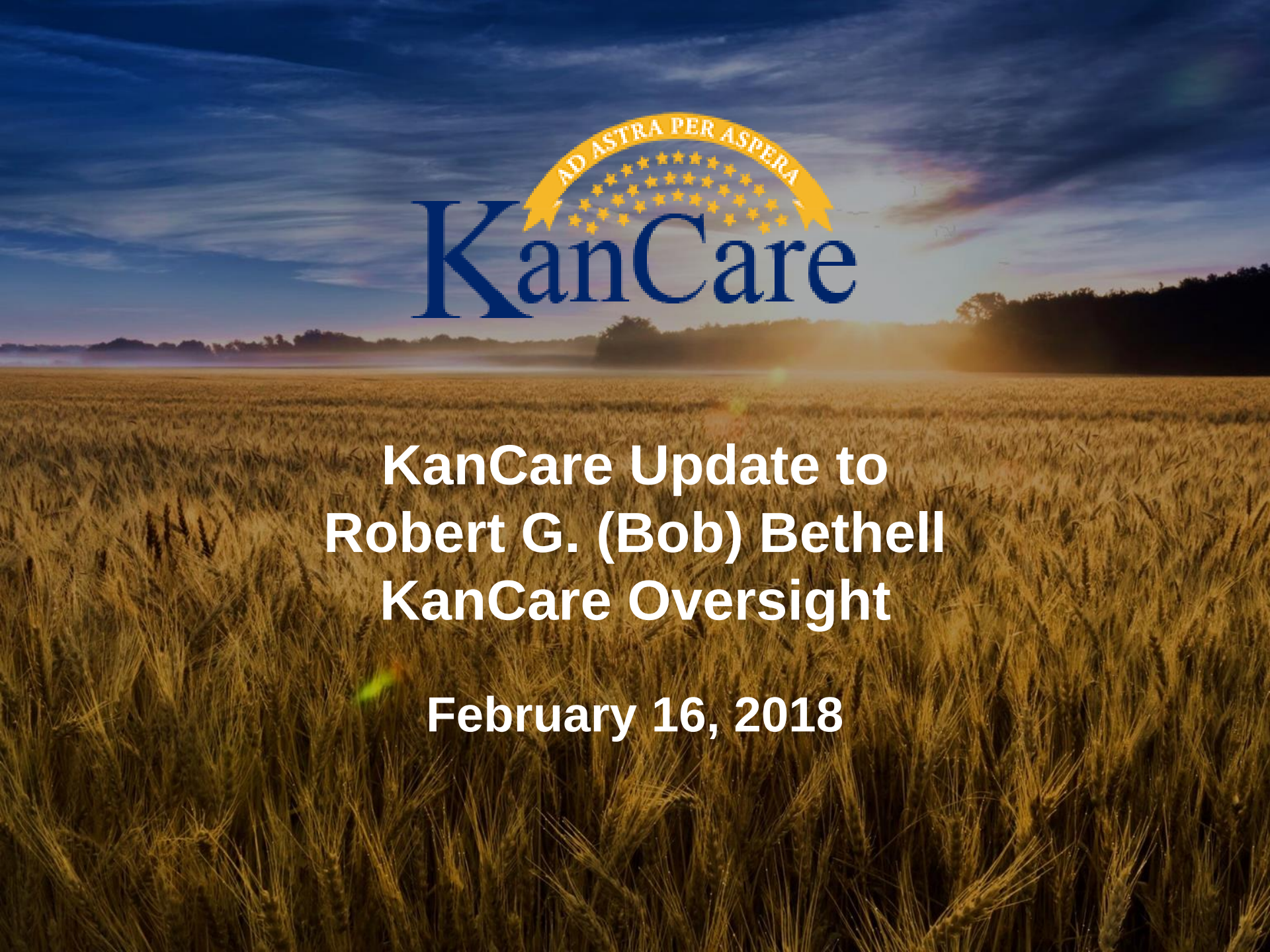

KanCare Update to Robert G. (Bob) Bethell KanCare Oversight

February 16, 2018

Agenda

- Introductions and Opening Remarks
- Stakeholder and Legislative Engagement
- KanCare Program Updates
- Data and Analytics
- Eligibility Updates
- Opioid Epidemic and Antipsychotic Use in Nursing Homes

Stakeholder and Legislative Engagement

2018 Schedule of Meetings

Month	2nd Tuesday @ 10:00	3rd Tuesday @ 10:00	4th Tuesday @ 10:00
January	9th Kansas Medical Society Kansas Hospital Association	16th Kansas Association for the Medically Underserved, KS Dental Association, Oral Health Kansas	23rd Kansas Council on DD, University Center for Excellence on DD (KU), Protection & Advocacy (DRC)
February	13th Association of CMHCs of KS, KS Association of Addiction Professionals	20th InterHab, The Alliance for DD, Kansas Association of Centers for Independent Living	27th National Alliance for the Mentally Ill, Self Advocate Coalition of KS, Keys for Networking, Families Together, K4A, KS Consumer Advisory Council for Adult Mental Health
March	13th Kansas Pharmacy Association, Kansas Independent Pharmacy Service Corporation, National Association of Chain Drugstores ARJ Infusions	20th Kansas Health Care Association, Leading Age Kansas, Kansas Adult Care Executives, Kansas Advocates for Better Care, KanCare Advocates Network	27th All groups meet
April	10th Kansas Medical Society Kansas Hospital Association	17th Kansas Association for the Medically Underserved, KS Dental Association, Oral Health Kansas	24th Kansas Council on DD, University Center for Excellence on DD (KU), Protection & Advocacy (DRC)
May	8th Association of CMHCs of KS, KS Association of Addiction Professionals	15th InterHab, The Alliance for DD, Kansas Association of Centers for Independent Living	22nd National Alliance for the Mentally Ill, Self Advocate Coalition of KS, Keys for Networking, Families Together, K4A, KS Consumer Advisory Council for Adult Mental Health
June	12th Kansas Pharmacy Association, Kansas Independent Pharmacy Service Corporation, National Association of Chain Drugstores ARJ Infusions	19th Kansas Health Care Association, Leading Age Kansas, Kansas Adult Care Executives, Kansas Advocates for Better Care, KanCare Advocates Network	26th All groups meet
July	10th Kansas Medical Society Kansas Hospital Association	17th Kansas Association for the Medically Underserved, KS Dental Association, Oral Health Kansas	24th Kansas Council on DD, University Center for Excellence on DD (KU), Protection & Advocacy (DRC)
August	14th Association of CMHCs of KS, KS Association of Addiction Professionals	21st InterHab, The Alliance for DD, Kansas Association of Centers for Independent Living	28th National Alliance for the Mentally Ill, Self Advocate Coalition of KS, Keys for Networking, Families Together, K4A, KS Consumer Advisory Council for Adult Mental Health
September	11th Kansas Pharmacy Association, Kansas Independent Pharmacy Service Corporation, National Association of Chain Drugstores ARJ Infusions	18th Kansas Health Care Association, Leading Age Kansas, Kansas Adult Care Executives, Kansas Advocates for Better Care, KanCare Advocates Network	25th All groups meet
October	9th Kansas Medical Society Kansas Hospital Association	16th Kansas Association for the Medically Underserved, KS Dental Association, Oral Health Kansas	30th Kansas Council on DD, University Center for Excellence on DD (KU), Protection & Advocacy (DRC)

Ad Hoc Engagement

Stakeholder Meetings

- 35 Meetings (15 different organizations)

Legislator Meetings

- 17 meetings

Testimony Provided

- 12 times

Meetings Refused

- 0

January 8 – Feb 16 (24 days)

Success Together

340 B Pharmacy Policy

- KHA, KAMU, and legislators

10 Days to request continuation of Services

- Disability Rights Center, Molly Wood

Telehealth for Speech and Hearing Services

- Greenbush, Representatives Kelly and Murnan

Data Requests / Legislative Collaboration

- KAMU – Dental data (3 days)
- KAMU – New Project with State and KUMC
- NAMI – Medicaid removal / reauthorization of services
- HB 2591, SB 300

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Working Items

Provider Module Upgrade – 4 Week Downtime

- Working with KHA, KAMU, KMS, and ACHMCK

Autism Capacity

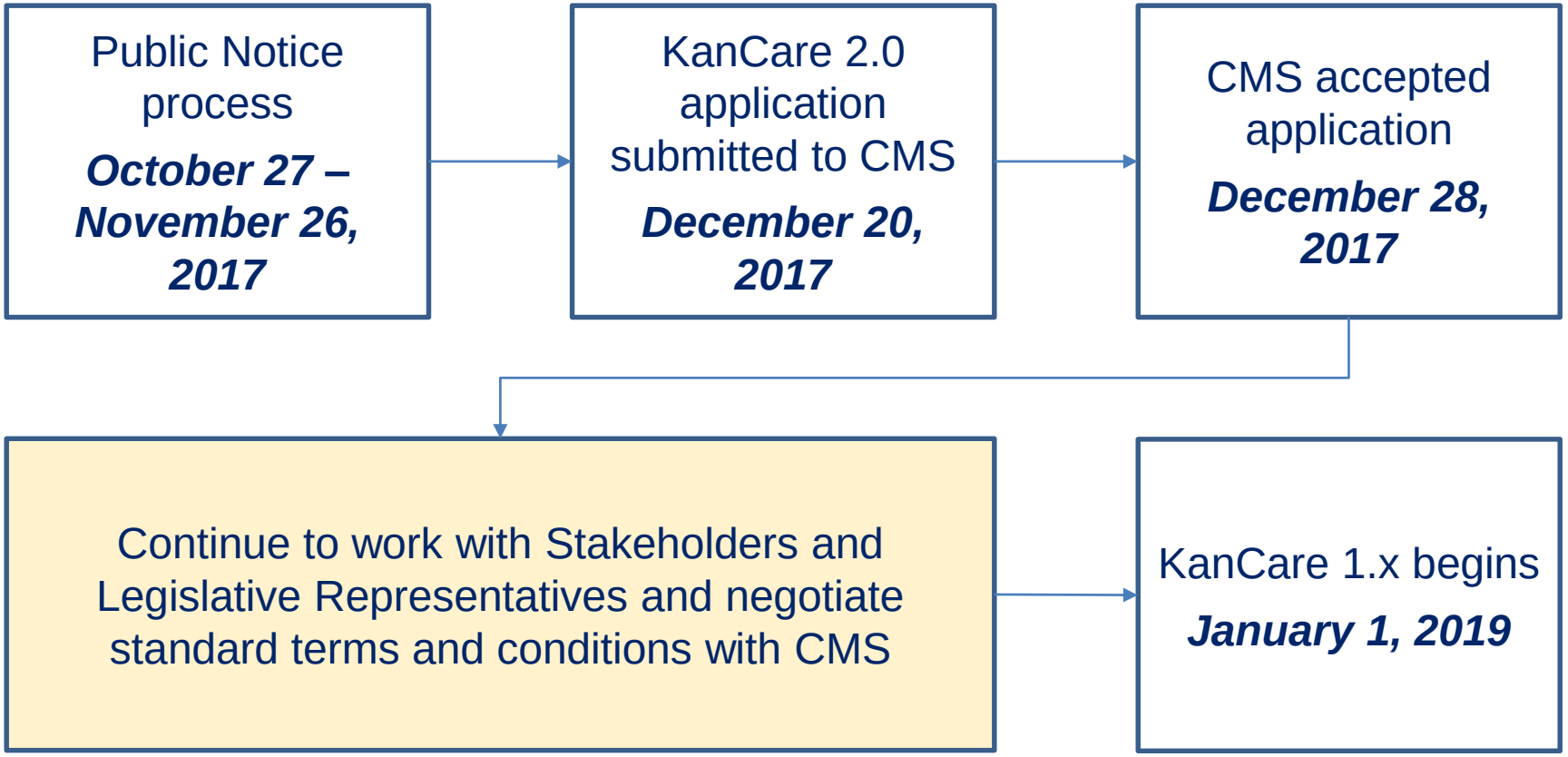
- Process to become provider
- Medicaid reimbursement versus private insurance
- Service delivery (in schools, health facilities, and telehealth)

Quality and Audit Capacity

- Contractor auditing (DXE, Maximus, and MCOs)
- In-house auditing (Outstation workers, PE staff, and KDADS)
- Provider auditing (claims match encounters)
- Member service verification

KanCare Program Updates

1115 Waiver Application Timeline



CHIP Reauthorization

- After a short Federal Government shutdown, Congress passed a Continuing Resolution on January 23, 2018 which funded CHIP in full for an additional six (6) years
- Budget bill passed which funded CHIP in full for an additional ten (10) years
- System updates included in a off-cycle release which was not implemented (increasing eligibility up to 251% FPL, ages 19 and under)

HB 2026 Updates

- Medicaid Policy to not allow MCOs to deny contracts to pharmacies who meet requirements (Policy effective 2/5/2018)

- Standardizing Provider Enrollment
  - Provider Module Upgrade (March 2018)

- Standardizing Prior Authorizations
  - Next meeting with KHA and MCOs in February

- Independent Auditor RFP posted: EVT0005653, “Audit Services of Medicaid Managed Care Organizations,” Bid closing date 3/6/2018

Working Healthy / WORK Updates

- Employment resulted in the elimination of Federal cash subsidies/benefits: **78 members**
- Members earning over $ 1,100.00 / month: **168 members**
- Members who have worked their way off of Working Healthy: **2 members**

KanCare Utilization

- Members have used their Primary Care Physician 2% more with KanCare.
- Members are more likely to attend their appointments; Transportation up 109%.
- Costly inpatient hospital stays have been reduced by 15%.
- Emergency Room use down by 3%.

KanCare Utilization KanCare vs. Pre-KanCare (2012)	
Type of Service	% Utilization Difference
Primary Care Physician	2%
Transporation NEMT	109%
Outpatient Non-ER	2%
Inpatient	-15%
Outpatient ER	-3%
Dental	12%
Pharmacy	7%
Nursing Facility	22%
Vision	22%
HCBS Services	35%

As of January 2017.

KanCare HCBS Waiver Utilization

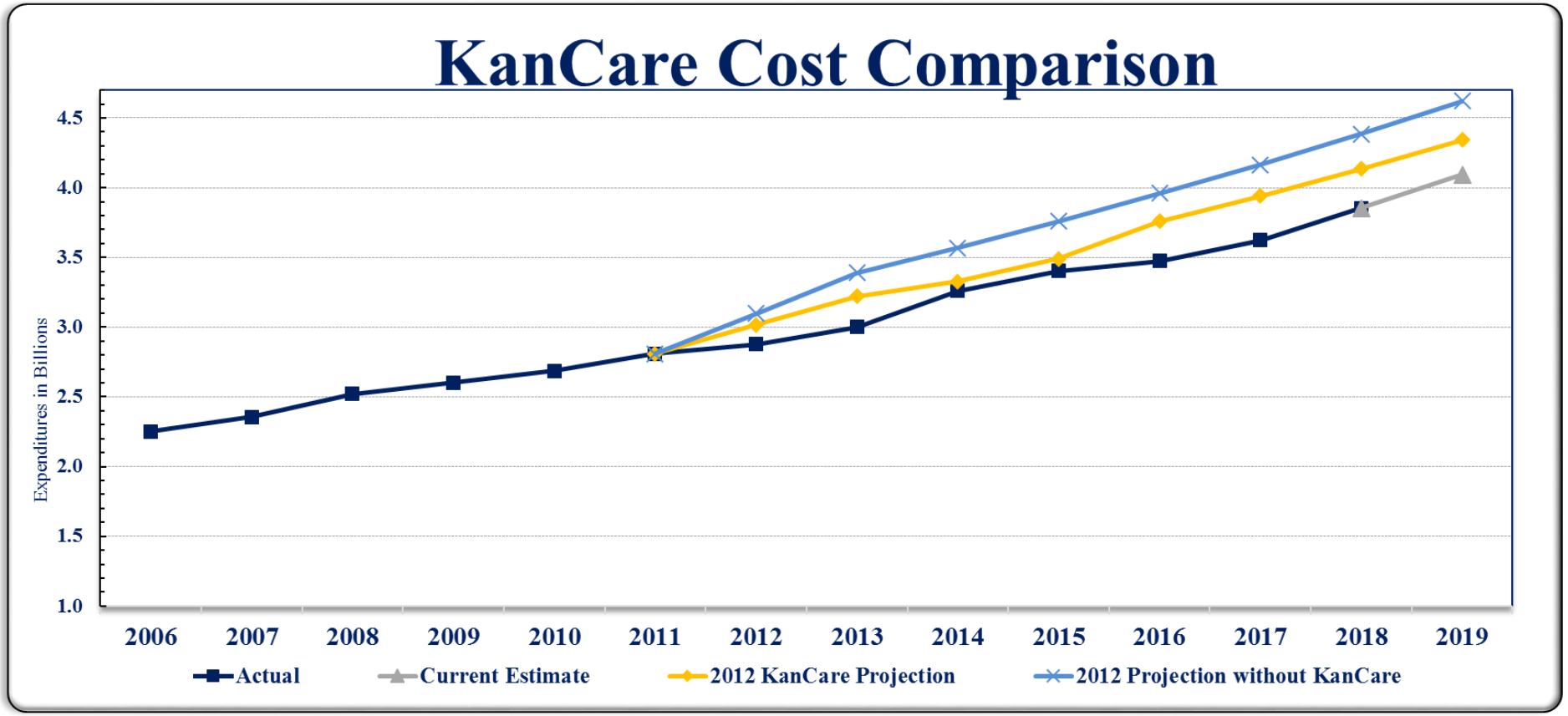
- Number of people receiving waiver services are down by 24%
- Driven primarily by TBI (-21%), FE (-17%), and SED (-24%)
- Increases in membership in I/DD (5%), TA (11%), and AU (35%)
- % change in waiver member months -4.3%

KanCare Utilization In Waiver Population KanCare vs. Pre-KanCare (2012)		
Type of Service	% Utilization Difference	Normalized Difference
Primary Care Physician	-3%	1%
Transporation NEMT	193%	189%
Outpatient Non-ER	-10%	-6%
Inpatient	-34%	-30%
Outpatient ER	-17%	-13%
Dental	64%	60%
Pharmacy	-1%	3%
Vision	57%	53%
HCBS Services	35%	31%

SED, DD, PD, FE, Autism, TA, and TBI

As of January 2017.

KanCare Cost Comparison



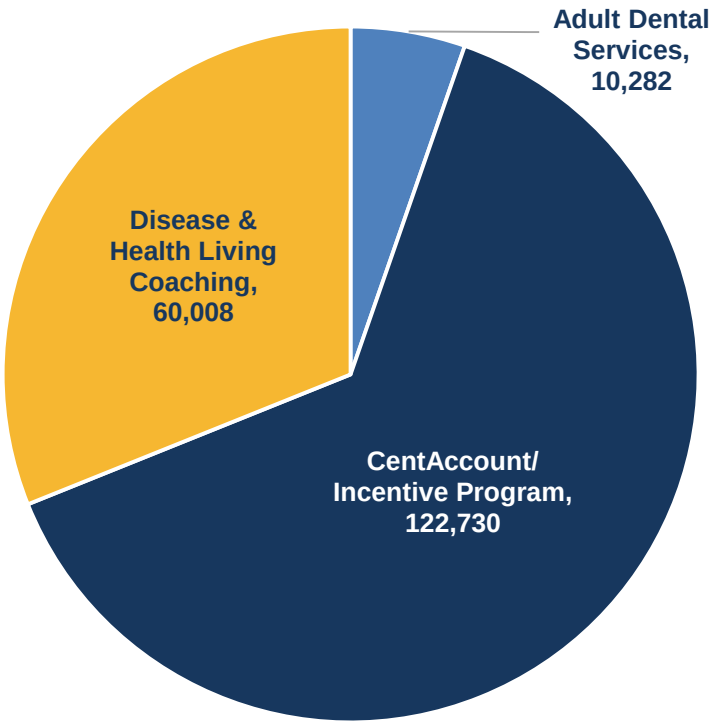
Our Mission: To protect and improve the health and environment of all Kansans.

KanCare

KanCare New Services

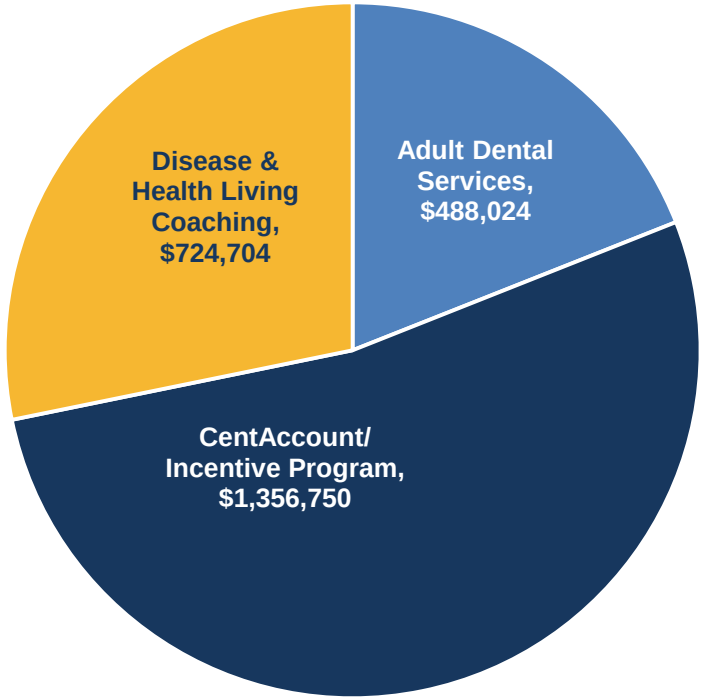
Top 3 Services Accessed by Members

Calendar Year 2017 YTD



Top 3 Services by Expenditures

Calendar Year 2017 YTD



Since the beginning of KanCare, members have been provided more than $18.2 million dollars in total value of services they did not have access to under old Medicaid at no cost to the state.

MCO Financial Status Update

KanCare

MCO Profit and Loss per NAIC Filings

September 30, 2017 Compared to September 30, 2016

	Amerigroup	Sunflower	United	Total
Total Revenues	$733,912,628	$827,466,189	$711,391,700	$2,272,770,517
Total hospital and medical	$682,372,730	$719,705,263	$621,109,700	$2,023,187,693
Claims adjustments, General Admin., Increase in reserves	$77,997,641	$97,664,266	$80,044,900	$255,706,807
Net underwriting gain or (loss)	($26,457,743)	$10,096,660	$10,237,100	($6,123,983)
Net income or (loss) after capital gains tax and before all other federal income taxes	($24,471,834)	$11,311,888	$10,237,100	($2,922,846)
Federal and foreign income tax/(benefit)	($7,800,844)	$3,967,941		($3,832,903)
Add Back Change to Reserves	$0	$0		$0
Adjusted Net income (loss) - Through September 30, 2017	($16,670,990)	$7,343,947	$10,237,100	$910,057
Add Back Change to Reserves	$0	$0	$0	$0
Net income (loss) - September 30, 2016	$3,382,597	$5,470,052	$30,232,186	$39,084,835
Adjusted Net income (loss) - Through September 30, 2016	$3,382,597	$5,470,052	$30,232,186	$39,084,835
Difference from Q3 2016 to Q3 2017	($20,053,587)	$1,873,895	($19,995,086)	($38,174,778)

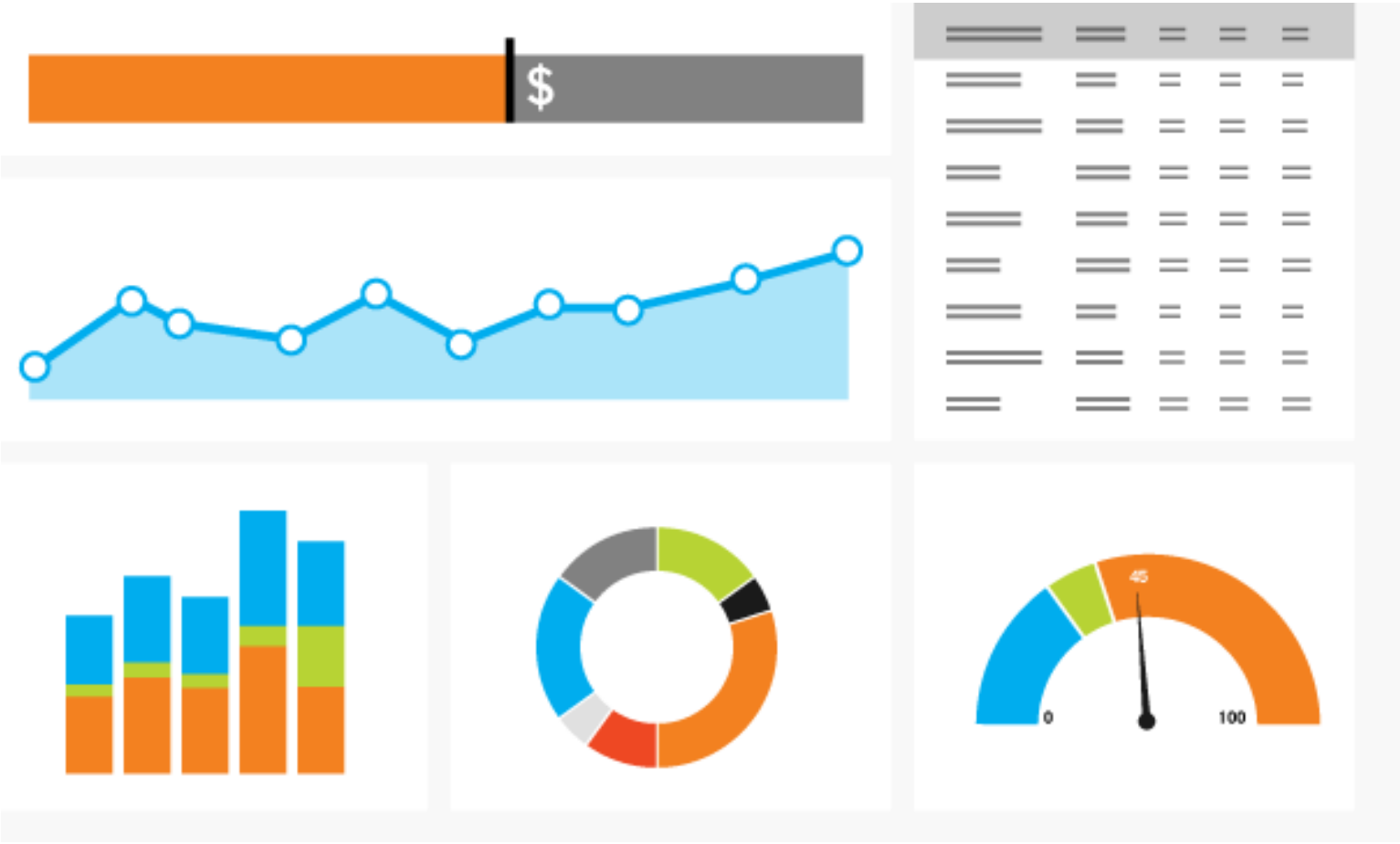
KanCare Corrective Action Plan (CAP) Update

CAP Progress by Task Area	
Task Area	**% of Tasks Completed**
Administrative Authority	93%
Person-Centered Planning	82%
Provider Access and Network Adequacy	100%
Participant Protections	77%
Support for Beneficiaries	100%
Stakeholder Engagement Process Development	100%
Overall % of CAP Tasks Complete	**92%**

KanCare 2.0 RFP

- State is continuing to score the RFP as posted
- ~30% of staff is working on RFP plus Mercer
- Continue until new direction is communicated

Data and Analytics Update



Data and Analytics Update

- Building Capacity and Partnerships
  - Growing internal team / competencies
  - Kansas Health Institute
  - University of Kansas Medical School
- Data Analytics Stakeholder Group
  - October 2018
- Executive Dashboards
  - Agency
  - Administration
  - Legislators

Data and Analytics Update

NOTE: Test data displayed, not real values

KanCare

Eligibility Updates

Eligibility Activities

- Maximus informed of non-compliance by Department of Administration on 1/30/2018
- Daily calls with Maximus clearinghouse management
- Weekly meetings with Maximus leadership
- Creating an Eligibility Workgroup after review of current policies and regulations (Federal, Legislative, and Agency)
- Future Planning – Options and Decision Process
- Tennessee and Texas Conversations

Metrics

- Financial Payment Accuracy – 98%
- 95% of all applications/reviews/maintenance must not include a high risk error
- 80% of all applications/reviews/maintenance must not include a low risk error
- 90% of expedited pregnant woman requests completed to KDHE staff in 7 days
- 100% of expedited pregnant woman requests completed to KDHE staff in 10 days

Metrics (cont.)

- 90% of all applications/reviews/maintenance referred to KDHE staff or determined (CHIP) in 20 calendar days
- 98% of all applications/reviews/maintenance referred to KDHE staff or determined (CHIP) in 30 calendar days
- 100% of all applications/reviews/maintenance referred to KDHE staff or determined (CHIP) in 45 calendar days
- 90% of all cases returned by KDHE due to error must be accurately returned within 10 calendar days
- 100% of all cases returned by KDHE due to error must be accurately returned within 20 calendar days

Metrics (cont.)

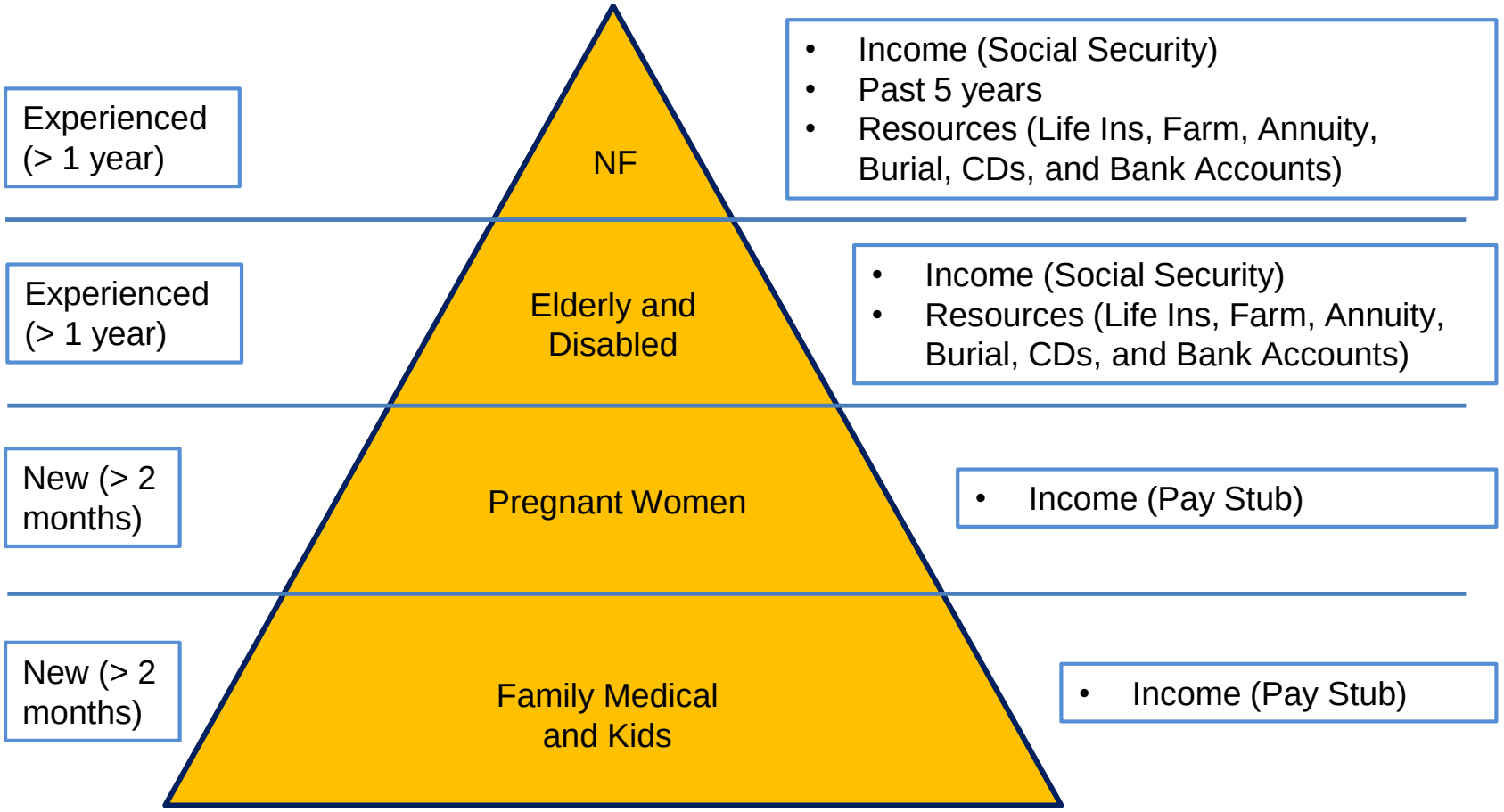
- 98% of address changes completed in 5 calendar days
- 95% of all case maintenance that are not pended completed in 10 calendar days
- 100% of all case maintenance actions completed in 20 calendar days
- Additional criteria on customer service, registration of applications, reporting, quality control and staffing

Non-Compliance / LDs

- Have until June 1, 2018, else retroactive back to 1/30/18
- Financial Payment Accuracy – 98% (current 40%)
  - Liquidated damage - $100 per instance
  - If 500 processed at 40%= **$30,000 / day**
- Applications and Reviews – 100% by 45 days
  - Liquidated damage - $50 / application / day
  - Current 2,924 = **$146,200 / day**
- Case Management – 95% within 10 days
  - Liquidated Damage - $300 / day
  - Current **11,370 over 10 days**

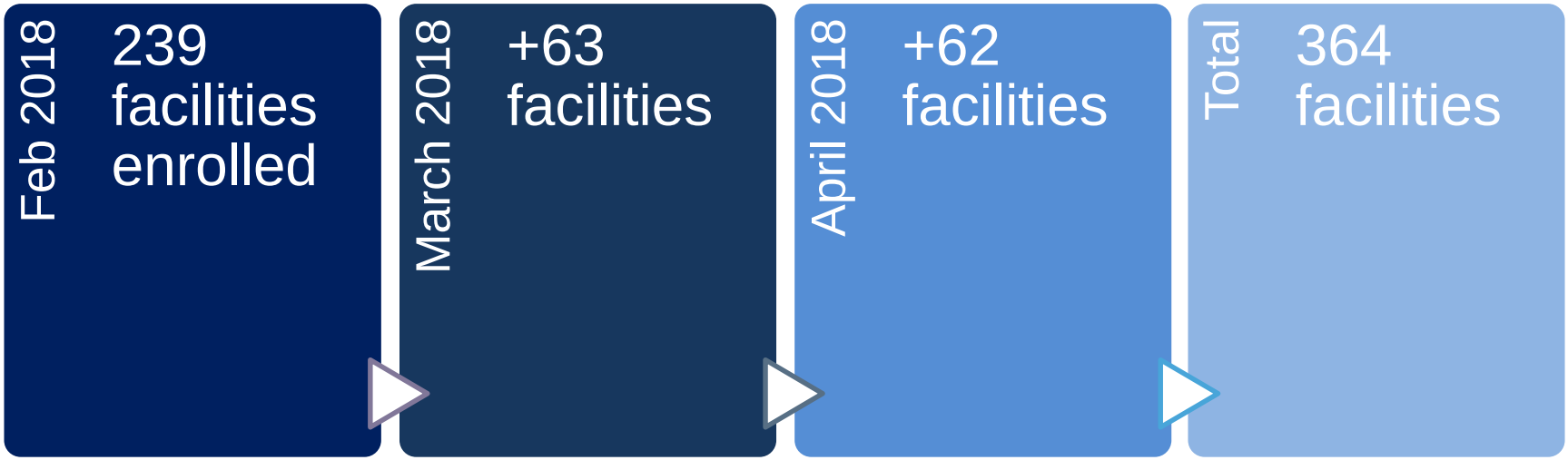
As of 2/7/2018

Eligibility Overview



Liaison Program Expansion

Status Update



- Will add approximately 60 facilities every month until all facilities are in the Liaison program.

Liaison Program Overview

Staffing

- Each Nursing Facility (NF) is assigned a specific 'pod' of staff
- Each pod has ~6 Eligibility Specialists that work with approximately 52 NFs
- Pods are supported by Lead Eligibility Specialists, and Supervisors, and dedicated Quality, Training, and Administrative Staff
- Total number of staff supporting Liaison is 41 workers

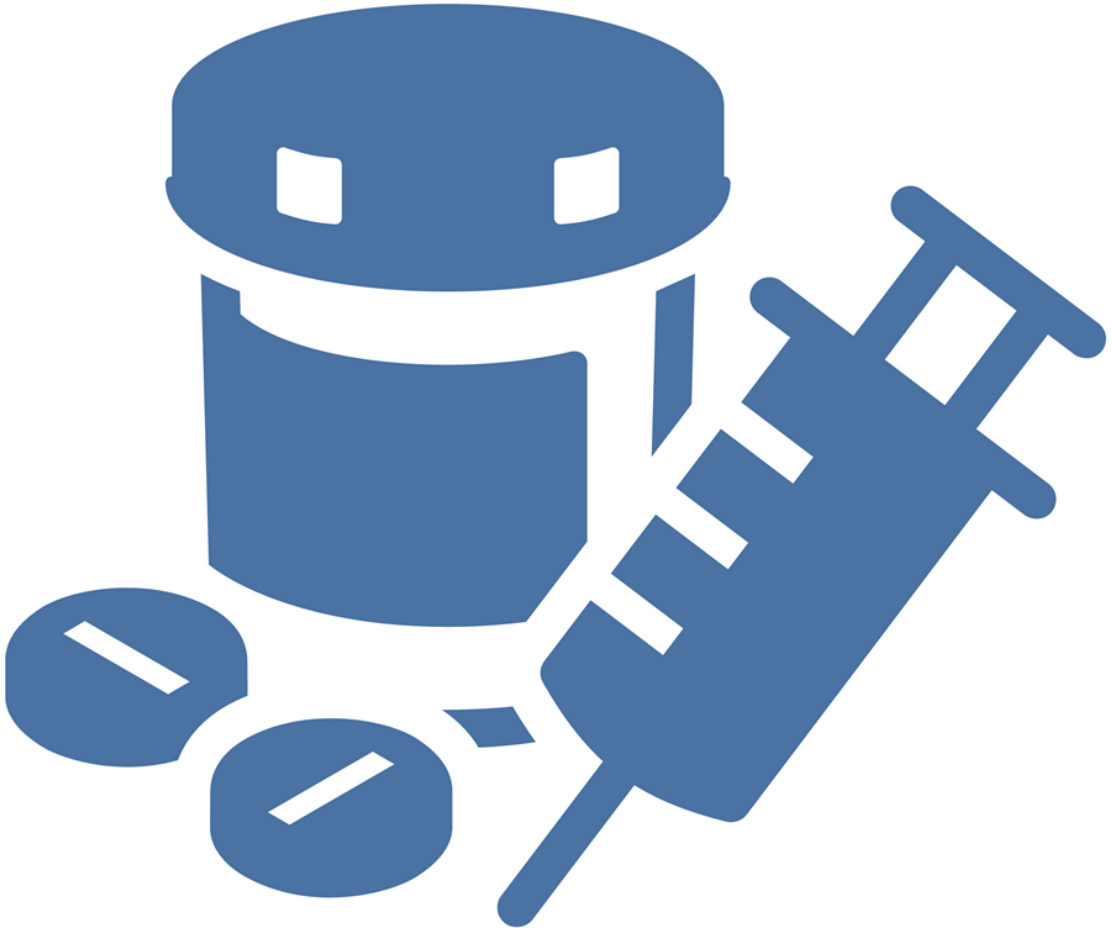
Additional Education

- Nursing Facility News, a Newsletter for participating facilities was released in February
- Quarterly Informational Sessions highlighted the Escalation Process, Authorization and Communication, available online resources, and Do's and Don'ts

Survey Feedback

- Positive feedback from participants reflecting appreciation for more personal service from a team dedicated to their facility's cases
- Identified areas where additional training is needed to shorten processing time and improve quality

Opioid Epidemic and Nursing Home Antipsychotic Use



Opioid Updates

Medicaid Opioid Policies

- The first Medicaid policy addressing opioid use limits was implemented in 1997.
- Since then, there have been 30 (new or revised) policies regarding the safety (proper use and dosing limits) for opioids.
- A new Opioid Use for Pain Management PA was approved by the DUR Board in January 2018. The planned completion date for provider education and PA implementation is May 1, 2018.
- Dr. Lakin leading state opioid strategy

Medicaid Goals for Reduction of Anti-Psychotic Drug Use in Patients with Dementia

Phase One – Part One:

Specific area of Concern: CFR §483.25(l) Unnecessary Drugs in the LTC

1. General. Each resident's drug regimen must be free from unnecessary drugs. An unnecessary drug is any drug when used:
   - (i) In excessive dose (including duplicate therapy); or
   - (ii) For excessive duration; or
   - (iii) Without adequate monitoring; or
   - **(iv) Without adequate indications for its use**; or
   - (v) In the presence of adverse consequences which indicate the dose should be reduced or discontinued; or
   - (vi) Any combinations of the reasons above.

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Medicaid Goals for Reduction of Anti-Psychotic Drug Use in Patients with Dementia

Action: Require appropriate diagnosis prior to antipsychotic drug use.

1. Prior Authorization (PA) draft proposed to the Mental Health Medicaid Advisory Committee (MHMAC) on February 13, 2018.

2. Once the PA draft is amended or approved by MHMAC, the PA will be proposed to the Drug Utilization Review (DUR) Board for final approval.

3. If given DUR Board approval, this PA will require the correct diagnosis for a patient to receive an antipsychotic in the LTC, non-dual eligible Medicaid population, ages ≥ 65yrs.

4. A provider education letter will be posted prior to implementation of the approved PA.