KanCare, by demonstration year (DY). For DY5 and the one-year extension period (DY6), Kansas projects continued savings under the KanCare program as compared to the absence of the KanCare program.

	DY1 (Actual)	DY2 (Actual)	DY3 (Actual)	DY4 (Actual)	DY5 (Projected)	DY6 (Projected)
Total Member Months	3,923,495	4,274,950	4,613,313	4,440,125	4,356,280	4,378,062
Total Expenditures	\$2,385,761,238	\$2,596,087,408	\$2,774,859,542	\$2,939,589,998	\$2,931,108,841	\$3,200,639,003

Waiver and Expenditure Authorities

Kansas is requesting the same waiver and expenditure authorities as approved in the current demonstration, described below:

Waiver Authorities

1. Amount, Duration, and Scope of Services

To the extent necessary to enable Kansas to vary the amount, duration, and scope of services offered to individuals, regardless of eligibility category, by providing additional services to individuals who are enrollees in certain managed care arrangements.

2. Freedom of Choice

To the extent necessary to enable Kansas to restrict freedom of choice of provider through the use of mandatory enrollment in managed care plans for the receipt of covered services. No waiver of freedom of choice is authorized for family planning providers.

Expenditure Authorities

1. Expenditures for Additional Services for Individuals with Behavioral Health or Substance Use Disorder Needs
2. Uncompensated Care Pool
3. Delivery System Reform Incentive Payment Program

Hypothesis and Evaluation Parameters

The original KanCare evaluation design included the following hypotheses:

- By holding MCOs to outcomes and performance measures, and tying measures to meaningful financial incentives, the State will improve health care quality and reduce costs;
- The KanCare model will reduce the percentage of beneficiaries in institutional settings by providing additional HCBS and supports to beneficiaries that allow them to move out of an institutional setting when appropriate and desired;
- The State will improve quality in Medicaid services by integrating and coordinating services and eliminating the current silos between physical health, behavioral health, and LTSS; and
- KanCare will provide integrated care coordination to individuals with developmental disabilities, which will improve access to health services and improve the health of those individuals.

For the proposed extension period, Kansas will continue to evaluate these hypotheses. In addition, Kansas will monitor quality measures and conduct member and provider surveys to evaluate the

program. Kansas will also perform new focused studies on the topics of network adequacy and validation of waiver payments to verify members are receiving appropriate access to adequate services. Kansas expects to see ongoing improvement within the more mature program, and related expectations will be reflected in contractual and program policy content.

Public Comment – Timing and Process

The public comment period has been extended to run from June 8, 2017 until July 10, 2017. Comments will be accepted until July 10, 2017; and the State intends to submit the extension request no later than August 31, 2017.

Information about the KanCare extension request, including the extension application and documented comments from public comment meetings held in March 2017, is available for public review at the KanCare website: <http://www.kancare.ks.gov/about-kancare/kancare-renewal>. For individuals without access to the internet, copies of the application and public comment document may be obtained by calling 785-296-4753 or writing:

KanCare Renewal
c/o Becky Ross
KDHE-Division of Health Care Finance
900 SW Jackson, LSOB – 9th Floor
Topeka, Kansas, 66612

Such requests must be made before July 10, 2017. A copy of the extension application will also be located at the reception desks for:

KDHE-Division of Health Care Finance
900 SW Jackson, LSOB – 9th Floor
Topeka, Kansas 66612

Kansas Department for Aging and Disability Services
New England Building, 503 S. Kansas Ave.
Topeka, Kansas 66603

Written comments about the KanCare extension request may be sent to this email address: kdhe.kancarer renewal@ks.gov; or may be mailed to:

KanCare Renewal
c/o Becky Ross
KDHE-Division of Health Care Finance
900 SW Jackson, LSOB – 9th Floor
Topeka, Kansas, 66612

Information about the KanCare extension process and related documents will be maintained and kept current throughout the public comment and review process, during which CMS is reviewing and acting upon the State’s extension request. This information will continue to be available at the KanCare Renewal page of the KanCare website: <http://www.kancare.ks.gov/about-kancare/kancare-renewal>. In addition, once the request to extend the KanCare program is submitted to CMS, it will be posted by CMS on its website for viewing and commenting: https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/waivers_faceted.html.

Public Hearings – When and Where

Additional public hearings about the KanCare extension will be held as follows:

Day/Date	Time	Location
Thur., July 6, 2017	1:30-3:00 pm	University of Kansas Edwards Campus, Best Conference Center, 12604 Quivira Rd., Overland Park, KS
Fri., July 7, 2017	1:30-3:00 pm	WSU Hughes Metroplex , Room 180, 5015 E. 29th St. North, Wichita, KS (Enter door N at the southeast corner of the building)
Mon., July 10, 2017	6:00-7:00 pm	Conference call: 1-877-400-9499 Access Code: 134 228 8045

All meeting rooms are Americans with Disabilities Act (ADA) accessible.

Language Accommodations

If you need language accommodations, such as a sign language interpreter or large print or Braille, please contact Dawn Goertzen at 785-291-3461 or dawn.goertzen@ks.gov. Please make your request by June 5, 2017.

Si desea esta informacion en Español, por favor llame al 1-800-766-9012.