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Robert Moser, MD, Secretary | Department of Health & Environment | Sam Brownback, Governor

August 19, 2013

Mr. Ed Francell
Project Officer
Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
Division of State Demonstrations and Waivers
Mail Stop S2-03-15
7500 Security Boulevard
Baltimore, MD 21244-1850

Mr. James Scott
Associate Regional Administrator
Centers for Medicare & Medicaid Services
Kansas City Regional Office
Division of Medicaid and Children's Health Operations
601 East 12th Street, Suite 235
Kansas City, MO 64106

RE: Amendment to the KanCare Medicaid Section 1115 Demonstration, 11-W-00283/7

Dear Mr. Francell and Mr. Scott:

The State of Kansas, Department of Health and Environment (KDHE) requests approval of an amendment to the KanCare Section 1115 demonstration project (11-W-00283/7), which was approved by the Centers for Medicare & Medicaid Services (CMS) on December 27, 2012. The KanCare demonstration is effective from January 1, 2013, through December 31, 2017.

As required by the KanCare Special Terms and Conditions (STCs), STC 7, this request includes: (i) a detailed description of the proposed amendment, including the impact on beneficiaries, the changes to evaluation design, and the necessary waiver and expenditure authority; (ii) an explanation of the public process used by the State to reach a decision regarding the requested amendment; and (iii) a data analysis that identifies the specific "with waiver" impact of the proposed amendment on the current budget neutrality agreement. Because the proposed changes will not affect children in the CHIP program, KDHE is not including a CHIP Allotment Neutrality Worksheet.

I. Proposed Amendment

The State requests CMS approval to implement three changes to KanCare, effective January 1, 2014: (1) provide long term supports and services (LTSS) for individuals with intellectual or developmental disabilities through KanCare managed care plans; (2) establish three pilot programs to support

employment and alternatives to Medicaid; and (3) change the timeline for the Delivery System Reform Incentive Payment (DSRIP) Pool. Each initiative is detailed below.

A. Long Term Services and Supports for Individuals with Intellectual or Developmental Disabilities

Under the current waiver, specialized services for individuals with intellectual or developmental disabilities are carved out from the Medicaid managed care organization (MCO) benefit package and are paid on a fee-for-service basis. The carved-out services are LTSS authorized through the Intellectual Disabilities/Developmental Disabilities (ID/DD) waiver (KS-0224) and State Plan Targeted Case Management (TCM), screening services, and positive behavioral supports for the ID/DD population.

The current waiver also authorizes the State to operate a voluntary ID/DD Services pilot program in demonstration year (DY) 1. The pilot will help prepare members, providers, and the MCOs transition to the provision of LTSS through KanCare. The pilot, discussed in more detail in Attachment C, Public Comment and State Response, was developed in collaboration with a steering committee of stakeholders, and has the primary objectives of developing relationships and shared understanding between MCOs and the ID/DD system; defining how services and service delivery will look under KanCare on January 1, 2014; and developing and testing billing processes in advance of January 2014. To that end, the state submitted a 1915(c) waiver amendment on June 27, 2013, outlining the pilot's collaborative service planning process and billing test process. Requests to participate in the KanCare ID/DD Pilot Project were accepted until June 30, 2013. More than 550 individuals and approximately 25 service providers have enrolled in the pilot.

The State now requests CMS approval to no longer carve out these specialized services and to provide LTSS to individuals with intellectual or developmental disabilities through the KanCare managed care plans. Inclusion in managed care will provide a more robust set of care management resources and more complete integration of all services (LTSS as well as physical and behavioral health). The State sees great promise in full integration of care coordination for these members, particularly for those who also have behavioral health diagnoses.

Kansas state law provides several protections to ensure a smooth transition for individuals with intellectual or developmental disabilities enrolled in KanCare. These provisions are consistent with terms in the KanCare STCs for other LTSS. Under state law adopted this legislative session for state fiscal years 2014 and 2015:

- Enrollees may keep current LTSS providers on their approved service plans, even if those providers are not in the network, for 180 days from January 1, 2014, or until a service plan is completed and either agreed upon by the enrollee or resolved through the appeals or a fair hearing process and implemented.
- Enrollees may keep their targeted case managers, provided those case managers are employed with community developmental disability organizations (CDDOs) or CDDO subcontractors.
- Enrollees using ID/DD residential providers may access those providers up to one year from January 1, 2014, regardless of contracting status.
- The MCOs must comply with the specific powers and duties of the CDDOs provided in Kansas law. They also must contract with at least two providers serving each county for each covered LTSS in the benefit package for the enrollees with intellectual or developmental disabilities

(unless the county has an insufficient number of providers), and must make at least three contract offers to all LTSS providers serving such enrollees at or above the state-set fee for service rate.

- In 2014, the State will conduct an educational tour to provide information to enrollees with intellectual or developmental disabilities and LTSS providers. The State also will review, in the first 180 days of 2014, each MCO's ID/DD service planning process, and will conduct, in 2014 and 2015, training for each MCO to ensure that they understand the DD services system.
- The Kansas Department for Aging and Disabilities Services (KDADS) will, in fiscal years 2014 and 2015, review and approve all plans of care for ID/DD waiver members for which a reduction, suspension or termination of services is proposed.

The State believes that including these services in KanCare will result in better access to services and improved quality of care for KanCare enrollees with intellectual or developmental disabilities. Moreover, it will result in stable reimbursement rates for providers and will give the MCOs a compelling financial incentive to keep individuals in a home environment rather than a more costly acute-care facility.

The draft KanCare evaluation design submitted to CMS in April incorporated measures related to LTSS for members with intellectual or developmental disabilities. Measures that include stratification by members with intellectual or development disabilities include:

- Care Management Plans of Care
  - Identifying needs
  - Provision of services
  - Satisfaction with integration
- Gained/Maintained Competitive Employment
- Physical Health Measures
  - Emergency Department visits
  - Inpatient Hospitalizations
  - Inpatient Readmissions
- Healthy Life Expectancy
  - Health Literacy
  - Preventive Care and Screenings
  - Treatment/Recovery

B. Pilot Programs to Support Employment and Alternatives to Medicaid

KDHE requests CMS approval to implement three pilot programs designed to support Kansans who might otherwise be enrolled in Medicaid. These programs will aid in the transition from Medicaid to independence, while preserving relationships with providers.

Two of the pilots are focused on increasing opportunities for Kansans with disabilities to work. Employment plays a major role in health and quality of life. Nationwide, only 30 percent of individuals with disabilities are employed. The Social Security Administration (SSA) reports that 47 percent of working-age people with disabilities receive 100 percent of their income from Supplemental Security Income (SSI). According to SSA, in January 2010, the average SSI payment was $498.70/month, less than the Federal Poverty Level of $902.50/month. Youth who begin receiving SSI before age 18 spend

an average of 27 years receiving benefits. Each year, less than 1 percent of working-age Social Security recipients leave the rolls for employment.

Attachment to this system and lack of attachment to an employer result in lost opportunities to maintain and improve skills, loss of a sense of belonging to the workforce, and loss of the mindset that employment is possible. Lack of employment also contributes to a culture of poverty, including inadequate living conditions, poor physical health, and social isolation.

Working Healthy, the Kansas Medicaid Buy-In program, is a work incentive program authorized under the Ticket-to-Work and Work Incentives Improvement Act, designed to promote employment by allowing individuals to earn and save more while still maintaining their health care. An 11-year study of *Working Healthy* by the University of Kansas shows that employed individuals enrolled in the program have significantly lower health care costs. Of *Working Healthy* participants who receive personal assistance services through the ancillary program, *WORK*, 83 percent reported an increased level of independence since enrolling in the program.

Given these results, the State seeks to implement pilots to broaden the availability of these key services. KDHE is collaborating with other State agencies, including KDADS and the Kansas Department for Children and Families, to coordinate existing programs for employment services that will support pilot participants as they seek and obtain employment.

i. Social Security Alternative Pilot

KDHE will establish a pilot program to provide health care coverage and employment support services to individuals who meet Social Security Administration (SSA) criteria for disability, as an alternative to Social Security benefits and Medicaid. The pilot is designed to provide the supports necessary to help these individuals become employed, maintain employment, and avoid long-term dependence on the Social Security system.

Target Population. The Social Security Alternative Pilot will enroll up to 200 individuals 18 and over who meet SSA criteria for disability, but who have not yet been determined eligible for Supplemental Security Income (SSI) or Social Security Disability (SSDI) cash benefits or Medicaid coverage.

Services. The program will offer the following services:

- Benefits planning through the Kansas Medicaid Buy-in program, *Working Healthy*. Benefits Specialists will be available to discuss the pilot and other options, provide individual benefit plans, and explain the impact of employment and participation in the pilot on Social Security and other benefits.

- For individuals with a demonstrated need, funding for personal care and employment support services in the form of a monthly allocation, capped at $1,500 per month, which will allow participants to directly manage their funds and provide flexibility in purchasing support services that best meet their needs.

- "Medicaid-like" health care coverage for up to 12 months while seeking employment with the same physical, behavioral, and pharmaceutical benefits provided to Medicaid eligible individuals under the Kansas Medicaid State Plan.

- Assistance in obtaining employment, provided by Kansas Rehabilitation Services (Vocational Rehabilitation) and Kansas Workforce Centers.

Eligibility. Participants in the Pilot must be individuals age 18 and above who meet the Social Security disability criteria as determined by a Presumptive Medical Disability Team (PMDT) who are employed or willing to seek employment. Once employed, a participant in the Pilot must earn at least the federal minimum wage or greater, have Federal Insurance Contributions Act (FICA) taxes withheld, and have gross monthly earnings that equal or exceed the SSA Substantial Gainful Activity (SGA) level. Self-employed individuals must have net earnings that equal or exceed the SSA SGA level and demonstrate proof of paying the Self-Employment Contributions Act (SECA) tax. Participants must also be eligible for, or enrolled in, an employer provided health insurance plan or, if self-employed, must be enrolled in a private health insurance plan. They also must be employed in a competitive, integrated work setting, as defined by the State.

Cost sharing. Cost sharing will be consistent with *Working Healthy* monthly premiums (http://www.kdheks.gov/hcf/workinghealthy/premium.htm).

Safety Net. Pilot participants who do not meet these minimum employment levels within 12 months will be removed from the pilot and will receive an expedited PMDT determination for other medical program eligibility. Those who become too ill to continue working will also be removed from the pilot and receive an expedited PMDT determination. Participants who become unemployed but intend to return to work may be eligible to remain in the pilot program for four months after the employment ends.

Evaluation. KDHE will evaluate the Social Security Alternative Pilot by measuring income compared to SSI/SSDI cash benefits; cost avoidance to the Social Security and Medicaid systems; improved health and quality of life as reported by participants; and program satisfaction.

ii. SSI Employment Support Pilot

KDHE will establish a pilot program to promote employment for individuals with intellectual disabilities, developmental disabilities, and physical disabilities, by providing personal and employment support services to those individuals who are employed.

Eligibility. The SSI Employment Support Pilot will be available to up to 400 individuals between the ages of 16 and 60 who are currently on the waiting lists for the Home and Community-Based Services (HCBS) ID/DD and the Physical Disability (PD) waivers.

Participants in the program must be employed in a competitive, integrated work setting (as defined by the State) for at least 40 hours per month, earn at least federal minimum wage or better, and have FICA withheld from earnings. Those who are self-employed must have net earnings equal to or greater than the federal minimum wage times 40 hours per month and show proof of paying SECA.

Services. The program will offer the following services (similar to the Social Security Alternative Pilot):

- Benefits planning through the Kansas Medicaid Buy-in program, *Working Healthy*. Benefits Specialists will be available to discuss the pilot and other options, provide individual benefit plans, and explain the impact of employment and pilot participation on benefits.

- Funding for personal care and employment support services in the form of a monthly allocation of $1,500, which will allow participants to directly manage their funds and provide flexibility in purchasing services that best meet their needs.

- Medicaid services under KanCare or, if eligible for employer-sponsored health insurance, Medicaid wrap-around services as long as the participant remains eligible for Medicaid. Pilot participants whose income results in a loss of SSI benefits will be able to access *Working Healthy* and personal/employment support services through the Work Opportunities Reward Kansans Program (*WORK).*

- Assistance in obtaining employment, which will be provided by Kansas Rehabilitation Services (Vocational Rehabilitation), Community Developmental Disability Organizations, Centers for Independent Living, and Kansas Workforce Centers.

Cost Sharing. Because participants are SSI recipients, there will be no premium, cost-sharing, or spenddown required.

Safety Net. Participants who leave the pilot for any reason will return to the HCBS waiting list with the same request date he or she had prior to joining the pilot. If individuals from the waiting list with the same request date as a pilot participant are later accepted into the waiver, the pilot participant will be offered waiver services. Pilot participants who become unemployed, but intend to return to work, may retain pilot program eligibility for four months after the employment ends.

Evaluation. KDHE will evaluate the SSI Employment Support Pilot by assessing whether the pilot results in lower physical and behavioral health costs; improved health and quality of life as reported by participants; increased earnings and taxes paid; decreased reliance on benefits; and program satisfaction.

iii. Health Account Pilot

KDHE also seeks to implement a pilot program for adult members formerly eligible for Family Medical Assistance that offers an alternative to transitional Medicaid using a Health Account model, to determine whether this model more effectively transitions participants to private health insurance through KanCare MCOs or health benefit exchanges.

Description. The Health Account Pilot will provide up to 500 adults age 19 and older eligible for TransMed, the Kansas transitional Medicaid program, the option of purchasing health care with a pre-loaded account worth $2,000 instead of enrolling in TransMed. Participants can use the account to purchase qualifying health services or pay health insurance premiums, co-pays, and deductibles. Participants may also purchase basic health coverage through a KanCare MCO.

Eligibility and Enrollment. The option to join the Health Account Pilot would be available at the time of an individual's Medicaid open enrollment. Only individuals who have lost eligibility for Family Medical Assistance because of an increase in earnings, but who retain eligibility for TransMed, would be able to enroll in the Pilot. Children for whom the TransMed beneficiary is responsible will continue to be eligible for Medicaid or CHIP through KanCare. Participants can renew the accounts annually during open enrollment for up to three years of funding, for a total of $6,000. Moreover, participants would retain the balance in their accounts even if their income would make them otherwise ineligible for Medicaid during the time they are participating.

Waiver and Safety Net. Individuals who elect this option would waive their right to Medicaid eligibility for one year after their participation in the pilot ends. However, there would be exceptions to the waiver for certain qualifying events, such as loss of employment or change in household composition, including pregnancy. If the participant becomes disabled and receives SSI or SSDI or turns age 65, they may qualify for Medicaid under the Kansas Medicare Savings program.

Evaluation. KDHE will evaluate the Health Account Pilot by assessing whether participants successfully transition to employer-based health insurance.

C. Timeline for Delivery System Reform Incentive Payment (DSRIP) Pool

Under the current waiver, CMS has approved a DSRIP Pool of funds in DY 2 through DY 5 (2014-2017) for the development of a program of activity that supports participating hospitals' efforts to enhance access to health care, quality of care, and the health of the patients and families they serve. KDHE proposes delaying the implementation of the DSRIP Pool for one year, from DY 2 (2014) to DY 3 (2015), to allow the State and CMS to focus on other critical activities related to the KanCare demonstration. Specifically, Kansas proposes to:

- Delay implementation of DSRIP payments for one year, to begin January 1, 2015 in DY 3;
- Continue Uncompensated Care (UC) pool payments into DY 2 to participating DSRIP hospitals with a total UC payment limit for the Border City Children's Hospital (BCCH)/Large Public Teaching Hospital (LPTH) pool of $39,856,550 in DY 2;
- Begin DSRIP pool payments in DY 3, with increasing funds allocated through DSRIP and decreasing funds allocated through UC in DYs 4 and 5. Proposed pool limits are listed below.

	DY 1 (CY 2013)	DY 2 (CY 2014)	DY 3 (CY 2015)	DY 4 (CY 2016)	DY 5 (CY 2017)	Total
UC Pool: HCAIP	$41,000,000	$41,000,000	$41,000,000	$41,000,000	$41,000,000	$205,000,000
UC Pool: BCCH/ LPTH	$39,856,550	$39,856,550	$29,856,550	$19,856,550	$9,856,550	$139,282,750
DSRIP	N/A	N/A	$10,000,000	$20,000,000	$30,000,000	$60,000,000
% UC Pool	100%	100%	87.6%	75.3%	62.9%	---
% DSRIP	N/A	N/A	12.4%	24.7%	37.1%	---
Total	$80,856,550	$80,856,550	$80,856,550	$80,856,550	$80,856,550	$404,282,750

- Allow the previously submitted required documentation (including proposed focus areas and draft Planning and Funding and Mechanics protocols) to fulfill the requirements of STC 69 (b, e and f).
- Shift reporting and outcome measure requirements by one DY. For example, the previous DSRIP requirements for DY 2 will now be fulfilled in DY3; DY 3 requirements will now be fulfilled in DY 4.
- Eliminate the previously stipulated DY 5 DSRIP requirements. DY 5 will now be devoted to achieving the previous requirements stipulated for DY 4.

D. Waiver and Expenditure Authority

KDHE has not identified any additional waiver or expenditure authority that would be needed to implement the changes regarding LTSS for individuals with developmental or intellectual disabilities and the DSRIP Pool. With respect to the pilot programs to support employment and alternatives to Medicaid, KDHE requests the following additional waivers of provisions of Section 1902 of the Social Security Act and costs not otherwise matchable under Section 1903.

Waivers

- Section 1902(a)(32) (direct payment to providers) to enable Kansas to provide a monthly funding allocation to certain participants in the Social Security Alternative Pilot and all participants in the SSI Employment Support Pilot, to pay for personal and employment support services.

- Section 1902(a)(10)(A) (mandatory eligibility groups) to enable Kansas to require participants in the Health Account Pilot to waive Medicaid eligibility for the 12 months following participation in the pilot. The waiver of eligibility would not apply to certain participants who become disabled and receive SSI or SSDI, or turn age 65.

- Sections 1902(a)(3) and 1902(a)(8) (reasonable promptness) to enable Kansas to not enroll participants in the Health Account Pilot in Medicaid for the 12 months following participation in the pilot.

Costs Not Otherwise Matchable

- Expenditures to provide employment assistance and Medicaid-like coverage to participants in the Social Security Alternative Pilot.

- Expenditures to provide employment assistance and Medicaid coverage and/or wrap-around coverage to participants in the SSI Employment Support Pilot.

- Expenditures to provide pre-loaded debit cards to participants in the Health Account Pilot, which can be used to purchase health services or pay health insurance premiums, co-pays, and deductibles.

Medicaid Requirements Not Applicable

- Sections 1916 and 1916A (premiums and cost sharing) to allow Kansas to charge premiums for the Social Security Alternative Pilot consistent with the *Working Healthy* program.

II. State Public Notice Process

A. Notice Regarding the Proposed Amendment

The State published an abbreviated public notice of this proposed amendment in the June 27, 2013, *Kansas Register* (see Attachment A). The same day, a full public notice and the draft amendment letter were posted on the KanCare website for public comment, and an email notification was sent to stakeholder distribution lists (see Attachment B). Comments on the draft amendment were accepted through July 29, 2013.

In addition, the State scheduled two public meetings specifically for the purpose of seeking comment on the KanCare amendment:

- July 15, 2013, at 2 p.m.
  Wichita State University Metroplex, Multipurpose Room
  5015 E. 29th St. N
  Wichita, KS

- July 16, 2013, at 10 a.m.
  Downtown Ramada, Madison Ball Room
  420 SE 6th St.
  Topeka, KS

The State provided teleconference access for the July 16 meeting and provided an opportunity for individuals with disabilities to request accommodations to participate in either meeting.

A summary of the comments received and the State's responses to the comments is provided as Attachment C.

B. Tribal Notice

The State also distributed an initial notice of its intent to amend the KanCare 1115 demonstration to tribal governments and Indian Health Service, Tribal Organization, and Urban Indian Organization providers (I/T/U providers) on June 7, 2013 (see Attachment D). KDHE and members of the Tribal Technical Advisory Group (TTAG) discussed the amendment at the July 9 TTAG meeting in Topeka. The State, tribal governments and I/T/U providers also held two in-person consultation meetings, on July 17 in White Cloud and on July 23 in Mayetta.

C. Public Discussion Regarding the ID/DD LTSS Initiative

KDADS and KDHE have made a concentrated effort to address concerns about the inclusion of ID/DD LTSS in KanCare voiced by consumers, their families, providers and advocates. In addition to the ID/DD pilot project, the effort has included the development of a KanCare ID/DD Friends and Family Work Group to assist the State in educating consumers and their families. KDADS Secretary Shawn Sullivan and staff have spoken at dozens of ID/DD-specific forums and town meetings, as well as broader HCBS forums across the state.

The Friends and Family Work Group, comprised of consumers and families and friends of consumers, continues to provide guidance and recommendations to KDADS leadership regarding education and policy development for ID/DD LTSS. This group meets bi-weekly and will continue to operate after integration of ID/DD waiver services into KanCare to provide a voice for consumers throughout the implementation process. The Work Group and its education and policy subcommittees will provide valuable consumer insight into how best to address concerns or issues that may impact ID/DD consumers.

Based on input from the Friends and Family Work Group and other work groups, KDADS will host consumer calls to address frequently asked questions as well as provide information directly to consumers, guardians and family members to address their concerns.

The KanCare and KDADS websites also provide information in various formats that reiterates consumers will not be forced to change their providers. The KanCare health plans are hosting education sessions for providers to help them with contracting and credentialing to ensure timely contracting prior to January 1, 2014.

State officials have written and published articles about the inclusion of ID/DD LTSS in KanCare in newspapers around the state. Articles from national experts about providing HCBS services for these consumers have appeared in state newspapers as well.

Family members and guardians with connections to an ID/DD consumer have received an informational letter regarding the inclusion (or carve-in) of LTSS in KanCare and how it will function. In addition, KDADS regularly posts ID/DD information on its agency website, including a lengthy fact sheet and FAQs.

The State has gained constructive experience in providing LTSS through managed care from the inclusion of the other HCBS waivers in managed care since January 2013. During regular Long Term Care and KanCare steering committee meetings, KDADS and KDHE staff have been able to share updates on issues related to LTSS that will aid in the successful integration of ID/DD services into KanCare. KDADS staff also facilitates a weekly Technical Assistance call and Complex Case Staffing call to assist the health plans. These activities continue to inform the State and the health plans, providing valuable insight into the system.

As a result of these ongoing efforts, substantially fewer family members have raised objections regarding the inclusion of ID/DD services in KanCare than before KanCare was launched in January 2013. The State is committed to continuing the dialogue to address remaining concerns.

III. Budget Neutrality

Enclosed are several documents detailing the effect of the proposed amendment on budget neutrality. Per the KanCare STCs, KDHE has included summary and detailed projections of the change in the "with waiver" expenditure total as a result of the proposed amendment (see Attachment E). Budget neutrality documents submitted last year in the demonstration proposal assumed the inclusion of LTSS for ID/DD consumers beginning January 1, 2014. As a result, the attached budget neutrality amendment summary does not reflect a change in the "with waiver" totals for Medicaid Population 5, "DD Waiver." An analysis of inclusion of LTSS for ID/DD consumers is provided in Attachment F, "DD LTSS Analysis."

An update to the safety net care pool table at STC 70 is attached as Attachment G. A similar table is proposed for inclusion in the STCs for the three pilots and is attached for your review as Attachment H.

The State appreciates your consideration of this amendment request, and looks forward to working with CMS to accomplish these changes. If you have any questions or would like to discuss this request, please contact Kari Bruffett, Director of the Division of Health Care Finance, at (785) 296-3512.

Sincerely,

Susan Mosier, MD
Medicaid Director

Enclosures

State of Kansas

Department of Labor

Notice of Maximum and Minimum Weekly Unemployment Benefit Amounts

Each year, in accordance with K.S.A. 44-704 of the Kansas Employment Security Law, the maximum and minimum weekly benefit amounts payable to unemployment insurance claimants are recalculated. In SFY 2014, for new claims filed on or after July 1, 2013, and before July 1, 2014, the maximum weekly benefit amount will be $469 and the minimum weekly benefit amount will be $117.

Lana Gordon
Secretary of Labor

Doc. No. 041666

State of Kansas

Department of Health and Environment Division of Health Care Finance

Notice of Meetings on the KanCare Demonstration Amendment

The state of Kansas, Department of Health and Environment, hereby notifies the public that it intends to seek an amendment to the KanCare Section 1115 demonstration (11-W-00283/7) from the Centers for Medicare & Medicaid Services (CMS). KDHE is providing this abbreviated notice in compliance with CMS requirements in 42 C.F.R. § 431.408(a)(2)(ii).

KDHE plans to request CMS approval for three changes to KanCare, effective January 1, 2014. First, KDHE will ask CMS for approval to provide long-term supports and services (LTSS) to individuals with intellectual or developmental disabilities through the KanCare managed care plans. Under the current waiver, these services are carved out from managed care and paid on a fee-for-service basis. Second, KDHE will ask CMS to approve three new pilot programs designed to support Kansans who might otherwise be enrolled in Medicaid: (1) a Social Security Alternative Pilot; (2) a Supplemental Security Income (SSI) Employment Support Pilot; and (3) a Health Account Pilot. Third, KDHE will ask CMS to postpone implementation of the Delivery System Reform Incentive Payment (DSRIP) Pool of funds by one year, so that it will begin in demonstration year 3 (2015) instead of demonstration year 2 (2014).

The state's full public notice, which describes the proposed amendment in more detail, can be found on the KanCare website at:

http://www.kancare.ks.gov/download/KanCare_1115_Amendment_Public_Notice.pdf

The draft KanCare amendment can be viewed directly in Room 900, Landon State Office Building, 900 S.W. Jackson, Topeka, or at the KanCare website at:

http://www.kancare.ks.gov/download/KanCare_1115_Amendment_Public_Comment.pdf

KDHE will hold two public meetings to solicit comments on the KanCare amendment:

- July 15 at 2 p.m.
  Wichita State University Metroplex
  Multipurpose Room
  5015 E. 29th St. North, Wichita
- July 16 at 10 a.m.
  Downtown Ramada, Madison Ball Room
  420 S.E. 6th St., Topeka

The state is also making teleconference access available for the July 16 meeting. The participant dial-in number for the event will be 866-491-3158.

Any individual with a disability may request accommodation in order to participate in either meeting. Requests for accommodation should be made at least two working days in advance of the meeting by contacting KanCare@kdheks.gov or by calling Rita Haverkamp at 785-296-5107.

Comments on this proposed demonstration amendment can be emailed to KanCare@kdheks.gov or mailed to KDHE-DHCF, Attn: Rita Haverkamp, Room 900, Landon State Office Building, 900 S.W. Jackson, Topeka, 66612. KDHE will be accepting public comments until July 29, 2013.

Kari Bruffett, Director
Division of Health Care Finance

Doc. No. 041673

State of Kansas

Children's Cabinet and Trust Fund

Request for Proposals

The Kansas Children's Cabinet and Trust Fund announces the release of a request for proposals to provide evaluation services. The qualified contract will conduct ongoing, multi-site evaluation of the ECBG program. The Kansas Children's Cabinet and Trust Fund is seeking consultants, consulting firms or organizations with the experience, qualifications and capacity to provide evaluation services of the Kansas Early Childhood Block Grantees. It is anticipated that evaluation activities will include creation of an evaluation plan, data collection and analysis, interpretation of results, report writing and dissemination of results. Preference will be given to those consultants or consulting firms based in Kansas.

The funding period will be from July 30, 2013 to June 30, 2014, with a maximum award amount of $300,000. These are one-year grants with option of one renewal possible depending on funding and outcomes. Complete proposals include one original and five copies and may be sent to the Kansas Children's Cabinet and Trust Fund, Room 152, Landon State Office Building, 900 S.W. Jackson, Topeka, 66612. Proposals must be received not later than 5 p.m. July 11, 2013. A PDF file of the application also is required by the deadline date and may be emailed to Dyogga Adegbore, program consultant, KCCTF, at dyogga.adegbore@dcf.ks.gov.

Jim Redmon
Executive Director

Doc. No. 041675

Attachment B: Public Notice and Email Notification

Division of Health Care Finance
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Robert Moser, MD, Secretary
Department of Health & Environment
Sam Brownback, Governor

KanCare
Section 1115 Demonstration Amendment

PUBLIC NOTICE

June 27, 2013

The State of Kansas, Department of Health and Environment (KDHE) hereby notifies the public that it intends to seek an amendment to the KanCare Section 1115 demonstration (11-W-00283/7) from the Centers for Medicare & Medicaid Services (CMS). A copy of the proposed amendment is available at:

http://www.kancare.ks.gov/download/KanCare_1115_Amendment_Public_Comment.pdf

It is also available in person at 900 SW Jackson, Room 900, Topeka, Kansas. KDHE is providing this notice to open a formal public comment period and public consultation process pursuant to CMS requirements in the KanCare Special Terms and Conditions (STCs) and 42 C.F.R § 431.408.

Proposed Amendment Description, Goals, and Objectives

The State will request CMS approval to implement three changes to KanCare, effective January 1, 2014: (1) provide long term supports and services (LTSS) for individuals with intellectual or developmental disabilities through KanCare managed care plans; (2) establish three pilot programs to support employment and alternatives to Medicaid; and (3) change the timeline for the Delivery System Reform Incentive Payment (DSRIP) Pool.

(1) Long Term Services and Supports for Individuals with Intellectual or Developmental Disabilities

Under the current waiver, specialized services for individuals with developmental disabilities are carved out from the Medicaid managed care organization (MCO) benefit package and are paid on a fee-for-service basis. The carved-out services are LTSS authorized through the Intellectual Disabilities/Developmental Disabilities (ID/DD) waiver (KS-0224) and State Plan Targeted Case Management (TCM), screening services, and positive behavioral supports for the ID/DD population. The current waiver also authorizes KDHE to operate a voluntary ID/DD Services pilot program in demonstration year (DY) 1 to help members, providers, and the MCOs transition to providing LTSS through KanCare.

The State will request CMS approval to no longer carve out these specialized services and to provide LTSS to individuals with intellectual or developmental disabilities through the KanCare managed care plans. Inclusion in managed care will provide a more robust set of care management resources and more complete integration of LTSS, physical, and behavioral health services. Under state law for fiscal years 2014 and 2015, enrollees may keep their targeted case managers, and they may keep current LTSS providers on their service plans even if they are not in-network for 6 months, among many other protections.

The State believes that including these services in KanCare will result in better access to services and improved quality of care for KanCare enrollees with intellectual or developmental disabilities, provide stable

reimbursement rates for providers, and incentivize MCOs to keep individuals in a less costly home environment. The draft KanCare evaluation design submitted to CMS in April incorporated measures related to LTSS for members with intellectual or developmental disabilities. For more information, please see the draft evaluation design at http://www.kancare.ks.gov/download/KanCare_Draft_Evaluation_Design.pdf.

(2) Pilot Programs to Support Employment and Alternatives to Medicaid

The State will also request CMS approval to implement three pilot programs designed to support Kansans who might otherwise be enrolled in Medicaid.

- **Social Security Alternative Pilot.** This pilot will provide health care coverage and employment support services for up to 200 individuals age 18 and over who meet Social Security Administration (SSA) criteria for disability, but who have not yet applied for Supplemental Security Income (SSI) or Social Security Disability (SSDI) cash benefits or Medicaid coverage. The program will offer services including: benefits planning by Benefits Specialists; funding for personal care and employment support services for individuals with a demonstrated need, capped at $1,500 per month; "Medicaid-like coverage" until individuals obtain employer-sponsored health insurance; and assistance to obtain employment. Cost sharing will be consistent with the Kansas Medicaid Buy-In Program, *Working Healthy*. The goal of the program is to place individuals with disabilities, particularly young adults, on an employment trajectory to avoid outcomes that result from unemployment and dependence on benefits. The State will evaluate the pilot by measuring income compared to SSI/SSDI cash benefits; cost avoidance to the Social Security system; improved health and quality of life as reported by participants; and program satisfaction.

- **SSI Employment Support Pilot.** This program will promote employment for individuals with disabilities by providing personal and employment support services to those individuals who are employed. The pilot will be available to up to 400 individuals between the ages of 16 and 60 who are currently on the waiting lists for the Home and Community-Based Services (HCBS) ID/DD and the Physical Disability (PD) waivers. It will offer services including: benefits planning by Benefits Specialists; funding for personal care and employment support services, capped at $1,500 per month; Medicaid services under KanCare or, if eligible for employer-sponsored health insurance, Medicaid wrap-around services as long as the participant remains eligible for Medicaid; and assistance to obtain employment. Because participants are SSI recipients, there will be no premium, cost-sharing or spenddown required. Participants who leave the pilot for any reason will return to the HCBS waiting list with the same request date they had prior to joining the pilot. KDHE will evaluate the SSI Employment Support Pilot by assessing whether the pilot results in lower physical and behavioral health costs; improved health and quality of life as reported by participants; increased earnings and taxes paid; decreased reliance on benefits; and program satisfaction.

- **Health Account Pilot.** This program will offer an alternative to transitional Medicaid, using a Health Account model, to determine whether this model more effectively transitions participants to private health insurance through KanCare MCOs or health benefit exchanges. The program will give to up to 500 individuals eligible for TransMed, the Kansas transitional Medicaid program, the option of purchasing health care with a pre-loaded debit card worth $2,000 instead of enrolling in TransMed. Participants can use the debit card to purchase qualifying health services or pay health insurance premiums, co-pays, and deductibles. Participants may also purchase basic health coverage through a KanCare MCO. The account may be renewed annually for up to three years, and participants would retain the balance in their accounts even if their incomes would make them otherwise ineligible for Medicaid during the time they are participating. Individuals choosing this option would waive their right to Medicaid eligibility for one year after their participation in the pilot ends, with exceptions for certain qualifying events, including loss of employment or a change in household composition (including pregnancy). Participants who become disabled and receive SSI or SSDI or turn age 65 may

qualify for Medicaid under the Kansas Medicare Savings program. KDHE will evaluate the Health Account Pilot by assessing whether participants successfully transition to employer-based health insurance.

(3) Changes to Timeline for Delivery system Reform Incentive Payment (DSRIP) Pool

Under the current waiver, CMS has approved a DSRIP Pool of funds in DY 2 through DY 5 (2014-2017) for the development of a program of activity that supports participating hospitals' efforts to enhance access to health care, quality of care, and the health of the patients and families they serve. KDHE proposes delaying the implementation of the DSRIP Pool for one year, from DY 2 (2014) to DY 3 (2015), to allow the State and CMS to focus on other critical activities related to the KanCare demonstration. KDHE proposes to maintain Uncompensated Care pool payment limits in DY 2 at the level currently approved for DY 1.

Annual Enrollment and Annual Expenditures

The following table summarizes Kansas Medicaid population expenditures and enrollment for populations included in KanCare, both historically as well as the period of the demonstration. Historical years are shown as State Fiscal Years, while Demonstration years are shown as Calendar Years. LTSS for individuals with ID/DD were not included in managed care in CY 2013, but associated expenditures are included in KanCare budget neutrality and the table below.

Historical	SFY 07	SFY 08	SFY 09	SFY 10	SFY 11	Average Trend
Medicaid Enrollment (member months)	2,850,800	2,790,087	2,853,568	3,114,678	3,388,370	4.41%
Medicaid Population Expenditures	$ 1,946,968,416	$ 2,140,606,790	$ 2,291,098,906	$ 2,320,065,777	$ 2,566,076,170	7.15%

KanCare	CY 2013*	CY 2014	CY 2015	CY 2016	CY 2017	Average Trend
Medicaid Enrollment (member months)	4,252,688	4,391,835	4,545,651	4,707,540	4,870,306	3.45%
Medicaid Population Expenditures	$ 2,756,702,668	$ 2,857,398,803	$ 3,002,455,649	$ 3,246,958,636	$ 3,405,962,099	5.43%

* LTSS for individuals with Intellectual/Developmental Disabilities were not included in KanCare in CY 2013, but associated expenditures are included in this table.

Details of the effects of the inclusion of LTSS, as well as the pilots and change in timeline for the DSRIP pool, are included in the draft amendment at:
http://www.kancare.ks.gov/download/KanCare_1115_Amendment_Public_Comment.pdf

Hypothesis and Evaluation Parameters

The evaluation parameters for each initiative are described above. The State will test the following research hypotheses though these programs:

- Providing LTSS to individuals with intellectual or developmental disabilities through the KanCare managed care plans will result in better access to services and improved quality of care, provide stable reimbursement rates for provides, and incentivize MCOs to keep individuals in a less costly home environment.
- Alternatives to Medicaid will promote employment and self-sufficiency.

Waivers/Costs Not Otherwise Matchable

The State has not identified any additional waiver or expenditure authority necessary for the LTSS and DSRIP initiatives. However, the State will request the following additional authority for the pilot programs to support employment and alternatives to Medicaid.

Waivers

- Section 1902(a)(32) (direct payment to providers) to enable Kansas to provide a monthly funding allocation to participants in the Social Security Alternative Pilot and the SSI Employment Support Pilot, to pay for personal and employment support services.
- Section 1902(a)(10)(A) (mandatory eligibility groups) to enable Kansas to require participants in the Health Account Pilot to waive Medicaid eligibility for the 12 months following participation in the pilot. The waiver of eligibility would not apply to certain participants who become disabled and receive SSI or SSDI, or turn age 65.
- Sections 1902(a)(3) and 1902(a)(8) (reasonable promptness) to enable Kansas to not enroll participants in the Health Account Pilot in Medicaid for the 12 months following participation in the pilot.

Costs Not Otherwise Matchable

- Expenditures to provide employment assistance and Medicaid-like coverage to participants in the Social Security Alternative Pilot.
- Expenditures to provide employment assistance and Medicaid coverage and/or wrap-around coverage to participants in the SSI Employment Support Pilot.
- Expenditures to provide pre-loaded debit cards to participants in the Health Account Pilot, which can be used to purchase health services or pay health insurance premiums, co-pays, and deductibles.

Medicaid Requirements Not Applicable

- Sections 1916 and 1916A (premiums and cost sharing) to allow Kansas to charge premiums for the Social Security Alternative Pilot consistent with the *Working Healthy* program.

Comments and Public Input Process

Please submit any written comments or questions on the proposed amendment to KanCare@kdheks.gov or ATTN: Rita Haverkamp, KDHE-DHCF, 900 SW Jackson, Room 900, Topeka, 66612. Comments will be accepted for consideration until **July 29, 2013**.

KDHE will also hold two public meetings to solicit comments on the proposed amendment:

- **July 15, 2013, at 2 p.m.**
  Wichita State University Metroplex, Multipurpose Room
  5015 E. 29th St. N
  Wichita, KS

- **July 16, 2013, at 10 a.m.**
  Downtown Ramada, Madison Ball Room
  420 SE 6th St.
  Topeka, KS

The State will provide teleconference access for the July 16 meeting. The participant dial-in number for the event will be 866-491-3158.

Any individual with a disability may request accommodation in order to participate in either meeting. Requests for accommodation should be made at least two working days in advance of the meeting by contacting KanCare@kdheks.gov or by calling Rita Haverkamp at (785) 296-5107.

Miranda Steele

From: KanCare
Sent: Thursday, June 27, 2013 8:58 AM
Cc: KanCare
Subject: Notice of Meetings on KanCare Demonstration Amendment
Attachments: KanCare 1115 Amendment Public Notice.pdf

Notice of Meetings on KanCare Demonstration Amendment

The State of Kansas, Department of Health & Environment (KDHE), intends to seek an amendment to the KanCare Section 1115 demonstration (11-W-00283/7) from the Centers for Medicare & Medicaid Services (CMS). The full public notice, which describes the proposed amendment in more detail, is attached and available on the KanCare website, at www.kancare.ks.gov/download/KanCare_1115_Amendment_Public_Notice.pdf .

KDHE plans to request CMS approval for three changes to KanCare, effective January 1, 2014. First, KDHE will ask CMS for approval to provide long term supports and services (LTSS) to individuals with intellectual or developmental disabilities through the KanCare managed care plans. Under the current waiver, these services are carved out from managed care and paid on a fee-for-service basis. Second, KDHE will ask CMS to approve three new pilot programs designed to support Kansans who might otherwise be enrolled in Medicaid: (1) a Social Security Alternative Pilot; (2) a Supplemental Security Income (SSI) Employment Support Pilot; and (3) a Health Account Pilot. Third, KDHE will ask CMS to postpone implementation of the Delivery System Reform Incentive Payment (DSRIP) Pool of funds by one year, so that it will begin in demonstration year 3 (2015) instead of demonstration year 2 (2014).

The draft KanCare amendment can be viewed directly at 900 S.W. Jackson, Room 900, Topeka, or at the KanCare website, at:

www.kancare.ks.gov/download/KanCare_1115_Amendment_Public_Comment.pdf

KDHE will hold two public meetings to solicit comments on the KanCare amendment:

- July 15 at 2 p.m.
  Wichita State University Metroplex, Multipurpose Room
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Comments on this proposed demonstration amendment can be emailed to KanCare@kdheks.gov, or mailed to ATTN: Rita Haverkamp, KDHE-DHCF, 900 SW Jackson, Room 900, Topeka, 66612. KDHE will be accepting public comments until **July 29, 2013**.

Attachment C: Public Comment and State Response

The State of Kansas solicited public comment on its request for CMS approval of an amendment to the KanCare Section 1115 demonstration project which would enable the State to implement three changes to KanCare, effective January 1, 2014: (1) provide long term supports and services (LTSS) for individual with intellectual or developmental disabilities through KanCare managed care plans; (2) establish three pilot programs to support employment and alternatives to Medicaid; and (3) change the timeline for the Delivery System Reform Incentive Payment (DSRIP) Pool.

In addition to conducting two public forums and two consultations with tribal leaders and I/T/U providers, the State also opened a formal comment period that officially closed on July 29, accepting email and written comments. Those comments can be viewed on the KanCare website, at: http://www.kancare.ks.gov/download/KanCare_1115_Public_Comments_on_Draft_Amendment.pdf.

The feedback received during the public comment timeframe focused on the following themes:

1. ID/DD services and supports: Families of individuals with ID/DD and providers of ID/DD services raised concern about managed care organizations dismantling existing long term services and supports in place for individuals with ID/DD.

   State response: The State agrees that maintaining and building upon the service infrastructure that supports members with intellectual or developmental disabilities is key to the successful implementation of managed long term services and supports. The State, in accordance with a 2013 legislative budget proviso, has outlined specific protections for existing service networks, including a 180-day continuity of care window. As outlined in the proposed amendment, those protections provide that:

   - Enrollees may keep their targeted case managers, provided those case managers are employed with community developmental disability organizations (CDDOs) or CDDO subcontractors.
   - Enrollees may keep current LTSS providers on their approved service plans, even if those providers are not in the network, for 180 days from January 1, 2014, or until a service plan is completed and either agreed upon by the enrollee or resolved through the appeals or a fair hearing process and implemented.
   - Enrollees using ID/DD residential providers may access those providers up to one year from January 1, 2014, regardless of contracting status.
   - The MCOs must comply with the specific powers and duties of the CDDOs provided in Kansas law. They also must contract with at least two providers serving each county for each covered LTSS in the benefit package for the enrollees with intellectual or developmental disabilities (unless the county has an insufficient number of providers), and must make at least three contract offers to all LTSS providers serving such enrollees at or above the state-set fee for service rate.
   - In 2014, the State will conduct an educational tour to provide information for enrollees with intellectual or developmental disabilities and LTSS providers. The State also will review, in the first 180 days of 2014, each MCO's ID/DD service

planning process, and will conduct, in 2014 and 2015, training for each MCO to ensure that they understand the DD services system.

- The Kansas Department for Aging and Disabilities Services (KDADS) will, in fiscal years 2014 and 2015, review and approve all plans of care for ID/DD waiver members for which a reduction, suspension or termination of services is proposed.

2. ID/DD pilot: Some stakeholders from the ID/DD community raised concerns about whether the ID/DD pilot has accomplished its aims.

   State response: The three main objectives of the ID/DD pilot, as developed by the blue-ribbon advisory committee of ID/DD stakeholders, are as follows: (**1**) Develop relationships and shared understanding between MCOs and ID/DD system; (**2**) define how services and service delivery will look under KanCare on January 1, 2014; and (**3**) develop and test billing processes for January 1, 2014 inclusion.

   Objective (**1**): The three MCOs were asked by the state to begin meeting regularly with the Pilot Committee in October 2012. For the last ten months, the MCOs have been active participants in every one of the Pilot Committee's bi-weekly meetings, and as a result both the MCOs and the ID/DD community have learned about the roles each play and how they each carry out their separate functions.

   In addition to developing shared understanding of how the other operates, the MCOs have each created ID/DD-specific teams. Each team is led by individuals who formerly worked in the Kansas ID/DD system, and who have intimate knowledge and appreciation for the concerns of providers and consumers in Kansas. With this background and insight, each one of the health plans have launched (pilot) participant-specific outreach initiatives designed to collaborate directly with the ID/DD community.

   Break-out sessions between MCOs and the Challenging Behaviors and Employment First Work Groups have been ongoing in an effort to increase the MCOs' knowledge of some of the more complex issues facing the ID/DD system. Two rounds of State and MCO ID/DD Pilot training tours have already been conducted, one in the first week of June, and the most recent in July. These sessions were designed with the intention of allowing all active participants (members and providers) an opportunity to ask questions, raise concerns, and get support materials for the transition. The meetings have given providers an opportunity to ask the MCOs questions and to work with providers on completing the contracting and credentialing processes.

   The State has also completed an initial survey of participants and their guardians to develop a baseline level of their current knowledge of KanCare. Additionally, the State is ready to pilot a new web application for reporting critical incidents and has asked providers in the pilot to provide feedback on the functionality of the system.

   Objective (**2**): The Pilot Committee, the State, and all three MCOs agree that service delivery and the assessment/tiering for those services should remain in the hands of the

Community Developmental Disability Organizations, their affiliate community service providers, and the targeted case managers.

Objective (**3**): Establishing and testing billing processes for ID/DD services under KanCare has been one of the key elements that the Pilot Committee added. However, until the close of legislative session, some providers were hesitant to begin detailed discussions regarding IT requirements and synchronization among the MCOs, the state and provider billing mechanisms. Explicit discussions about how the billing procedures would work began the first week of June.

The current emphasis moving ahead is getting the billing component correct the first time. Stakeholders in our workgroups have provided solid guidance on the specific situation of the ID/DD population. The billing process is being developed to minimize impact on the current system while properly testing the billing and payment of claims under the pilot.

3. Payment delays/billing: Several providers of ID/DD services expressed concern about timely claims payment under KanCare, citing delays to providers of other services currently under KanCare.

   State response: The KanCare contract holds the MCOs to stringent payment guidelines and timeframes in accordance with state and federal law. This includes performance measures for timely claims processing, credentialing processing, and appeals. The State, along with the three MCOs, has developed multiple avenues of support for providers who are seeking answers to questions about billing, including, but not limited to, rapid response calls, issues logs, and a provider assistance dial-in line.

4. Social Security Alternative Pilot: Some stakeholders expressed concern about the 6-month window for employment in the draft amendment, citing that period of time as being too short. Additional concern was expressed that pilot participants would not be adequately educated about their benefits, and the impact those benefits would have on their Social Security.

   State response: Based on this input, “Medicaid-like” coverage will continue for twelve months to allow adequate time for the pilot participant to become employed. Further, language was added in the pilot description specifically outlining the certified Benefits Specialists’ role to include an explanation to the participant of the impact of employment and participation in the pilot on Social Security and other benefits.

   Additionally, multiple State agencies (the Kansas Department of Health and Environment, Kansas Department for Aging and Disabilities, and Kansas Department for Children and Families) are collaborating to coordinate existing programs for employment services that will support Social Security Alternative and SSI Employment Support Pilot participants as they seek and obtain employment. KDHE is also exploring private funding to conduct an evaluation of the Social Security Alternative Pilot.

5. Health Account Pilot: A stakeholder group, Kansas Action for Children, pointed out that the draft amendment did not specify whether children would be included in the Health Account Pilot, and recommended that children be excluded from pilot participation.

   State response: We agree that it was not clear in the proposal published for public comment that the Health Account Pilot is designed for adults 19 years and older. Children in the household will continue to receive KanCare coverage. This has been clarified in the final version of the proposed amendment.

Attachment D:

Notice to Tribal Governments, Indian Health Programs and Urban Indian Organizations
Amendment to KanCare Section 1115 Demonstration
June 7, 2013

The State of Kansas, Department of Health and Environment (KDHE) hereby notifies tribal governments, Indian health programs, and Urban Indian organizations in Kansas that it intends to seek an amendment to the KanCare Section 1115 demonstration (11-W-00283/7) from the Centers for Medicare & Medicaid Services (CMS). The KanCare demonstration was approved by CMS on December 27, 2012, and is effective from January 1, 2013, through December 31, 2017. The State is seeking advice and feedback from federally recognized tribes, Indian health programs, and Urban Indian organizations regarding the intended changes.

Proposed Amendment

As discussed during the Tribal Technical Advisory Group meeting on June 4, KDHE intends to request CMS approval for three changes to KanCare, effective January 1, 2014. As described below, the changes relate to (1) long term supports and services (LTSS) for individuals with intellectual or developmental disabilities; (2) pilot programs to support employment and alternatives to Medicaid; and (3) the timeline for the Delivery System Reform Incentive Payment (DSRIP) Pool.

(1) Long Term Supports and Services for Individuals with Intellectual or Developmental Disabilities

Under the current KanCare Section 1115 demonstration, specialized services for individuals with intellectual or developmental disabilities are carved out from the Medicaid managed care organization (MCO) benefit package and are paid on a fee-for-service basis. The carved-out services are LTSS authorized through the Intellectual Disabilities/Developmental Disabilities (ID/DD) (MR/DD) waiver (KS-0224) and state plan Targeted Case Management (TCM) and screening services. The current waiver also authorizes KDHE to operate a voluntary ID/DD services pilot program in demonstration year 1. The goals of the ID/DD services pilot are to:

- Help ID/DD service providers acclimate to the managed care system before full implementation;
- Help persons served and their family members/guardians learn about and get accustomed to the managed care system before full implementation;
- Help the MCOs gain a deeper understanding of the ID/DD service system before full implementation;
- Demonstrate that including ID/DD services in KanCare with other Medicaid services will improve coordination of, and access to, needed services;
- Assist TCM with care coordination to address behavioral health, employment issues, and other challenges.

Participants in the ID/DD services pilot have access to a number of additional benefits, including: targeted assistance with specific care management issues; a more robust set of care

management resources; individualized training and information about KanCare; and an array of value-added services focused on individuals with developmental disabilities.

In the planned amendment, the State of Kansas intends to request CMS approval to no longer carve out these specialized services and to provide LTSS to individuals with intellectual or developmental disabilities through the KanCare managed care plans. The State believes this will result in better access to services and improved quality of care for KanCare enrollees with intellectual or developmental disabilities.

(2) Pilot Programs to Support Employment and Alternatives to Medicaid

KDHE will ask CMS to approve three new pilot programs designed to support Kansans who might otherwise be enrolled in Medicaid.

- Social Security Alternative Pilot. KDHE will establish a pilot program for up to 200 individuals who meet the Social Security Administration (SSA) criteria for disability, but who have not yet been determined eligible for Social Security (SSI/SSDI) cash benefits or Medicaid coverage. The program will offer services including: benefits planning by Benefits Specialists; personal care and employment support services; Medicaid-like coverage until individuals become employed and obtain employer-sponsored health insurance; and assistance to obtain employment. The goal of the program is to place individuals with disabilities, particularly young adults, on an employment trajectory to avoid outcomes that result from unemployment and dependence on benefits.

- Supplemental Security Income (SSI) Employment Support Pilot. KDHE will establish an employment pilot program for up to 400 individuals between the ages of 16 and 60 who are currently on waiting lists for the Home and Community-Based Services (HCBS) ID/DD or Physical Disability (PD) waivers. The program will offer services necessary to support independent living and employment, including: benefits planning by Benefits Specialists; personal care and employment support services; Medicaid-like coverage until individuals become employed and obtain employer-sponsored health insurance; and assistance to obtain employment. By engaging members in the workforce and providing these services, the program aims to promote increased self-reliance and decreased dependence on federal and state systems, while at the same time improving health outcomes and quality of life.

- Alternatives to Medicaid. KDHE will establish a pilot program for up to 500 people to offer a funded health account for the purpose of purchasing qualifying health services, paying health insurance premiums, co-pays and deductibles, or purchasing basic health coverage from a KanCare MCO. The account may be renewed annually for up to three years. Eligible members include those otherwise initially eligible for transitional Medicaid, and members who choose to participate in the pilot would retain the balance in their accounts even if their incomes would make them otherwise ineligible for Medicaid during the time they are participating. Individuals choosing this option would waive their right to Medicaid eligibility for one year after the pilot ends, with exceptions for certain

qualifying events, including loss of employment or a change in household composition. The pilot will offer an alternative to traditional transitional Medicaid.

(3) *Timeline for Delivery System Reform Incentive Payment (DSRIP) Pool*

Under the current waiver, CMS has approved a DSRIP Pool of funds in demonstration years 2 through 5 (2014-2017) for the development of a program of activity that supports participating hospitals' efforts to enhance access to health care, quality of care, and the health of the patients and families they serve. KDHE will ask to implement the DSRIP Pool beginning in demonstration year 3 (2015) instead of demonstration year 2 (2014). KDHE proposes to maintain Uncompensated Care pool payment limits in demonstration year 2 at the level currently approved for demonstration year 1.

Anticipated Impact on Tribal Members

KDHE believes that the KanCare waiver and the initiatives proposed in the amendment will lead to improved health care for all Kansans, including American Indians. None of the proposed changes will diminish statutory and regulatory protections for American Indian/Alaska Native members, nor will the changes affect the explicit protections for AI/AN members in the current KanCare Section 1115 demonstration. **For example, AI/AN members will continue to have the option of affirmatively opting out of managed care at the member's discretion.**

Likewise, the State's proposal will not waive other protections for tribal members and I/T/U providers (including Indian Health Service and 638 clinics). **All such protections will remain in place, including**:

- AI/AN members are exempt from payment of enrollment fees, premiums, or similar charges when they are furnished an item or service by an Indian health care provider, Indian Health Service (IHS), an Indian Tribe, Tribal Organization, or Urban Indian Organization (I/T/U*)*, or through referral under contract health service (CHS);
- AI/AN members are exempt from payment of a deductible, coinsurance, copayment, cost sharing or similar charge for any item or service covered by Medicaid if the item or service is furnished directly by an Indian health care provider, I/T/U, or through CHS;
- Full Medicaid payment rate is due to the IHS, an I/T/U or to a CHS referral health care provider for furnishing a service or item to an AI/AN member. The payments may not be reduced by the amount of any enrollment fee, premium, deduction, copayment, cost sharing or similar charge that otherwise would be due from an AI/AN person; and
- Exemption of certain income, resources and property from Medicaid Estate Recovery Act rules, as per Recovery Act, Public Law 111-5, Section 5006.

Further, specific to managed care, as per State Medicaid Director Letter 10-001, **KanCare will continue to**:

- Permit any AI/AN member who is enrolled in a non-Indian managed care entity and eligible to receive services from a participating I/T/U provider, to choose to receive covered services from that I/T/U provider, and if that I/T/U provider participates in the

network as a primary care provider, to choose that I/T/U as his or her primary care provider, as long as that provider has capacity to provide the services;

- Require each managed care entity to demonstrate that there are sufficient I/T/U providers in the network to ensure timely access to services available under the contract for AI/AN enrollees who are eligible to receive services from such providers;
- Require that I/T/U providers, whether participating in the network or not, be paid for covered Medicaid or CHIP managed care services provided to AI/AN enrollees who are eligible to receive services from such providers either (1) at a rate negotiated between the managed care entity and the I/T/U provider, or (2) if there is no negotiated rate, at a rate not less than the level and amount of payment that would be made if the provider were not an I/T/U provider; and
- Provide that the managed care entity must make prompt payment to all I/T/U providers in its network as required for payments to practitioners in individual or group practices under federal regulations at 42 CFR sections 447.45 and 447.46.

Timeline and Comments

KDHE welcomes your comments, advice and questions on the proposed amendment. To facilitate discussion, please send comments regarding this Notice by July 9, 2013, the date of the next Tribal Technical Advisory Group (TTAG) meeting, to Rita Haverkamp at the contact information listed below. You can also contact Division Director Kari Bruffett at karibruffett@kdheks.gov with questions. In addition, KDHE anticipates the draft amendment will be available on or around June 27 for public comment, and KDHE will accept written comments on that draft and accompanying public notice for 30 days after its publication.

KDHE and TTAG members plan to discuss the draft amendment at the next TTAG meeting at 10 a.m. on July 9 in Topeka. The State, tribal governments and I/T/U providers also intend to hold two in-person consultation meetings, at 10 a.m. on July 17 in White Cloud, and on July 23 in Mayetta at a time to be determined. **We invite your participation. Please advise us of your interest in participating in any of those meetings, and we will follow up with additional details.** After considering public feedback, including feedback from the tribal consultation process, KDHE intends to submit the amendment to CMS in August 2013.

Rita Haverkamp
KDHE; Division of Health Care Finance
900 SW Jackson, Room 900N
Topeka, KS 66612-1220
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Attachment E: Budget Neutrality Summary

With-Waiver Total Expenditures - Original [1]

		DEMONSTRATION YEARS					TOTAL
		CY13	CY14	CY15	CY16	CY17	
Medicaid Pop 1	ABD/SD Dual	$ 48,579,348	$ 51,255,157	$ 54,335,409	$ 59,281,166	$ 62,647,147	$ 276,098,228
Medicaid Pop 2	ABD/SD Non Dual	$ 376,599,264	$ 398,697,805	$ 424,106,447	$ 464,293,346	$ 491,292,958	$ 2,154,989,819
Medicaid Pop 3	Adults	$ 243,977,526	$ 255,620,704	$ 268,592,948	$ 290,402,295	$ 305,204,118	$ 1,363,797,590
Medicaid Pop 4	Children	$ 495,389,669	$ 519,244,077	$ 545,750,301	$ 590,238,158	$ 620,772,548	$ 2,771,394,754
Medicaid Pop 5	DD Waiver	$ 434,439,279	$ 433,191,764	$ 457,088,774	$ 496,371,206	$ 520,541,119	$ 2,341,632,142
Medicaid Pop 6	LTC	$ 912,768,880	$ 946,886,510	$ 985,898,240	$ 1,056,510,763	$ 1,100,574,749	$ 5,002,639,142
Medicaid Pop 7	MN Dual	$ 39,567,879	$ 41,360,604	$ 43,433,731	$ 46,932,439	$ 49,389,018	$ 220,683,670
Medicaid Pop 8	MN Non Dual	$ 29,241,209	$ 30,498,011	$ 31,955,518	$ 34,452,876	$ 36,175,501	$ 162,323,115
Medicaid Pop 9	Waiver	$ 176,139,615	$ 185,454,775	$ 196,191,243	$ 213,603,074	$ 224,583,645	$ 995,972,351
Pool 1	UC Pool : HCAIP	$ 41,000,000	$ 41,000,000	$ 41,000,000	$ 41,000,000	$ 41,000,000	$ 205,000,000
Pool 2	UC Pool : BCCH/LPH	$ 39,856,550	$ 29,856,550	$ 19,856,550	$ 9,856,550	$ -	$ 99,426,200
Pool 3	DSRIP	$ -	$ 10,000,000	$ 20,000,000	$ 30,000,000	$ 39,856,550	$ 99,856,550
Pilot 1	Social Security Alternative Pilot						
Pilot 2	SSI Employment Support Pilot						
Pilot 3	Health Account Pilot						
TOTAL - Original		$ 2,837,559,218	$ 2,943,065,958	$ 3,088,209,159	$ 3,332,941,872	$ 3,492,037,353	$ 15,693,813,561

With-Waiver Total Expenditures - Amendment [2]

		DEMONSTRATION YEARS					TOTAL
		CY13	CY14	CY15	CY16	CY17	
Medicaid Pop 1	ABD/SD Dual	$ 48,579,348	$ 51,255,157	$ 54,335,409	$ 59,281,166	$ 62,647,147	$ 276,098,228
Medicaid Pop 2	ABD/SD Non Dual	$ 376,599,264	$ 393,887,201	$ 419,209,487	$ 459,166,659	$ 486,074,254	$ 2,134,936,864
Medicaid Pop 3	Adults	$ 243,977,526	$ 255,620,704	$ 268,592,948	$ 290,402,295	$ 305,204,118	$ 1,363,797,590
Medicaid Pop 4	Children	$ 495,389,669	$ 519,244,077	$ 545,750,301	$ 590,238,158	$ 620,772,548	$ 2,771,394,754
Medicaid Pop 5	DD Waiver	$ 434,439,279	$ 433,191,764	$ 457,088,774	$ 496,371,206	$ 520,541,119	$ 2,341,632,142
Medicaid Pop 6	LTC	$ 912,768,880	$ 946,886,510	$ 985,898,240	$ 1,056,510,763	$ 1,100,574,749	$ 5,002,639,142
Medicaid Pop 7	MN Dual	$ 39,567,879	$ 41,360,604	$ 43,433,731	$ 46,932,439	$ 49,389,018	$ 220,683,670
Medicaid Pop 8	MN Non Dual	$ 29,241,209	$ 30,498,011	$ 31,955,518	$ 34,452,876	$ 36,175,501	$ 162,323,115
Medicaid Pop 9	Waiver	$ 176,139,615	$ 185,454,775	$ 196,191,243	$ 213,603,074	$ 224,583,645	$ 995,972,351
Pool 1	UC Pool : HCAIP	$ 41,000,000	$ 41,000,000	$ 41,000,000	$ 41,000,000	$ 41,000,000	$ 205,000,000
Pool 2	UC Pool : BCCH/LPH	$ 39,856,550	$ 39,856,550	$ 29,856,550	$ 19,856,550	$ 9,856,550	$ 139,282,750
Pool 3	DSRIP	$ -	$ -	$ 10,000,000	$ 20,000,000	$ 30,000,000	$ 60,000,000
Pilot 1	Social Security Alternative Pilot	$ -	$ 2,198,525	$ 4,411,358	$ 4,449,421	$ 4,464,667	$ 15,523,971
Pilot 2	SSI Employment Support Pilot	$ -	$ 12,010,605	$ 12,096,960	$ 12,326,686	$ 12,418,704	$ 48,852,955
Pilot 3	Health Account Pilot	$ -	$ 600,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 3,600,000
TOTAL - Amendment		$ 2,837,559,218	$ 2,953,064,483	$ 3,100,820,517	$ 3,345,591,293	$ 3,504,702,020	$ 15,741,737,532

With-Waiver Total Expenditures - Net: Amendment - Original

		DEMONSTRATION YEARS					TOTAL
		CY13	CY14	CY15	CY16	CY17	
Medicaid Pop 1	ABD/SD Dual	$ -	$ -	$ -	$ -	$ -	$ -
Medicaid Pop 2	ABD/SD Non Dual	$ -	$ (4,810,605)	$ (4,896,960)	$ (5,126,686)	$ (5,218,704)	$ (20,052,955)
Medicaid Pop 3	Adults	$ -	$ -	$ -	$ -	$ -	$ -
Medicaid Pop 4	Children	$ -	$ -	$ -	$ -	$ -	$ -
Medicaid Pop 5	DD Waiver	$ -	$ -	$ -	$ -	$ -	$ -
Medicaid Pop 6	LTC	$ -	$ -	$ -	$ -	$ -	$ -
Medicaid Pop 7	MN Dual	$ -	$ -	$ -	$ -	$ -	$ -
Medicaid Pop 8	MN Non Dual	$ -	$ -	$ -	$ -	$ -	$ -
Medicaid Pop 9	Waiver	$ -	$ -	$ -	$ -	$ -	$ -
Pool 1	UC Pool : HCAIP	$ -	$ -	$ -	$ -	$ -	$ -
Pool 2	UC Pool : BCCH/LPH	$ -	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 9,856,550	$ 39,856,550
Pool 3	DSRIP	$ -	$ (10,000,000)	$ (10,000,000)	$ (10,000,000)	$ (9,856,550)	$ (39,856,550)
Pilot 1	Social Security Alternative Pilot	$ -	$ 2,198,525	$ 4,411,358	$ 4,449,421	$ 4,464,667	$ 15,523,971
Pilot 2	SSI Employment Support Pilot	$ -	$ 12,010,605	$ 12,096,960	$ 12,326,686	$ 12,418,704	$ 48,852,955
Pilot 3	Health Account Pilot	$ -	$ 600,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 3,600,000
TOTAL - Net: Amendment - Original		$ -	$ 9,998,525	$ 12,611,358	$ 12,649,421	$ 12,664,667	$ 47,923,971

Notes

[1] "With-Waiver Total Expenditures - Original" - includes DD LTSS in KanCare for CY14-17.

[2] "With-Waiver Total Expenditures - Amendment" - SSI Employment Support Pilot includes acute care costs for ABD/SD Non Dual members enrolled in this pilot.

Attachment F: DD LTSS Analysis

	DY1 (CY 2013)	DY2 (CY2014)	DY3 (CY2015)	DY4 (CY2016)	DY5 (CY2017)	Total
DD Without Amendment	$ 434,439,279	$ 464,757,090	$ 490,917,587	$ 518,910,025	$ 544,756,492	$ 2,453,780,475
DD With Amendment	$ 434,439,279	$ 433,191,764	$ 457,088,774	$ 496,371,206	$ 520,541,119	$ 2,341,632,142
Savings	$ -	$ 31,565,326	$ 33,828,814	$ 22,538,819	$ 24,215,374	$ 112,148,332

Attachment G: Pools Summary

	DY1 (CY 2013)	DY2 (CY2014)	DY3 (CY2015)	DY4 (CY2016)	DY5 (CY2017)
UC Pool : HCAIP	$ 41,000,000	$ 41,000,000	$ 41,000,000	$ 41,000,000	$ 41,000,000
UC Pool : BCCH/LPH	$ 39,856,550	$ 39,856,550	$ 29,856,550	$ 19,856,550	$ 9,856,550
DSRIP	$ -	$ -	$ 10,000,000	$ 20,000,000	$ 30,000,000
% UC Pool	100.0%	100.0%	87.6%	75.3%	62.9%
% DSRIP	N/A	N/A	12.4%	24.7%	37.1%
Total	$ 80,856,550	$ 80,856,550	$ 80,856,550	$ 80,856,550	$ 80,856,550

Attachment H: Pilots Summary

	DY1 (CY 2013)	DY2 (CY2014)	DY3 (CY2015)	DY4 (CY2016)	DY5 (CY2017)
Social Security Alternative Pilot	$ -	$ 2,198,525	$ 4,411,358	$ 4,449,421	$ 4,464,667
SSI Employment Support Pilot	$ -	$ 12,010,605	$ 12,096,960	$ 12,326,686	$ 12,418,704
Health Account Pilot	$ -	$ 600,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Total	$ -	$ 14,809,130	$ 17,508,318	$ 17,776,107	$ 17,883,371