



KanCare Update to  
Robert G. (Bob) Bethell  
Joint Committee on Home and Community  
Based Services and KanCare Oversight

April 18, 2016

# KanCare Topics

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- KanCare Overview
- KanCare Opportunities and Next Steps
- Potential Impact of Step Therapy (2016 SB 341)
- MCO Financial Status
- MCOs Contracts
- Waiver Integration
- Health Homes Update
- General Claims Information
  - Lawrence Memorial and Newman Regional Hospital Claims Update
- Medicaid Applications Status
  - Eligibility Overview

# KanCare Overview

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- KanCare 1115 Waiver Demonstration
- Capitated risk-based managed care model
- 95% Managed Care
- Improve quality/outcomes
- Integrated, coordinated care
- Increased emphasis on health, wellness, prevention, earlier detection and intervention

# KanCare Opportunities

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- Planning for renewal of Waiver application
- Leverage public health expertise and programs
- Employ advanced data analytics and predictive modeling for program improvement and MCO oversight
- With stakeholders, explore and implement alternative payment models tied to quality and outcomes
- Provide opportunities for job training and employment

# Step Therapy

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- Ensures the use of proven & clinically effective drugs prior to use of more costly or riskier options for the same medical condition
- Utilizes a tiered system where a patient must try a drug from tier 1 before trying a drug from tier 2
  - Unless there is a clinical reason why a tier 1 medication is not appropriate for a particular patient.

# Step Therapy

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- Step Therapy classes will be reviewed and approved by Kansas Medicaid Drug Utilization Review (DUR) Board
- All mental health drugs will go through the Mental Health Medication Advisory Committee (MHMAC) for approval prior to being reviewed by the DUR board.
- Step therapy tiers will be published and available for reference.
  - As we currently publish the Preferred Drug List (PDL) and all clinical Prior Authorization Criteria.
- All 3 MCOs will follow the state approved step therapy tiers.

# MCO Financial Status Update

## MCO Profit and Loss per NAIC Filings December 31, 2014 Compared to December 31, 2015

	<u>Amerigroup</u>	<u>Sunflower</u>	<u>United</u>	<u>Total</u>
Total Revenues	\$1,004,878,927	\$1,114,952,592	\$894,366,093	\$3,014,197,612
Total hospital and medical	\$848,266,216	\$1,010,122,943	\$739,623,469	\$2,598,012,628
Claims adjustments, General Admin., Increase in reserves	<u>\$47,738,451</u>	<u>\$85,975,330</u>	<u>\$110,387,435</u>	<u>\$244,101,216</u>
<b>Net underwriting gain or (loss)</b>	\$108,874,260	\$18,854,319	\$44,355,189	\$172,083,768
<b>Net income or (loss) after capital gains tax and before all other federal income taxes</b>	\$110,566,434	\$19,126,097	\$44,355,189	\$174,047,720
Federal and foreign income taxes incurred	\$23,406,382	(\$1,664,564)		\$21,741,818
Add Back Change to Reserves	(\$55,474,368)	(\$36,968,937)		(\$92,443,305)
<b>Adjusted Net income (loss) - Through December 31, 2015</b>	<u>\$31,685,684</u>	<u>(\$16,178,276)</u>	<u>\$44,355,189</u>	<u>\$59,862,597</u>
Add Back Change to Reserves	\$52,342,878	\$4,032,851		\$56,375,729
Net income (loss) - December 31, 2014	(\$68,532,258)	(\$39,266,000)	(\$1,537,350)	(\$109,335,608)
<b>Adjusted Net income (loss) - December 31, 2014</b>	<u>(\$16,189,380)</u>	<u>(\$35,233,149)</u>	<u>(\$1,537,350)</u>	<u>(\$52,959,879)</u>
Difference from Q4 2014 to Q4 2015	<u>\$47,875,064</u>	<u>\$19,054,873</u>	<u>\$45,892,539</u>	<u>\$112,822,476</u>

# MCO Contracts

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- Stakeholder input from 8 external sessions
- KDHE and KDADS meetings to gather input
- 147 Substantive recommendations from internal and external stakeholders included in the new contract.



# Waiver Integration – What Is It?

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## Full integration of seven 1915(c) waivers into the 1115 waiver

- Entrance to HCBS will remain the same; services fall into two broader categories: adults and children
- Eligibility requirements/process remain the same
- Children will continue to be entitled to all medically necessary services identified through Early Periodic Screening Diagnosis and Treatment (EPSDT)
- All members continue to be entitled to medically necessary state plan services in KanCare
- Services will be authorized through personalized plans of care



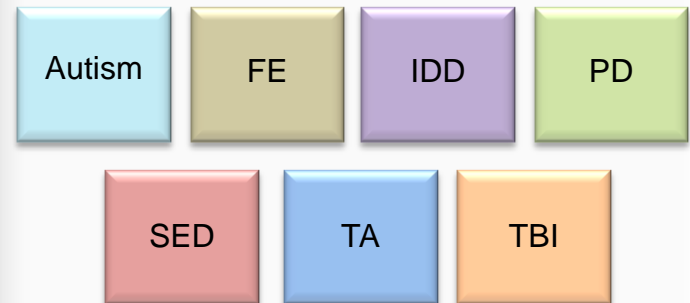
## 1115 Demonstration

- All Medicaid services in State Plan
- Gives State authority to provide all services, including 1915(c) services, through managed care to all populations
- Allows State to operate seven 1915(c)/HCBS waivers alongside the 1115 demonstration



## 1915(c) Waivers

- All HCBS waiver services provided under managed care





## 1115 Demonstration

- All Medicaid services in State Plan
- Authority to provide all services through managed care to all populations
- Includes KanCare CommunityCare (HCBS)

**Children's Benefit Plan**

**Children with Autism**  
**Children who are medically fragile and need TA**  
**Children with SED**  
**Children with IDD**  
**Youth 16+ with PD**  
**Youth 16+ with TBI**

**Adults' Benefit Plan**

**Adults who are FE**  
**Adults with IDD**  
**Adults with PD**  
**Adults with TBI**

# Waiver Integration – Update

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- WISE recommendations posted and shared at public meetings and conference calls in November 2015
- State responses to recommendations posted in January 2016
- Certain WISE focus groups re-convened in January 2016 to complete some specific tasks
- WISE reconvened to hear project update and discuss latest recommendations
- Focus group recommendations posted March 2016
- All recommendations, responses and other documents are posted at:  
[http://www.kancare.ks.gov/section\\_1115\\_waiver.htm](http://www.kancare.ks.gov/section_1115_waiver.htm)
- Waiver integration e-mail box created for stakeholder questions: [waiverintegration@kdheks.gov](mailto:waiverintegration@kdheks.gov)

# Waiver Integration – Next Steps

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- Continue to work with WISE workgroups
- Three focus groups will work on improving crisis exception process for IDD, IT issues and developing format for a unified program manual
- Fact sheets are being developed to help explain the project to consumers, families and other stakeholders
- Develop final list of services
- Develop draft 1115 amendment and post for comment

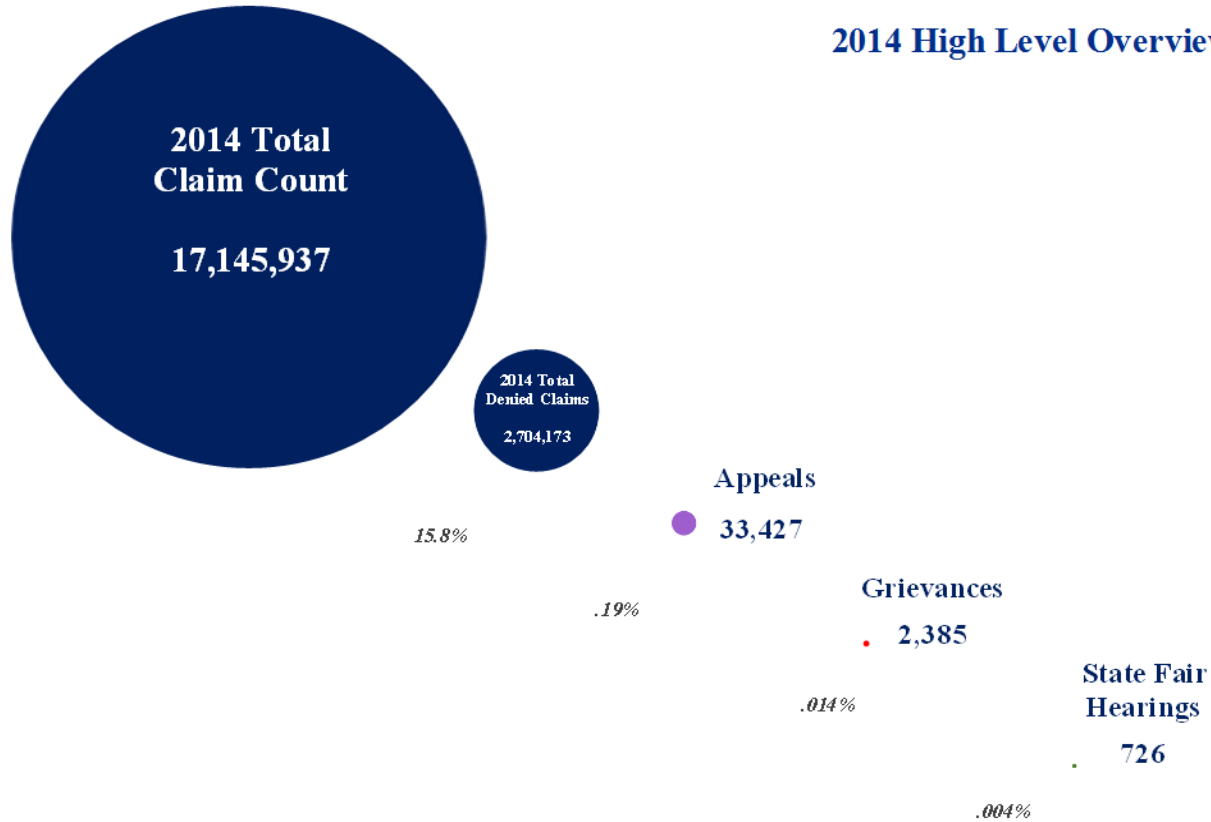
# Health Home Status

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- Health Homes members and Health Home Partners have been notified that the program is ending.
- MCOs have developed transition plans and shared those with Health Homes partners to ensure members will continue to have care coordination through either TCM or through MCO programs
- Health Homes Learning Collaborative activities are now focused on helping HHPs transition their members to other forms of care coordination

# General Claims Overview

## 2014 High Level Overview



# 2014 Total Claim Count

17,145,937

Amerigroup: 32%  
Sunflower: 39%  
United: 29%

Claim Count by Service

All other Professional Services\*

6,688,247

39%

Pharmacy

6,394,689

37.3%

Behavioral Health

1,622,539

9.5%

Hospital\*

1,103,347

6.4%

HCBS

975,779

5.7%

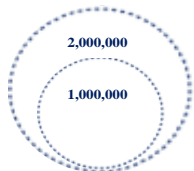
Nursing Facility

305,742

2.1%

2,000,000

1,000,000





# 2013-2016 Lawrence Memorial Hospital

Reported by All MCOs

2013-2016  
Total Claims  
Received from  
LMH:  
*All MCOs*

284,292

57%

Amerigroup

163,457 claims

29%

Denied  
Claims

47,256

24%

Sunflower

67,858 claims

19%

United

52,977 claims

12%

Denied  
Claims

8,231

12%

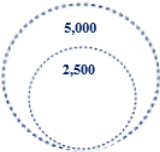
Denied  
Claims

6,395

2013-2016  
Total  
Denied  
Claims

61,882

23% to total



# 2013-2016 Newman Regional Health

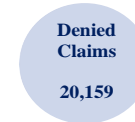
*Reported by All MCOs*



56%



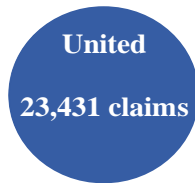
27%



26%



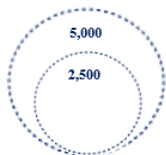
18%



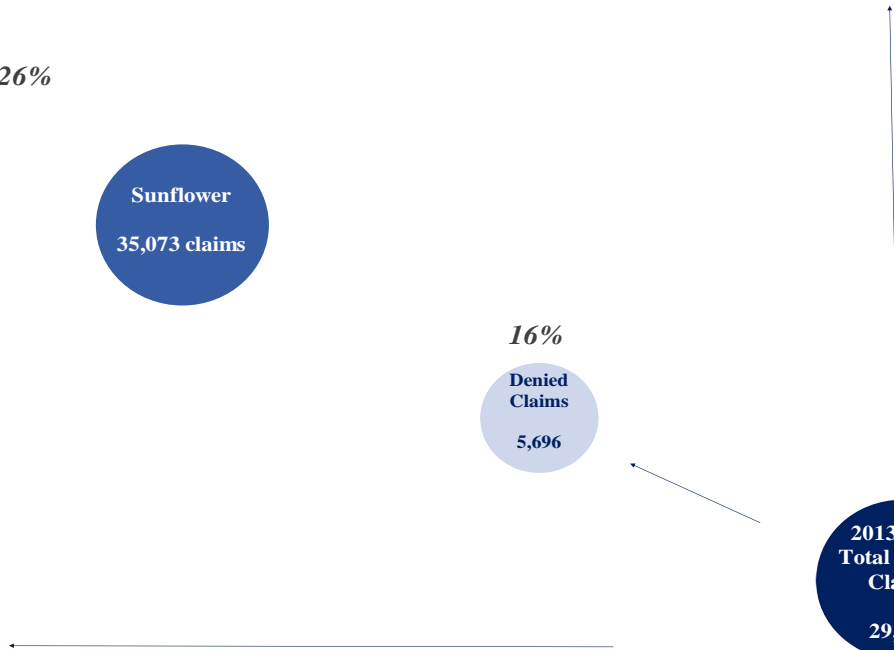
16%



15%



22% to total



# Medicaid Application Processing

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## Challenges:

- Newly implemented KEES system
- ERO-Eligibility staff moving from DCF to KDHE
- Federal Market Place enrollment period

## Strategies for Improvement:

- Staff augmentation and realignment
- Process improvements and defect resolution initiatives
- Easing Beneficiary impact

# ELIGIBILITY



# GROUPS RECEIVING MEDICAID INCLUDE:

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- Children under the age of 19
- Pregnant Women
- Low income families
- Seniors age 65 and over
- Persons determined blind or disabled by Social Security (SSDS and/or SSI) or trying to get approved for Social Security Disability

# FINANCIAL REQUIREMENTS

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- KanCare is for people with limited assets and limited income
- To qualify, a household's income and/or assets must be below the specified limit for each eligibility group. The income guidelines vary from program to program.

# FINANCIAL REQUIREMENTS (continued)

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- An asset can be defined as something of value that the household has access to, such as bank accounts, stocks, life insurance with cash values.
- Resources are only applicable to the Elderly & Disabled programs.

# Application for KanCare

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- On line application at [applyforKanCare.ks.gov](http://applyforKanCare.ks.gov) or we have paper applications
- 45 day window for approval, except for applicants that claim a disability these could be 90 days or more
- All applications for Kansas Medicaid are to be submitted to the KanCare Clearinghouse. This now includes HCBS and Nursing Home applications.



# Application for KanCare

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- Foster Care and Adoption medical cases are the only medical programs that DCF is involved with.
- Kansas does have 5 Presumptive Eligibility sites in Kansas, where Pregnant Women and children can be approved. These sites are Children Mercy in Kansas City, GraceMed in Wichita, Hunter Health Clinic in Wichita, Via Christi in Wichita, Community Health Center of South East Kansas in Pittsburg.

# Medicaid Programs for the Elderly and Disabled

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- Medicare Saving Programs
- MediKan
- Spenddowns
- Nursing Home
- HCBS

# Medicare Savings Programs

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- QMB (Qualified Medicare Beneficiary)
- LMB (Limited Medicare Beneficiary)
- ELMB (Expanded Limited Medicare Beneficiary)

# MediKan

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- PMDT or Presumptive Medical Disability, the state does our own disability determination. A person could be granted KanCare, MediKan or denied.
- MediKan is for adults without minor children and has a income limit of \$250 for a single person and \$325 for a married couple ~ resource limit of \$2000
- MediKan coverage is 100% state funded and has a lifetime limited benefits of 12 months.
- MediKan consumers are not assigned to a KanCare health plan.

# Medically Needy Program

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- Resources below \$2,000 for a single adult or \$3,000 for a couple.
- Income over \$495 will have a spenddown  
These cases are assigned to a KanCare MCO even if they have not met the spenddown.
- People who get a SSI check are not subject to a spenddown.

# Nursing Facility Medical Programs

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- Resources below \$2,000 except for Spousal Impoverishment Provisions
- Income - \$62 protected income limit = amount consumer owes the nursing facility each month
- Transfer of Property test – gifting, selling or transferring property for less than fair market value can result in a period of ineligibility for nursing home coverage
- We look back for transfers within the last 5 years
- Amount of penalty divided by about \$5,000 = months of no eligibility

# Spousal Impoverishment

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- Applies to **married couples**
- **Special resource and income rules** for an individual with a community spouse who is applying for KanCare health insurance coverage and long term care services.
- Allows a community spouse to retain resources above the \$2,000 limit.
- In some cases, long term care spouse can allocate income to the community spouse.

# Home and Community Based Services

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- Sometimes called HCBS or waivers
- Resources below \$2,000 (except for Spousal Impoverishment Provisions)
- Income - \$747 protected income limit = amount consumer owes for in home services each month. Anything over \$747 becomes a CLIENT OBLIGATION
- Individual can be in their own home or assisted living
- Services are designed to provide individuals with the least intensive level of care, who may otherwise be placed in a nursing home or hospital



# Home and Community Based Services

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- Autism Waiver
- Developmental Disability Waiver
- Physical Disability Waiver
- Technology Assisted Waiver
- Traumatic Brain Injury Waiver
- Frail Elderly Waiver
- SED

# HCBS Frail Elderly Waiver Application

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- Applies for KanCare on the Elderly and Persons with Disabilities application.
- Has to be financially and functionally eligible
- Functional eligibility is done at the Area Agencies on Aging through the Aging and Disability Resource Center (ADRC).
- HCBS services start getting paid once both financial and functional eligibility is approved and the KanCare MCO writes a plan of care.
- Transfer of Property rules apply, and most people have a Client Obligation (cost share)

# Nursing Home Application

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- Applies with the application for Elderly and Persons with Disabilities
- Will need to be screened by the ADRC to get a CARE score
- Assets will need to be below \$2,000
- Transfer of Property rules apply, and most people have a Patient Liability (cost share)
- Nursing Home application, once approved to back to the date of application for payment of services

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# For Questions on KanCare Eligibility

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- **Contact**      Russell Nittler KDHE  
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                                 [rnittler@kdheks.gov](mailto:rnittler@kdheks.gov)