KanCare Topics

- KanCare Overview and Opportunities
- Inspector General Update
- Waiver Integration Project
- Psychotropic Drug Use, Prescription Drug Process
- Hepatitis C Drug Use
- Health Home Update
- MCO Financial Status
- KanCare Executive Summary
- HCBS Waiting Lists Update
- U.S. Department of Labor Rule
- 1915(c) Waiver Renewals
KanCare Overview

- KanCare 1115 Waiver Project
- Beginning year 4 of 5 year demonstration
- Capitated risk-based managed care model
- 95% of populations and services
- Break down silos of care
- Improve quality/outcomes and bend cost curve down
- Integrated, coordinated care
- Increased emphasis on health, wellness, prevention, early detection and early intervention
KanCare Opportunities

- Continue capitated risk-based managed care
- Further break down silos of care
- With stakeholders, explore and implement alternative payment models tied to quality and outcomes
- Employ advanced data analytics and predictive modeling for program improvement and MCO oversight
- Leverage public health expertise and programs
- Provide opportunities for job training and employment
Inspector General Update

• Have increased salary
• Position is continuously posted
• KDHE continues efforts to find a suitable candidate
Waiver Integration – Purpose

- To create parity for populations served through Home and Community Based Services (HCBS) – services should be based on a personalized plan of care and centered on an individual’s needs rather than their disability.
- To offer a broader array of services – some individuals have disabilities that qualify them for more than one HCBS program, but they are limited to a single set of services.
- Entrance to HCBS will remain the same, but services will fall into two broader categories:
  - Children’s Services
  - Adults’ Services
Waiver Integration – Update

- Public information meetings and calls held August 25 – September 2, 2015
- Waiver Integration Stakeholder Engagement (WISE) workgroup convened and met in September and October
- Project implementation date moved to January 2017
- WISE workgroup recommendations posted and shared at public meetings and conference calls held in November
Stakeholder focus groups will provide advice and recommendations on:

- Defining new services
- Refining and improving supportive employment
- Developing a communication and education plan
- Dealing with waiting lists

WISE workgroup recommendations, focus group recommendations, public input and MCO recommendations will all inform development of 1115 amendment

Waiver Integration – Next Steps
Psychotropic Drug Use

Mental Health Medicaid Advisory Committee (MHMAC)

• Charged with providing recommendations to the Medicaid Drug Utilization Review board to promote better management of behavioral health drugs in the Medicaid program

• 3 meetings have been held (Sept. 1, Oct. 28, & Dec. 9)

• In addition to review of proposed criteria, MHMAC board members have discussed processes for MCO PA implementation and review, including a ‘Preferred Prescriber Status’

• Next meeting scheduled for February 9th
Approved MHMAC Criteria

• Approved MHMAC proposals that will appear before DUR Board on Jan 13th:
  – Antipsychotic Dosing Limits
  – Use of Multiple Concurrent Antipsychotics
  – Antipsychotics for Children Age 13 or Younger
  – Benzodiazepine Dosing Limits
  – Use of Multiple Concurrent SNRIs
  – Use of Multiple Concurrent SSRIs
  – Use of Multiple Concurrent Antidepressants
DUR Board

• Drug Utilization Review (DUR) Board must accept or reject proposals in full
  – If rejected, proposals will return to MHMAC for further development
  – If accepted, state will coordinate implementation (with patient and prescriber education and outreach) with MCOs
August Follow Up – Psychotropic Use

- Are there certain geographic regions that more heavily utilize psychotropic drugs?

**Percent of Claims for Psychototropic Medication out of All Claims by Geographic Region, CY 2014**

<table>
<thead>
<tr>
<th>Region</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>JO/LV COUNTIES</td>
<td>4.6%</td>
</tr>
<tr>
<td>NORTH EAST KS</td>
<td>4.7%</td>
</tr>
<tr>
<td>SEDGWICK CNTY</td>
<td>4.1%</td>
</tr>
<tr>
<td>SOUTH EAST KS</td>
<td>4.6%</td>
</tr>
<tr>
<td>WESTERN KS</td>
<td>4.0%</td>
</tr>
<tr>
<td>WYANDOTTE CNTY</td>
<td>3.5%</td>
</tr>
</tbody>
</table>
CMS Hep C State Release

- CMS released comments on Nov. 5th regarding state Medicaid coverage of Hepatitis C medications
- Commentary focused on 2 primary concerns:
  - Criteria Consistency: CMS cites inconsistency between fee-for-service Medicaid and managed Medicaid PA criteria
    - Additionally, inconsistency between criteria utilized by different MCOs in a given state
  - Excessive Barriers: CMS cites ‘arbitrary’ PA criteria pieces that may hinder drug access
CMS Hep C Concerns Addressed

Addressing CMS’ Concerns:

• Criteria Consistency:
  – Kansas is already compliant with CMS’ suggestions, as all 3 MCOs plus the state’s Fee-For-Service program utilize the same DUR-approved PA criteria for all medications, including Hepatitis C medications

• Excessive Barriers:
  – After discussions with CMS, we believe our criteria is appropriate. CMS’ intent was to target states with outlier practices.
# Hepatitis C Drug Use

## Hepatitis C Case Rate Expenditures by MCO

<table>
<thead>
<tr>
<th>MCO</th>
<th>CY 2014</th>
<th>YTD 2015</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amerigroup</td>
<td>$6,600,149</td>
<td>$2,654,647</td>
<td>$9,254,796</td>
</tr>
<tr>
<td>Sunflower</td>
<td>$6,437,131</td>
<td>$6,251,152</td>
<td>$12,688,283</td>
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<tr>
<td>United</td>
<td>$3,785,401</td>
<td>$2,988,486</td>
<td>$6,773,887</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$16,822,682</strong></td>
<td><strong>$11,894,284</strong></td>
<td><strong>$28,716,966</strong></td>
</tr>
</tbody>
</table>
Health Home Status

• Health Homes Conference was held in Wichita August 11 and 12, 2015. About 250 staff from Health Home Partners, state agencies and managed care organizations attended.

• State staff have met onsite with many health home partners at their facilities

• A Health Homes dashboard is on the Health Homes website available at: http://www.kancare.ks.gov/health_home/hh_dashboard.htm
Kansas Health Homes: Six Core Services

Expenditures Paid by MCO by Service

- Comprehensive Care Management: $8,076,182.31 (29%)
- Care Coordination: $4,412,736.42 (16%)
- Health Promotion: $1,399,618.72 (5%)
- Comprehensive Transitional Care: $544,109.53 (2%)
- Patient and Family Support: $29,334.37 (2%)
- Referral to Community and Social Support Services: $12,850,781.77 (46%)

KanCare
August Follow Up – Length of Stay

• Why was the fourth quarter average hospital length of stay so much higher than the previous quarter?
• Utilization data, including average length of stay, are subject to claims adjustments. A 6 month lag is necessary to allow for provider billing, claims processing and payment; however claims may continue to be adjusted up to a year after first submission.
## MCO Financial Status Update

### MCO Profit and Loss per NAIC Filings

September 30, 2014 Compared to September 30, 2015

<table>
<thead>
<tr>
<th></th>
<th>Amerigroup</th>
<th>Sunflower</th>
<th>United</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>$758,089,920</td>
<td>$840,138,616</td>
<td>$669,390,696</td>
<td>$2,267,619,232</td>
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<tr>
<td>Total hospital and medical</td>
<td>$637,609,302</td>
<td>$754,935,171</td>
<td>$554,719,928</td>
<td>$1,947,264,401</td>
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<tr>
<td>Claims adjustments, General Admin., Increase in reserves</td>
<td>$23,430,362</td>
<td>$65,425,709</td>
<td>$85,231,077</td>
<td>$174,087,148</td>
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<tr>
<td><strong>Total underwriting deductions</strong></td>
<td><strong>$661,039,664</strong></td>
<td><strong>$820,360,880</strong></td>
<td><strong>$639,951,005</strong></td>
<td><strong>$2,121,351,549</strong></td>
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<tr>
<td>Net underwriting gain or (loss)</td>
<td>$97,050,256</td>
<td>$19,777,736</td>
<td>$29,439,692</td>
<td>$146,267,684</td>
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<tr>
<td>Net investment gains or (losses)</td>
<td>$1,590,620</td>
<td>$120,803</td>
<td>$0</td>
<td>$1,711,423</td>
</tr>
<tr>
<td><strong>Net income or (loss) after capital gains tax and before all other federal income taxes</strong></td>
<td><strong>$98,640,876</strong></td>
<td><strong>$19,898,539</strong></td>
<td><strong>$29,439,692</strong></td>
<td><strong>$147,979,107</strong></td>
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<tr>
<td>Federal and foreign income taxes incurred</td>
<td>$18,918,743</td>
<td>$616,824</td>
<td></td>
<td>$19,535,567</td>
</tr>
<tr>
<td>Add Back Change to Reserves</td>
<td>($55,474,368)</td>
<td>($31,292,674)</td>
<td></td>
<td>($86,767,042)</td>
</tr>
<tr>
<td><strong>Adjusted Net income (loss) - Through September 30, 2015</strong></td>
<td><strong>$24,247,765</strong></td>
<td><strong>($12,010,959)</strong></td>
<td><strong>$29,439,692</strong></td>
<td><strong>$41,676,498</strong></td>
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<tr>
<td>Add Back Change to Reserves</td>
<td>($3,131,490)</td>
<td>($32,936,087)</td>
<td></td>
<td>($36,067,577)</td>
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<tr>
<td>Net income (loss) - September 30, 2014</td>
<td>($19,594,296)</td>
<td>($14,938,481)</td>
<td>($7,432,779)</td>
<td>($41,965,556)</td>
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<tr>
<td>Difference from Q3 2014 to Q3 2015</td>
<td><strong>$46,973,551</strong></td>
<td><strong>$35,863,609</strong></td>
<td><strong>$36,872,471</strong></td>
<td><strong>$119,709,631</strong></td>
</tr>
</tbody>
</table>
KanCare Executive Summary

- Medicaid Member Eligibility/Expenditure Information
- KanCare Financial Summary CY15/Financial Trends
- Provider Network
- Claim Processing and Denials
- Utilization Summary
- Value Added Services/In Lieu Of Services
- Member Grievances, Appeals and Hearings
For more information about KanCare

www.KanCare.ks.gov