

## Full Public Notice

### Kansas Department of Health and Environment

#### Draft KanCare 1115 Demonstration Waiver Renewal Application

November 17, 2022

The State of Kansas Department of Health and Environment (KDHE) will submit a five-year Medicaid 1115 demonstration waiver renewal application to the Centers for Medicare & Medicaid Services (CMS) in December 2022 for an anticipated effective date of January 1, 2024 through December 31, 2028, seeking federal approval to renew select initiatives of the KanCare program (Project Number 11-W-00283/7).

This full public notice provides information regarding the proposed renewal request to CMS.

The draft KanCare 1115 demonstration waiver renewal has been posted on the KanCare website, accessible via this link: [KanCare.ks.gov](https://www.kancare.ks.gov).

#### **A. Demonstration Renewal Overview, Goals and Objectives**

First approved in 2013, the 1115 waiver demonstration provided the opportunity for consolidation of the respective managed care organization (MCO), fee-for-service, prepaid ambulatory health plan and prepaid inpatient health plan delivery systems into a single comprehensive MCO delivery system, thus creating KanCare and subsequently KanCare 2.0. Evaluation findings of KanCare 2.0 demonstrated successes across demonstration goals, including service coordination, health homes, access to services such as substance use disorder (SUD) services, employment supports and telemedicine, and the transition from Delivery System Reform Incentive Payment (DSRIP) to a managed care state directed payment.

Given the success and stability of the current KanCare program, Kansas proposes to transition features of the Section 1115 demonstration waiver that do not require 1115 demonstration waiver expenditure authority to more permanent federal authorities. While this transition will impact the way KDHE and the Kansas Department of Aging and Disability (KDADS) interact with CMS, the intent of this renewal is to ensure people still have access to the care and services they have come to expect through the demonstration. This approach also seeks to preserve needed flexibilities for the KanCare program while providing certainty to KanCare members that the program will continue for years to come.

Kansas's vision for the 1115 demonstration waiver renewal is to embed successful waiver programs within more permanent Medicaid authorities, thus creating a stable and supportive safety net for KanCare beneficiaries. The 1115 demonstration waiver renewal will maintain stability for continuous eligibility and SUD services that cannot be authorized elsewhere and therefore has a goal of providing enhanced access to services for Kansas Medicaid beneficiaries.

The KanCare 1115 demonstration waiver renewal application seeks authorization for the following:

**1. Substance Use Disorder (SUD)**

Maintains access to specific SUD services and the SUD institutions for mental disease (IMD) exclusion to continue the success of enhanced access to care for members with a SUD.

**2. 12-month Continuous Eligibility Coverage**

Renews the 12-month continuous eligibility coverage for parents and other caretaker relatives using Modified Adjusted Gross Income (MAGI). This renewal will support continued access to Medicaid services and reduce churn in the Medicaid program, providing better opportunities to access care.

**3. Public Health Emergency (PHE) Coverage**

Maintains continuous eligibility for individuals enrolled in the Children’s Health Insurance Program (CHIP) who turn 19 during the PHE in order to reduce gaps in coverage immediately after the PHE. It also maintains access to federal financial participation (i.e., federal share of funding) for this continuous eligibility coverage.

**B. Delivery System, Eligibility, Benefits and Cost-Sharing**

All programs currently authorized by the KanCare 2.0 waiver will continue via 1115 or alternate authority, with no additional programs, cost sharing or eligibility groups to be added at this time. This renewal, coupled with the other authorities, aims to maintain the eligibility, benefits and services that are currently provided to KanCare beneficiaries, along with the current managed care delivery system. The previous eligibility and benefits for this 1115 demonstration waiver renewal continues for the following:

**Table 1: KanCare Eligibility and Benefits**

Program Name/Eligibility group	Benefits
<b>Specific SUD services and the SUD IMD Exclusion</b>	<ul style="list-style-type: none"> <li>• Access to high quality, evidence-based opioid use disorder (OUD) and other SUD treatment services ranging from medically supervised withdrawal management to on-going chronic care for these conditions in cost-effective settings while also improving care coordination and care for comorbid physical and mental health conditions.</li> <li>• Program standards in the ASAM Criteria or other nationally recognized, SUD-specific program standards regarding the types of services and hours of clinical care for residential treatment settings.</li> <li>• Residential treatment providers offer MAT on-site or facilitate access to MAT off-site.</li> <li>• Residential facilities link beneficiaries with community-based services and supports following stays in these facilities.</li> </ul>
<b>Twelve-month continuous eligibility coverage for parents and other caretaker relatives</b>	<ul style="list-style-type: none"> <li>• Full access to KanCare benefits</li> </ul>
<b>Continuous eligibility for individuals enrolled in CHIP who turn 19 during the PHE</b>	<ul style="list-style-type: none"> <li>• Full access to KanCare benefits</li> </ul>

The table below provides a snapshot of the elements of the current KanCare demonstration and the authority Kansas proposes to authorize those elements starting January 1, 2024.

**Table 2: KanCare Renewal Snapshot**

<b>Program Name/Eligibility group</b>	<b>Included in 1115 demonstration waiver renewal?</b>	<b>New Authority</b>
<b>Specific SUD services and the SUD IMD Exclusion</b>	Yes — the services and population will be included in the 1115 demonstration waiver renewal	N/A
<b>Twelve-month continuous eligibility coverage for parents and other caretaker relatives</b>	Yes — the population will be included in the 1115 demonstration waiver renewal	N/A
<b>Continuous eligibility for individuals enrolled in CHIP who turn 19 during the PHE</b>	Yes — the population will be included in the 1115 demonstration waiver renewal	N/A
<b>Mandatory managed care for most Medicaid and CHIP beneficiaries</b>	No — the services and population will be removed from the 1115 demonstration waiver renewal	Section 1932(a) state plan managed care authority
<b>Mandatory managed care for members dually eligible for Medicare and Medicaid and children with special health care needs</b>	No — the services and population will be removed from the 1115 demonstration waiver renewal	1915(b) mandatory managed care authority
<b>Section 1915(c) authorities</b>	No — the services will continue to be authorized through 1915(c) waivers and the population will be removed from the 1115 demonstration waiver renewal	1915(b)/1915(c) concurrent waiver
<b>Disability and behavioral health employment support pilot (STEPS) program</b>	No — the services and population will be removed from the 1115 demonstration waiver renewal	ABP SPA
<b>Uncompensated Care Pool and DSRIP</b>	No — expenditures will be removed from the 1115 demonstration waiver renewal	State Directed Payment
<b>Other non-SUD services for BH members (personal care and physician consultation)</b>	No — services will be removed from the 1115 demonstration waiver renewal	SPA or 1915(b) waiver

### **C. Requested Waiver and Expenditure Authorities**

Kansas is not proposing any new waivers or expenditure authorities in this extension request and seeks to maintain those program design features that require 1115 expenditure authority or move programs and payment features currently authorized as an expenditure authority into other authorities. The authorities that will be maintained include:

Expenditures for Additional Services for Individuals with Substance Use Disorder Needs

Kansas requests continuing expenditure authority for rehabilitation services furnished to individuals eligible under the approved State Plan to address SUD needs in the community.

## Residential Treatment for Individuals with Substance Use Disorder

Kansas requests continuing expenditure authority for otherwise covered services provided to Medicaid eligible individuals aged 21 through 64 years who are enrolled in a Medicaid MCO and who are receiving services in a publicly owned or non-public IMD.

## 12-Month Continuous Eligibility Period for Parents and Other Caretaker Relatives

Kansas requests continuing expenditure authority for continued benefits during any periods within a 12-month eligibility period when parents and other caretaker relatives would be found ineligible if subject to redetermination.

## Continuous Coverage for Individuals Aging Out of CHIP

Kansas requests continuing expenditure authority pursuant to attachment of the August 15, 2022, KanCare approval letter. These expenditures are to provide continued eligibility for CHIP enrollees who turn 19 during the PHE (and therefore lost eligibility for CHIP due to age) and who are otherwise ineligible for Medicaid due to income above 0 percent of the federal poverty level (FPL).

### **D. Impact on Enrollment and Expenditures**

Summaries of aggregate historical and projected demonstration enrollment and expenditure data for the SUD 1115 demonstration and 12 months of continuous enrollment for Caretaker Medical Parents are provided in the tables below. Demonstration projections are approximate assumptions for the purposes of the waiver renewal planning. Demonstration financing and budget neutrality assumptions will continue to evolve throughout the course of the waiver renewal process and as new budget data becomes available.

**Table 3: Projected Data for Demonstration Renewal Period – SUD Waiver**

Eligibility Group	Demonstration Years (DY)					Total WOW
Group	DY12 (CY24)	DY13 (CY25)	DY14 (CY26)	DY16 (CY27)	DY16 (CY28)	
<b>SUD IMD</b>						
<b>Total Enrollment</b>	1,545	1,576	1,607	1,639	1,672	<b>8,039</b>
<b>Member months (MMS)</b>	4,439	4,528	4,618	4,711	4,805	<b>23,101</b>
<b>PMPM</b>	\$1,241	\$1,315	\$1,394	\$1,477	\$1,566	<b>\$1,401.81</b>
<b>Total Dollars</b>	\$5,506,668	\$5,953,804	\$6,437,267	\$6,959,968	\$7,525,124	<b>\$32,382,832</b>

**Table 4: Projected Data for Demonstration Renewal Period – Caretaker Continuous Enrollment**

Eligibility Group	Demonstration Years (DY)					Total WOW
Group	DY6 (CY24)	DY7 (CY25)	DY8 (CY26)	DY9 (CY27)	DY10 (CY28)	
<b>Caretaker Medical</b>						
<b>Total Enrollment</b>	40,144	40,946	41,765	42,601	43,453	<b>208,909</b>
<b>MMS</b>	481,722	491,357	501,184	511,208	521,432	<b>2,506,903</b>
<b>PMPM</b>	\$792.28	\$838.31	\$887.02	\$938.56	\$993.09	<b>\$891.84</b>
<b>Total Dollars</b>	\$381,658,992	\$411,909,326	\$444,560,183	\$479,799,027	\$517,828,682	<b>\$2,235,756,210</b>

## Budget Neutrality Total

The table below shows the combined projection of the SUD IMD and Caretaker Medical populations.

**Table 5: Total Without Waiver Projection**

Eligibility Group	Demonstration Years (DY)					Total WOW
	DY6 (CY24)	DY7 (CY25)	DY8 (CY26)	DY9 (CY27)	DY10 (CY28)	
<b>All 1115 Populations</b>						
<b>Total Enrollment</b>	41,688	42,522	43,373	44,240	45,125	<b>216,948</b>
<b>MMS</b>	486,161	495,885	505,802	515,918	526,237	<b>2,530,003</b>
<b>PMPM</b>	\$796.37	\$842.66	\$891.65	\$943.48	\$998.32	<b>\$896.50</b>
<b>Total Dollars</b>	\$387,165,661	\$417,863,130	\$450,997,450	\$486,758,996	\$525,353,806	<b>\$2,268,139,042</b>

## E. Hypotheses and Evaluation

### *Hypotheses*

As mentioned above, Kansas intends to transition features of KanCare that do not require expenditure authority to more permanent federal authorities. This renewal only requests the following expenditure authorities:

- 12-month continuous eligibility for parents and caretakers
- Continuation of the SUD demonstration, including authorization of additional rehabilitation services
- Continuous eligibility for CHIP members who turned 19 during the PHE

The continuation of only these elements will result in most of the hypotheses from KanCare 2.0 being discontinued, as they will be evaluated through ongoing quality reviews and evaluation of the Quality Management Strategy. See Table 4 below for a comprehensive list of new and continuing hypotheses, as well as hypotheses set to expire after this demonstration period. As the 12-month continuous eligibility for parents and caretakers has recently been approved and does not have an approved evaluation plan, the hypotheses included in Table 4 are proposed and subject to change during the evaluation design.

Refreshed goals for the continuing 1115 demonstration waiver elements include:

- Provide better access to services and reduce ineffective or more costly care
  - Reduce churn or inefficient disenrollment with continuous eligibility for parents/caretakers and CHIP members who turned 19 during the PHE
  - Improve access to appropriate SUD services, including:
    - Increase rates of identification, initiation and engagement in treatment for OUD and other SUDs
    - Reduce utilization of EDs and inpatient hospital settings for OUD and other SUD treatment where the utilization is preventable or medically inappropriate through improved access to other continuum of care services
    - Reduce overdose deaths, particularly those due to opioids
    - Reduce readmissions to the same or higher level of care where readmissions are preventable or medically inappropriate for OUD and other SUDs
    - Improve access to care for physical health conditions among members with OUD or other SUDs

**Table 6: KanCare Renewal and SUD Demonstration Hypotheses**

<b>Hypothesis</b>	<b>Methodology</b>	<b>Data Sources</b>	<b>New or Continuing</b>
<b>12-month continuous eligibility for parents and caretaker relatives is associated with decreased emergency room visits and potentially preventable admissions/readmissions.</b>	Analyze reductions in ED visits or potentially preventable admissions/readmissions compared to rates in another state, a control group or other probability model.	Medicaid eligibility data, managed care enrollment and encounter and payment data.	New
<b>Continuous eligibility for CHIP members who turned 19 during the PHE will result in fewer members being immediately disenrolled when the PHE ends and experiencing a gap in health care coverage.</b>	Analyze the number of members that were transitioned onto Medicaid or enrolled into a commercial product prior to the end of the authorization of the expenditure authority to determine the number of individuals that would have gone with a gap in coverage without continuous eligibility.	Medicaid eligibility data and managed care enrollment.	New
<b>The demonstration will increase the percentage of members who are referred and engaged in treatment for SUDs.</b>	Analyze and compare referral and treatment penetration compared to a control group or other probability model.	See table 7	Continuing
<b>The demonstration will decrease the rate of emergency department visits and inpatient hospitalizations related to SUD within the member population.</b>	Analyze and compare ED use and inpatient hospitalizations compared to a control group or other probability model.	See table 7	Continuing
<b>The demonstration will decrease the rate of overdose deaths due to opioids.</b>	Analyze and compare overdose death rates compared to a control group or other probability model.	See table 7	Continuing
<b>Among members receiving care for SUD, the demonstration will reduce readmissions to SUD treatment.</b>	Analyze and compare SUD treatment readmissions compared to a control group or other probability model.	See table 7	Continuing
<b>The demonstration will increase the percentage of members with SUD who access care for physical health conditions.</b>	Analyze and compare claims for physical health conditions compared to a control group or other probability model.	See table 7	Continuing
<b>Value-based models and purchasing strategies will further integrate services and eliminate the current silos between physical health services and behavioral health services, leading to improvements in quality, outcomes and cost-effectiveness.</b>	N/A	N/A	Discontinued — moved to other authorities

Hypothesis	Methodology	Data Sources	New or Continuing
<b>Increasing employment and independent living supports for members who have disabilities or behavioral health conditions, and who are living and working in the community, will increase independence and improve health outcomes.</b>	N/A	N/A	Discontinued — moved to other authorities
<b>Use of telehealth (e.g., telemedicine, telemonitoring, and telementoring) services will enhance access to care for KanCare members living in rural and semi-urban areas. Specifically: a. Telemedicine will improve access to services such as speech therapy. b. Telemonitoring will help members more easily monitor health indicators such as blood pressure or glucose levels, leading to improved outcomes for members who have chronic conditions. c. Telementoring can pair rural and semi-urban health care providers with remote specialists to increase the capacity for treatment of chronic, complex conditions.</b>	N/A	N/A	Discontinued — moved to other authorities

**Table 7: Data Sources for Evaluation of the SUD Demonstration**

Data Source	Owner/Steward	Brief Description
Healthcare Effectiveness Data and Information Set (HEDIS)	KanCare MCOs	Member-level detail tables for HEDIS measures submitted by the MCOs.
Managed care administrative data	KanCare MCOs	Administrative overhead, contractual and other costs unique to the SUD demonstration.
Managed care case management data	KanCare MCOs	Member-level data maintained by MCOs within their specific case management data systems.
Medicaid Managed Information System (MMIS) encounter data	KanCare MCOs	Encounter/claims data submitted to the State by MCOs used to support HEDIS® and HEDIS®-like performance, Medication-Assisted Treatment, service utilization and cost metrics for all enrollees.
Member survey data	KanCare MCOs	Member responses to questions within MCO-fielded SUD surveys. Survey objectives and questions to be determined.
Medicaid eligibility and enrollment files (834 files)	State of Kansas	Eligibility and enrollment detail for KanCare members used to determine enrollee aid category and stratify data into subgroups.
Mortality data	State of Kansas	Public health birth, death and other vital records used to track overdose deaths attributed to Kansas residents.
State administrative data	State of Kansas	Administrative overhead, contractual and other costs unique to the SUD demonstration.
Key informant/focus group responses	TBD	Feedback resulting from key informant interviews and/or focus group sessions. Qualitative topics, objectives, and participants/settings to be determined.

## **Evaluation**

The Draft Interim Evaluation Report for the KanCare 2.0 program and the SUD demonstration can be found at [KanCare.ks.gov](http://KanCare.ks.gov). Results of the interim evaluation covered analysis of the hypotheses included in the evaluation design along with an analysis of the services coordination strategy. The following conclusions were made:

- The overall service coordination strategy had a positive impact on outcomes of one of the measures evaluated, although additional work may be needed to determine the overall impact of the PHE on all the quality measure outcomes.
- The One Care Kansas (OCK) program had a positive impact on access to preventive and well-care visits for adults and adolescents along with positive outcomes for annual dental visit rates. Other successes of the OCK program included improved member trust and engagement and increased partner collaboration.
- KanCare experienced increases in use of telemedicine across all measures reviewed along with positive outcomes from provider surveys on the use of telemedicine and member engagement in making progress on their treatment goals.
- Further analysis and outcomes will be provided in the summative evaluation for the MCOs value-based provider incentive programs and employment and independent living supports for members with disabilities due to limited time for the programs in operation as well as limited data collection.
- Review of the five SUD demonstration goals indicate the primary drivers for Goals #1 through #4 showed improvements or mixed results and the primary drivers for Goal #5 did not provide evidence of improvements specific to the SUD demonstration but did experience improvements to some of outcomes overall. Four of the six secondary drivers showed evidence that they contributed to improvements to Goals #2 through #5.

During the renewal period for KanCare Supports, KDHE will continue relevant hypotheses from KanCare 2.0 for 12-month Continuous Eligibility for Adults and the SUD 1115, which were previously approved by CMS in the last renewal.

## **F. State Public Notice and Comment Period**

The draft KanCare 1115 demonstration waiver renewal application is open for public comment from **November 17, 2022, to December 17, 2022**. We invite any members of the public, including our State partners and KanCare members to share your feedback on the KanCare demonstration waiver renewal application.

### ***Where to Access the Draft 1115 Demonstration Waiver Application***

The draft KanCare 1115 demonstration waiver renewal has been posted on the KanCare website accessible via this link: [KanCare.ks.gov](http://KanCare.ks.gov). A written copy of the draft demonstration waiver renewal can be made available upon request at the reception desks for:

**KDHE — Division of Health Care Finance**  
900 SW Jackson, LSOB – 9<sup>th</sup> Floor  
Topeka, Kansas 66612

**Kansas Department for Aging and Disability Services**  
New England Building, 503 S. Kansas Ave.  
Topeka, Kansas 66603

### ***Where and When to Submit Written Comments***

The public may submit written comments about the demonstration to the following email address [KanCareRenewal@ks.gov](mailto:KanCareRenewal@ks.gov) or mail written comments to:

KanCare Renewal  
c/o Kurt Weiter  
Kansas Department of Health and Environment  
900 S.W. Jackson Street, LSOB – 9<sup>th</sup> floor  
Topeka, Kansas 66603

Deadline – Written comments must be received by KDHE at the above email or mailing address no later than **December 17, 2022, at 5:00pm CST**. Written comments will be printed or summarized in the final demonstration waiver renewal application submitted to CMS and made available on State and federal websites.

### ***Public Hearings***

In addition to the opportunity to submit written comments, KDHE will seek public input on the demonstration at the following formal public hearings, both of which will include opportunities for the public to provide comments verbally.

Public Hearing #1 – Tuesday, December 6, 2022, from 2:00pm–4:00pm

Location: Eisenhower State Office Building, Auditorium A and B, 700 SW Harrison Street, Topeka, Kansas

Public Hearing #2 – Wednesday, December 7, 2022, from 6:00pm–8:00pm

Location: Virtual Zoom Meeting, register at: <https://www.kancare.ks.gov>

**As a reminder, the deadline to provide public comment is December 17, 2022, at 5:00pm CT.**