

# KanCare

## Public Input Meeting Proposed Section 1115 Demonstration Application

June 20, 2012



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

# Agenda

- **Introductions**
- **KanCare Overview- Secretary Moser**
- **KanCare FAQs- Secretary Sullivan**
- **Public Comments**

# KanCare Overview

# Population Focus/Key Concerns

- **Children, Families and Pregnant Women: mobile population; moves in and out of eligibility**
- **Aged: higher-than-average proportion of Kansas seniors in nursing homes**
- **Disabled: fragmented service provision**

# Fragmentation

- Spending is spread widely across service types, funding streams, state agencies, and providers.
- There is no uniform set of outcomes or measures for programs or providers.

# Stakeholder Involvement

- **January 2011- Governor Sam Brownback announces his intention to reform Medicaid**
- **The State solicited ideas for reforms or pilots to curb growth, achieve long-term reform, and improve the quality of services in Medicaid**
  - **60+ submissions with more than 100 proposals submitted in February 2011**
- **Four public forums last summer with 1,450 participants and more than 1,600 individual ideas**
- **Web survey generated about 200 additional responses**
- **Stakeholder web conferences**
- **All of these activities helped to define issues and key concerns where certain recurring themes emerged**

# Key Themes

- **Integrated, whole-person care**
- **Preserving and creating paths to independence**
- **Alternative access models**
- **Enhancing community-based services**

# Implementing the Solution:

# KanCare



# KanCare Goals

- **Plan calls for the implementation of an integrated care system called KanCare.**
- **Goals**
  - **Improve health outcomes**
  - **Bend the cost curve down over time**
  - **No eligibility or provider cuts**

# Person-Centered Care Coordination

- Leverage private sector innovation and resources to achieve public goals
  - Partnering with three statewide KanCare contractors.
- Population-specific and statewide outcomes measures will be paired with meaningful financial incentives.
- Reform that creates person-centered Health Homes with initial focus on individuals with a mental illness, diabetes, or both.

# Person-Centered Care Coordination

- **The KanCare request for proposals encourages contractors to use established community partners.**
  - Hospitals, nursing homes, physicians, community mental health centers (CMHCs), primary care and safety net clinics, centers for independent living (CILs), area agencies on aging (AAAs), and community developmental disability organizations (CDDOs).
- **Safeguards for provider reimbursement and quality are included.**

# Person-Centered Care Coordination

- **The state will create a contractual obligation to maintain existing services and beneficiary protections.**
- **Services for individuals residing in state intermediate care facilities for people with intellectual and developmental disabilities will continue to be provided outside these contracts.**

# Home and Community Based Services

- **Kansas currently has a high percentage of seniors living in nursing homes. Kansas also has the 4<sup>th</sup> highest utilization per capita of the physically disabled and frail elderly waivers.**
- **KanCare includes long-range goal of aiding the transition away from institutional care and toward services that can be provided in individuals' homes and communities.**
- **KanCare contractors will take on the risk and responsibility for ensuring that individuals are receiving services in the most appropriate setting. This will occur through institutional and long-term care focused on person-centered care coordination.**
- **Outcome measures will include lessening reliance on institutional care.**

# Inclusiveness

- **Transition to managed care for Kansans with intellectual and developmental disabilities (I/DD)**
  - **All I/DD home and community based waiver services and targeted case management will not be included in managed care until January 2014.**
- **Services for Kansans with I/DD will continue to utilize the statutory role of community developmental disability organizations**
  - **Their inclusion in KanCare means the benefits of care coordination will be available to them.**
- **When implemented, contractors will be accountable for functional as well as physical and behavioral health outcomes.**

# Inclusiveness

- **The Developmental Disabilities (DD) Reform Act will continue to govern DD service provision.**
- **Providing Kansans with developmental disabilities patient-centered enhanced care coordination will**
  - **improve access to health services and**
  - **continue to reduce disparities in life expectancy**
  - **preserve services that improve quality of life.**

# Consumer Voice

- **Because these reforms were driven by Kansans, the Administration has formed an advisory group of advocates, providers and other interested Kansans to provide ongoing counsel on implementation of KanCare.**
- **Additionally, managed care organizations will be required to:**
  - **create member advisory committee to receive regular feedback,**
  - **include stakeholders on the required Quality Assessment and Performance Improvement Committee, and**
  - **have member advocates to assist other members who have complaints or grievances.**



# Pay for Performance: (P4P)

- **State will withhold 3 to 5 percent of the total capitation payments until certain quality thresholds are met.**
  - Quality thresholds will increase each year to encourage continuous quality improvement.
- **There will be 6 operational outcome measures in the first contract year, and 15 quality of care measures in years 2 and 3.**
- **The measures chosen for the P4P program will allow the State to place new emphasis on key areas**
  - Life expectancy improvements for people with disabilities, employment rates for people with disabilities, encouraging nursing facilities to meet person-centered care standards, and shifting resources to community-based care and services.

# 1115 Demonstration Waiver Authorities Requested

- **Move All Medicaid Populations Into Managed Care (mandatory enrollment)**
- **Cover All Medicaid Services Through Managed Care, Including Long Term Services and Supports**
- **Establish Safety Net Care Pools for Hospitals**

# 1115 Demonstration Waiver Authorities Requested

- **Pre-enroll members in a managed care plan**
  - **To encourage continuity of care, the choice period for members to change their assigned plan will be reduced from 90 to 45 days.**

# 1115 Demonstration Waiver Authorities Requested

- **Create and Support Alternatives to Traditional Medicaid**
  - **Off-ramps to ease transition to private health insurance through funded health accounts**
  - **Extending transitional Medicaid to allow members to pay a portion of premiums to maintain coverage up to 18 months after exceeding income thresholds**
  - **Pilots for individuals on home and community based services waiting lists, or not yet on waiting lists, to provide supports and assistance obtaining employment.**

# Public Comment: Timely Claims Payment

- State Response:
  - The State has included stringent prompt payment requirements among its Year 1 pay for performance measures for managed care organizations
    - Includes a benchmark to process 100 percent of all clean claims within 20 days.
    - Prompt payment requirements for nursing facilities require processing of 90 percent of clean claims within 14 days.
  - While much of Kansas Medicaid and CHIP is already provided through managed care, there are large groups of providers accustomed to fee-for-service Medicaid only.
    - To ease the transition, the State has proposed allowing all providers use the Medicaid Management Information System (MMIS) to submit claims to KanCare MCOs.

# Public Comment: Implementation Timeline

- State Response:
  - There will be a multiphase educational campaign
    - Two rounds of community meetings and direct member communications conducted statewide to prepare for implementation.
    - The first round will feature education about the changes coming in 2013 for Kansans receiving services through Medicaid and CHIP, including current HealthWave enrollees.
    - The second round will be timed around the fall enrollment period.
  - After contract award, the State will engage providers and stakeholders in implementation activities, including weekly status meetings.
  - The State is also contracting with a consulting firm to assist in readiness reviews.

# Public Comment: Waiver Services for Members with I/DD

- State Response:
  - Integrated care coordination and service protections will benefit individuals with intellectual and developmental disabilities (I/DD).
  - We recognize the powers and duties of community developmental disability organizations, as established by statute and regulation.
  - The State recognizes the difference between health services and long term services and supports (LTSS), particularly for this population.
  - We are postponing including LTSS for this population in KanCare until January 2014
    - Legislative proviso
    - Allows members with I/DD to receive the benefits of health services coordination and build managed care organizations' experience with members, increasing the effectiveness of the eventual integration with LTSS.

# Public Comment: Accountability for Outcomes

- State Response:
  - The State supported legislation creating a KanCare legislative oversight committee, which would have received regular reports on the effectiveness of KanCare.
    - Although this legislation did not pass, the State remains committed to transparency. We will communicate with legislators, including existing oversight committees.
  - The State will be responsible for enforcing the terms of the contract, including with the EQRO (External Quality Review Organization) and other partners on validating performance measures.



# Public Comment: Program Education

- State Response:
  - KanCare Workgroups Formed
    - Four of these workgroups made up of providers, clients, and associations
    - Assist with the education, implementation, and startup of KanCare
  - More than 50 public meetings (and 16 legislative hearings) were held across the State regarding KanCare from November 2011 to the release of the proposed Section 1115 application on April 26, 2012.

# Public Comment: Program Education



\*Cities of Lenexa, Olathe, Overland Park, Prairie Village and Shawnee

# Bending the Cost Curve

By reducing the rate of program growth, KanCare is estimated to achieve savings of \$838 million (all funds) over the next five years. The savings are based on calendar years, as KanCare contract years will be January-December. KanCare is expected to slow spending on the populations included in KanCare to less than 5% average annual growth.

Est. Savings	CY 13	CY 14	CY 15	CY 16	CY 17	Total
All Funds	\$97.4 million	\$142.2 million	\$172.8 million	\$198.9 million	\$227.2 million	\$838.6 million

# Strategic Realignment

- To better coordinate services in the updated landscape of KanCare, the state's health and human services agencies will be realigned:
  - Kansas Department on Aging (KDOA) will become Kansas Department for Aging and Disability Services, including Medicaid programs under the Department of Social and Rehabilitation Services (SRS)
  - Kansas Department of Health and Environment (KDHE) will be responsible for financial management and contract oversight.
  - SRS will become the Kansas Department for Children and Families.
- This realignment will decrease the number of agencies dealing with Medicaid, thus increasing administrative coordination and streamlining Kansans' interaction with state government.

# KanCare

## Frequently Asked Questions

# Q: What are the major changes to Kansas Medicaid?

- Person-centered care coordination
- Clearer accountability
- Agency streamlining and name changes
- Financing consolidation

# Q: Is KanCare being implemented on an appropriate timeline?

- KanCare is the result of an involved, detailed planning process. Full implementation of KanCare will take more than 14 months. Quick actions (such as rate cuts or denying care) taken by other states would not work for Kansans.
- Delaying KanCare will only guarantee continued cost increases, put providers at risk of rate cuts, and threaten the quality of care being provided to vulnerable Kansans. To ensure a smooth transition, we will conduct readiness reviews and consult with providers. We will only move to final implementation if reviews indicate we are ready.

# Q: How does KanCare compare to other states that have moved forward with their own Medicaid reforms?

- Nearly 75% of Kansas Medicaid consumers already are part of managed care programs.
- Kansas consumers currently in managed care will be moving to ‘integrated care,’ no longer segmenting their care, and with new emphasis on improved outcomes.
- Kansas is drawing from the best examples from around the country. We have put in place policies to avoid the stumbling blocks that have tripped up other states.
- We are working with Kansans to ensure they understand the plan before it is implemented. Kansas expects to be a leader in implementing an integrated care system.



## **Q: Will providers get paid on time under KanCare?**

The contracts stipulate that providers must be paid within 30 days or KanCare companies will face financial penalties. To further encourage timely claims payments, we also include a pay for performance measure for contractors to process 100% of clean claims within 20 days.

## **Q: Will individuals with I/DD be able to keep their case manager under KanCare?**

Persons with intellectual and developmental disabilities will continue to work with their current case managers. The law ensures community developmental disability organizations (CDDOs) will conduct – either directly or by subcontract – the waiver eligibility assessments, case management and service.

# Q: What will be done to ensure Kansas Medicaid Consumers understand KanCare?

We are planning an extensive educational campaign so all Kansas Medicaid consumers and their families, legal guardians and caregivers understand KanCare and the transition process.

## **Q: Why is it important that all populations be included in KanCare? Why not carve out all long-term care and services?**

- Carving out long-term care and services from KanCare would maintain the existing, separated home and community based services system. Coordinating all care is critical to improving outcomes.
- A 2010 study by Kansas Medicaid and the KU Medical Center found Medicaid for Kansans with I/DD and those with physical disabilities found that care was fragmented and poorly coordinated. Lack of care coordination, and therefore lack of access, led to increased costs and poor results. (continued)

## **Q: Why is it important that all populations be included in KanCare? Why not carve out all long-term care and services? (cont'd)**

- The best way to rearrange this system that has been separating one kind of care from another is by coordinating all care for each individual.
- KanCare also attaches financial incentives to the system. These are designed to encourage contractors to integrate behavioral care, medical care and long-term services and supports in a way that will provide more effective overall care for each individual.

# Q: Will the state continue to contract with existing providers?

- The KanCare contracts require that contractors use established community partners to deliver care and services.
- This includes hospitals, nursing homes, physicians, community mental health centers, primary care and safety net clinics, centers for independent living, area agencies on aging, and community developmental disability organizations (CDDOs).
- The state will continue to use CDDOs and other provider groups in their established roles, which are outlined in Kansas law.

# Q: How will KanCare result in cost savings without provider cuts or cuts in services?

- KanCare will result in savings through:
  - Reducing the number of people who are unnecessarily institutionalized;
  - Decreasing repeated hospitalizations;
  - Better managing chronic conditions; and
  - Coordinating each individual's overall care.
- KanCare companies will be rewarded for providing preventative care that keeps people healthy, so they don't get so ill that they need expensive services.

# Q: How will improved health outcomes be achieved?

- KanCare spells out performance expectations and penalties if expectations are not met.
- The state will require KanCare companies to create health homes.
- KanCare creates the first-ever set of comprehensive goals and targeted results in Kansas Medicaid. The new standards exceed federal requirements and set Kansas on a path to historic improvement and efficiency.



# Public Comments

# Wrap-Up

# Additional Information

- To submit comments online, send an email to [KanCare@kdheks.gov](mailto:KanCare@kdheks.gov) or submit via regular mail to, ATTN: Rita Haverkamp, KDHE-DHCF, 900 SW Jackson, Room 900, Topeka, KS 66612
- The deadline for submitting comments is July 14, 2012
- For more information on the KanCare program and the proposed 1115 Demonstration project, go to <http://kdheks.gov/hcf/kancare/index.htm>.