

**KanCare Advisory Council Meeting Minutes
Curtis State Office Building – Room 530, Topeka, KS
Minutes of November 20, 2015**

Council Members Present:

Dr. Michael Kennedy
Senator Mary Pilcher-Cook
Senator Allen Schmidt
Jamie Price
Mark Hinde
Edward Nicholas
Beth Simpson
Njeri Shomari

Council Members Absent:

Representative Jerry Henry
Representative Susan Concannon

Council Members Attending Via Phone:

Chairman Larry Martin
Lora Key
Walter Hill

Other Participants:

Susan Mosier, M.D., Secretary, Kansas Department of Health and Environment/Medicaid Director
Mike Randol, Director, Division of Health Care Finance, Kansas Department of Health and Environment
Kari Bruffett, Secretary, Kansas Department for Aging and Disability Services
Kerrie Bacon, Ombudsman, Kansas Department for Aging and Disability Services

Other Participants Absent:

Lt. Governor Jeff Colyer, M.D.

Welcome – Mike Randol

Mike Randol opened the meeting and led the discussion in place of Chairman Larry Martin who attended the meeting by phone. Ombudsman Kerrie Bacon is set to present toward the end of the meeting, if time allows; a handout was provided.

Review and Approval of Minutes from Council meeting, June 25, 2015

Mike Randol asked if there was any discussion on the previous meeting's minutes. Allen Schmidt moved the minutes be approved. Mark Hinde seconded the motion and the minutes were approved by the Council.

KDHE Update – Mike Randol, Director, Division of Health Care Finance, Kansas Department of Health and Environment

Mike Randol briefly highlighted the KanCare Executive Summary dated 11.20.15.

Eligibility and expenditure compositions: No significant changes from the previous report; stated that there are approximately 426,000 members in KanCare on average.

Members and Capitation Payments by Cohort: Distribution of the various members by the three MCOs: CHIP, deliveries and foster care can all be cited per MCO.

Provider Network: Includes our provider network and number of unique providers for the 4th quarter.

Financial trends: Includes a breakdown of the Medical Loss Ratio for CY14-15 and Per Member Per Month for CY14-15.

Claims: Percentage of clean claims processed within 30 days has been consistently above 99.8% for CY14-15. For year-to-date claims adjusted more than 3 times, the percentages are very low across all 3 MCOs. Denied Claims from quarter-to-quarter: Includes a breakdown of the denial rate for the number of claims submitted for a quarter to quarter comparison last year.

Utilization data: Briefly highlighted ED visits per 1,000 and ED visits with hospital admission both excluding mental health, hospital admissions and hospital average length of stay.

Value added services and in lieu of services: These are broken down by MCO; approximately \$3.4M in value added services for the year. In lieu of services: Report lists summary of services through September 2015.

Member Grievances, Appeals, and Fair Hearings: Please see attached handout.

Questions and Answers:
None.

KDADS Update – Secretary Kari Bruffett, Kansas Department for Aging and Disability Services
Secretary Bruffett briefly highlighted recent honors granted to Kansas nursing homes for implementing cultural change with the PEAK Awards, known as Promoting Excellent Alternatives in Kansas Nursing Homes.

Update on the HCBS waivers: At our last meeting, we had received extensions on our four pending HCBS waivers. Reported that we have now received approvals for the Intellectually and Developmentally Disabled (I/DD), Physical Disability (PD), Frail Elderly (FE) and Traumatic Brain Injury (TBI) waivers and they are now in the renewal phase. We have posted public comment amendments for several of our waivers to account for changes with the Department of Labor's rules for compliance with the Home Care Rule, particularly, sleep cycle support.

Sleep Cycle Support: A federal rule that really changes how and for what services exemptions from FLSA can be claimed by self-directing consumers. Sleep cycle has been a service that is a unit cost and is paid at a single cost overnight. It was at a rate that when hours were spread out overnight would not equate to minimum wage. It previously had been considered exempt from minimum wage requirements. Effective October 13, 2015, through the DOL Home Care Rule, this service is no longer exempt. There is an extended enforcement period and discretionary enforcement period from the Department of Labor that will allow for states to ensure program compliance. We have proposed a change that will rename the service and enhance care service. It will still be paid at a unit rate than at a higher rate that will allow for minimum wage to be paid for that service. The calculated rate has increased from \$30 to \$78 per night which is higher than the average number of hours currently used for sleep cycle; this allows for some variance in the wage. These proposals are posted on the KDADS website at www.kdads.ks.gov. A summary of program changes are also available via the 'waiver' page of the website.

Serious Emotional Disturbance (SED) waiver: Has been submitted and is currently under review. Stated we are currently in the RAI period. We expect that the waiver will be granted a temporary extension that will expire at the end of the year unless some of the questions are able to be worked out in a timely manner.

Physical Disability (PD) waiver update: There has been continued progress on the PD waiver list. Earlier this summer, KDADS announced that by the end of the year, they would be able to eliminate the waiting list. Kari Bruffett reported that they are on track to make offers by the end of the month to anyone who had request dates through June 30, 2015. The waiting list is not current at this time as there have been several additions. There are approximately 1,300 people on the list and we expect the additional offers of 600 to 650 to get us to our target goal.

PEAK Nursing Facility Awards Program: This is not specific to Medicaid or KanCare, but we use the KanCare and Medicaid programs to encourage participation in culture change. We are trying to move toward person-centered care even in an institutional-setting, such as a nursing facility. Had the opportunity to visit with 6 of the 10 awardees who

received higher level awards. We now have more than 230 nursing facilities in Kansas participating in this program. Formerly, this was considered to be a recognitions program only but in 2012, KDADS converted it to an incentive program. Participating facilities have the opportunity to earn an additional \$1-4/day per resident on their Medicaid rate depending on the level of PEAK award they have achieved.

The Dooley Center in Atchison, KS, a retirement center for an order of nuns which is a very different atmosphere than Parkside Homes in Hillsboro, KS; however, what is common with them all is the move to a community setting where it feels like home and is less institutional.

HCBS Settings Rule – Secretary Bruffett stated not only do we want to encourage our nursing facility and adult care home settings to be more person-centered where people are making choices about their own lives (ex. what they want to eat, where they want to go, and what they want to do that day); we want to have at least that same level of expectation or even a higher standard as well with our Home and Community Based Services. We are in process of the transition plan for the HCBS Settings Rule and we have spoken with CMS about the letter the State received. Most states had follow-up calls about the statewide transition plans that they submitted and CMS requested additional information. During our conference call, CMS requested that we extend the date for when we would submit a revised transition plan and that actually would go in after we have completed all of the onsite reviews. This would not only include the plan but, also the resolution of the assessment. The target date is July 2016.

The results of those assessments would be available at the latest in June 2016 for public comment. Some of those results include: are these facilities that do or do not have the opportunity to transition to become HCBS settings for those who do not meet the initial iTest. This process continues and we have posted the assessment tool to the KDADS website for public comment at www.kdads.ks.gov. Those comments are currently being evaluated; we are also taking additional information from CMS on regular calls that they are having with all the states about what they are expecting to see and wanting to learn from other states in their assessment tool.

Right now, we are in the process of a systematic assessment to determine if there are any changes to our regulatory schema that might require based on the HCBS Settings Rule. The onsite assessments will begin after January 1, 2016. The assessments will be performed by the Survey and Credentialing Commission; the QMS and licensing field staff are now located in that commission at KDADS.

Secretary Bruffett asked that the council review the KanCare Ombudsman report if Ombudsman Kerrie Bacon did not have the opportunity to present at today's meeting. This month, the Ombudsman Volunteer program will launch in Wichita, KS. Per Secretary Bruffett, Ombudsman Kerrie Bacon has assembled staff to help consumers navigate KanCare and all of our State programs.

Questions and Answers: None.

Updates on KanCare with Q&A

Amerigroup Kansas – Frank Clepper

Frank Clepper provided a brief update on Amerigroup.

Claims: Average turnaround time for claim payments is 5.8 days. Stated Amerigroup has a high compliance with contractual claim requirements. Within the contract, clean claims are paying out at a 100% within 30 days and will wrap up the remainder of the claims within 60 days.

Call Center statistics: Under the contractual requirements, calls answered in less than 30 seconds are at 90% or greater. For members reaching out to the national call centers, their calls are being answered quickly; we have a 95% first-call resolution. If you call the call center with questions regarding benefits or a claim payment, we are able to get you the correct answer within the appropriate amount of time. There is continued work on statewide and population-wide initiatives; we believe in the use of in-lieu of benefits to provide members benefits outside of the state's normal benefit design in order to have better health outcomes for them in an effort to prevent ER admissions and other long-term health events that you could circumvent by getting early intervention. There has been an emphasis in claim payment denials; we are working very diligently with the different types of providers to ensure that we are getting education out to them and answering questions to ensure that we are helping them to eliminate claim payment errors.

Provider update: We ensured that we had calls and contact with a number of provider groups to ensure that they were getting the appropriate level of education. We have had monthly calls with the Community Mental Health Centers with their billers group to make sure that we are getting their questions answered appropriately. We have initiated ongoing joint-operation committees with larger provider groups, such as: Via Christi and Kansas Hospital Association to make sure that we had a presence in the market. That includes with our smaller provider groups an opportunity to get in front of them with data that is useful to them and would better improve business processes.

Community involvement: Amerigroup is involved in the community and we believe that in being active in our involvement and part of that are our charitable efforts and contributions. Most Amerigroup associates in the state of Kansas participate in a charitable organization, where they give personal time and resources. We also support charitable endeavors on a corporate level. Through September 2015, we contributed over \$70,000 to charitable organizations within the State which include contributions to the Special Olympics of Kansas, Senior Services of SE Kansas and the Kansas Food Bank.

Questions and Answers: None.

Sunflower State Health Plan – Chris Coffey

Chris Coffey provided a brief update on Sunflower State Health. Please review attached document.

Questions and Answers: None.

United Healthcare Community Plan – Tim Spilker

Tim Spilker provided a brief update on United Healthcare. Please review attached document.

Questions and Answers: None.

Miscellaneous Agenda Items – Mike Randol

Mike Randol stated there will be a detailed update on the integrated waiver during the Annual KanCare Public Forum Meeting held here in Curtis State Office Building, Room 530 from 3:00-4:00pm. Many of you know that we are moving toward integrating our seven 1915c waivers into the 1115 waiver. We went out late summer with an initial communication and met with various groups and shared with them our thought process while we were doing that. Subsequent to that, there have been several workgroups formed known as WISE (Waiver Integration Stakeholder Engagement groups). On two separate occasions State staff has gone out to various locations within the state and met with stakeholders to obtain recommendations from them. Our goal is was originally January 1, 2016. During our initial meetings with stakeholders late summer, we heard very strongly their concerns and we want to make sure we do this right with stakeholder involvement and we took that to heart. With that, we have postponed and our goal is now January 1, 2017 for implementation. Next, there was a question regarding budget concerns and impact on services. Mike Randol stated there have been discussions and we had gone through our fall caseload, which is the process in which we develop the budget in six months for our Medicaid program. Mike Randol confirmed that there are no cuts to services or beneficiaries.

Allen Schmidt stated that we are having some issues with budget in Kansas. When you look at the I/DD field – there was a quick study done regarding inflation and the increase of rates since 1999. It tells a story and as you can see in rural/Western Kansas. Inflation rates are 37% and there has been an increase in rates at 17%. The last rate increase was in 2008. What we're seeing in our part of the state is 3% unemployed. Walmart is raising pay to \$10 per hour. Nursing Homes will also increase starting wages to \$10 per hour. We are having a hard time finding employees and our providers are being paid \$7-8 an hour. It is hard to compete and as a result we cannot keep up. We are seeing a decrease in cost and insurance increases. As a result, we have had to drop pay for employees due to an increase in insurance premiums.

Kari Bruffett stated that we are in a rate study with Myers and Stauffer and can be provided to council. It will not address any questions on competition with private, non-health and non-Medicaid sectors. We have a waiting and funds go into waiting lists as opposed to rates. Stated there have been high level discussions concerning the implementation of outcomes-based incentives for providers and stated that there are not great models from other

states but we are working on what measures to use with I/DD providers. This is a known issue and there is no immediate solution.

Allen Schmidt – When is the rate study?

Kari Bruffett – This is nearly complete; should be soon.

Allen Schmidt – My suggestion is that we watch this very closely to avoid a cascading effect. Insurance rates are going up and rates have been raised due to competition.

Parameters for value-based shared risk arrangements between MCOs and providers: Kari Bruffett and Mike Randol confirmed that the parameters have not changed since year 1 of KanCare.

Plans for SMI and Chronic Conditions Health Homes: Mike Randol stated we continue to evaluate with respect to SMI. There is a 6-month or longer lag in claims. We are almost at point to finalize and I am not aware of any plans to finalize SMI.

Discussion was held regarding agency home health care workers and the new DOL rule. Secretary Bruffett stated there is no change in how it applies. Two-fold: 1. who can claim – consumer claim exemption – sole employer. DOL rules that the common law test is now broader. Secretary Bruffett stated that the required minimum wage is up to top of range which was not previously in place for sleep cycle and therefore could not claim exemption and added that we are very focused on self-directed care.

Jamie Price – If amendments aren't approved by Jan. 1, what is the plan?

Kari Bruffett – For 1915c waivers, we are requesting an effective date. We are planning to move forward and CMS is trying to extend timelines with the Department of Labor.

Jamie Price – Do we know the fiscal implication to the State from changing this support from \$30 to \$78 a night?

Kari Bruffett – We requested a budget enhancement as part of our preparations for the year.

Mike Randol – I don't have the exact number but, it was part of caseload and it is significant.

Jamie Price – It was initially indicated to be around \$30M, has that changed?

Kari Bruffett – The \$30M is a range and would also include the employer and travel time; this is only focused on sleep cycle which is half of the original.

Mike Randol announced that the Annual KanCare Public Forum will be held here at 3:00pm today. Mike Randol asked if there were any questions or comments for the next meeting. Mike Randol asked for a motion to adjourn. Jamie Price made a motion to adjourn the meeting and Njeri Shomari seconded the motion. Mike Randol thanked everyone for attending the meeting and adjourned.

Next Meeting of KanCare Advisory Council – February 22, 2016, 2:00-3:30pm, Curtis State Office Building, Room 530