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

November 28-29, 2017
Agenda

- KanCare 2.0 Overview
- KanCare Program Updates
- Nursing Facility Liaison Program
- Medicaid Eligibility Processing
- Kansas Eligibility Enforcement System (KEES)
- MCOs Financial Status
- Children’s Health Insurance Program (CHIP) Reauthorization Status
- Opioid Crisis Response Plan for Medicaid Including Treatment of Addiction
- Corrective Action Plan (CAP) Update
- KanCare Request for Proposal (RFP)
KanCare 2.0 Overview

• A Medicaid Managed Care/Services program
• Managed Care Organizations (MCOs) operate statewide across the spectrum of health, healthcare and independence
• Goals:
  • To improve quality/outcomes and
  • To reduce the rate of cost growth
• Through:
  • Integrated plan of service
  • Focusing on social determinants of health and independence

Our Mission: To protect and improve the health and environment of all Kansans.
Technology-Enabled Service
Technology-Enabled Service

- Create IT infrastructure to support 360 degree view of beneficiary
- Facilitate increased and improved coordination and integration of services
  - Break down silos of behavioral and physical health, agencies and organizations, data, funding
- Provide skinny data – targeted, actionable information
KanCare 2.0 Plan of Service

• Create/adopt a service planning assessment process that:
  • Begins with a person’s vision for their good life
  • Ends with a tailored and comprehensive plan
• Assist members to connect with affordable housing, food security, employment, education, family stability and more through advanced services coordination
• Execute, monitor and refine Plan of Service
Structure Supports Holistic Health
Social Determinants of Health

Population Health

- **Physical Environment**: Environmental quality, Built environment (10%)
- **Health Care**: Access to care, Quality of care (20%)
- **Socio-Economic Factors**: Education, Employment, Income, Family/social support, Community safety (40%)
- **Health Behaviors**: Tobacco use, Diet & exercise, Alcohol use, Unsafe sex (30%)

Source: Authors’ analysis and adaptation from the University of Wisconsin Population Health Institute’s County Health Rankings model © 2010. http://www.countyhealthrankings.org/about-project/background

Our Mission: To protect and improve the health and environment of all Kansans.
KanCare 2.0 Employment Pilot
KanCare 2.0 Employment Pilot

• In response to members’ repeated requests, help these members obtain and maintain competitive, integrated employment
• For members with
  • Behavioral health needs
  • Intellectual/developmental disabilities
  • Physical disabilities or
  • Traumatic brain injuries
• Metrics to include quality of life and life satisfaction measures, key health outcomes and impact on healthcare costs
KanCare 2.0 Foster Children Pilot
KanCare 2.0 Foster Children Pilot

- Providing service identification, coordination and provision for youth in foster care to:
  - Increase stability at home and school
  - Support the child and foster family to reduce adverse childhood experiences occurrence and impact
  - Ease transitions
- Metrics to include:
  - Decreased number of placements
  - Reduced psychotropic medication use
  - Improved health outcomes for these youth
1115 Waiver Application Timeline

- **Release of KanCare 2.0 application for public comment**
  - *October 27, 2017*

- **Public Hearings on KanCare 2.0**
  - *November 14 to 20, 2017*

- **Last day to submit comments**
  - *November 26, 2017*

- **KanCare 2.0 application submitted to CMS**
  - *By December 31, 2017*

- **Work with CMS and continue to work with Stakeholders and Legislative Representatives**

- **KanCare 2.0 begins**
  - *January 1, 2019*
KanCare Successes
KanCare Utilization

• Members have used their Primary Care Physician 19% more with KanCare.

• Members are more likely to attend their appointments; Transportation up 58%.

• Costly inpatient hospital stays have been reduced by 30%.

• Emergency Room use down by 6%.

KanCare Utilization
KanCare vs. Pre-KanCare (2012)

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>% Utilization Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Care Physician</td>
<td>19%</td>
</tr>
<tr>
<td>Transportation</td>
<td>58%</td>
</tr>
<tr>
<td>Outpatient Non-ER</td>
<td>9%</td>
</tr>
<tr>
<td>Inpatient</td>
<td>-30%</td>
</tr>
<tr>
<td>Outpatient ER</td>
<td>-6%</td>
</tr>
<tr>
<td>Dental</td>
<td>30%</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>2%</td>
</tr>
<tr>
<td>Vision</td>
<td>17%</td>
</tr>
</tbody>
</table>

As of October 2017.
KanCare HCBS Waiver Utilization

- Waiver members have used their Primary Care Physician 19% more with KanCare.
- Members are more likely to attend their appointments; Non-Emergency transportation use up 52%.
- Costly inpatient hospital stays have been reduced by 16%.
- Emergency Room use up by 1%

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>% Utilization Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Care Physician</td>
<td>19%</td>
</tr>
<tr>
<td>Transportation NEMT</td>
<td>52%</td>
</tr>
<tr>
<td>Outpatient Non-ER</td>
<td>6%</td>
</tr>
<tr>
<td>Inpatient</td>
<td>-16%</td>
</tr>
<tr>
<td>Outpatient ER</td>
<td>1%</td>
</tr>
<tr>
<td>Dental</td>
<td>23%</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>12%</td>
</tr>
<tr>
<td>Vision</td>
<td>27%</td>
</tr>
<tr>
<td>HCBS Services</td>
<td>31%</td>
</tr>
</tbody>
</table>

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

As of October 2017.
KanCare Cost Comparison

Our Mission: To protect and improve the health and environment of all Kansans.
Since the beginning of KanCare, members have been provided more than $18 million dollars in total value of services they did not have access to under old Medicaid at no cost to the state.
LTC Application Status

- Implemented 90% advance payment for any Long Term Care (LTC) eligibility application undetermined for more than 45 days

- Developed and posted a checklist/manual for LTC facility staff explaining the process step by step to complete an application https://www.youtube.com/watch?v=X5nM1-UWUrs

- Created a webinar for LTC staff working on eligibility- Youtube video available at https://www.youtube.com/watch?v=X5nM1-UWUrs&feature=youtu.be

- Created a tutorial on the 2126 form for Nursing Homes – Youtube video available at https://www.youtube.com/watch?v=9h0ATNwW56w
Liaison Program Expansion

Status Update

Will add 50 facilities every month until all facilities are in the Liaison program
Opened a new facilities in Topeka for NF Liaison staff in October
Medicaid Eligibility Processing

- Steady State for applications processing reached as of March 24, 2017
- All Applications over 45 Days Have Been Touched
- CMS discontinued reporting requirement in May 2017
Eligibility Processing Initiatives

KDHE has implemented a number of eligibility processing initiatives to account for KEES Phase 3 implementation:

• Process Improvements
  – Redesigned data entry process
  – Made system improvements
  – Added supplemental training and training tools
  – Redesigned escalation process

• Accountability
  – Strengthened activity tracking
  – Added productivity incentives

• Analytics and Staffing
  – Developed new work reports
  – Increased organizational support

• Overtime
  – Implemented mandatory overtime
  – Extended hours of operation
  – Redeployed experienced resources
Application Status Update

- Unprocessed Applications are approximately 308 as of last report.

<table>
<thead>
<tr>
<th>Total number of other applications and redeterminations</th>
<th>&gt; 45 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unprocessed Applications - Total</td>
<td>2,547</td>
</tr>
<tr>
<td>- Unprocessed Applications - Pended</td>
<td>1,874</td>
</tr>
<tr>
<td>= Unprocessed Applications - Approx</td>
<td>673</td>
</tr>
</tbody>
</table>

Pended claims are awaiting additional information from the applicant.
Application Status Detail

- The report reflects 2,547 applications over 45 days old.

- 1,874 of these are pended and awaiting additional information from applicants.

- Remainder of 673 represents applications in process.

- Since March 24, 2017, there are no applications over 45 days old that are untouched.
KEES Phase 3 Implementation

System became fully operational early September 2017

Benefits

- Standardizes use of data and creates a single source of truth for all eligibility information
- Integrates eligibility to streamline application process
- Provides a platform for beneficiaries to access information about their medical and non-medical services from one location
# MCO Financial Status Update

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

## MCO Profit and Loss per NAIC Filings

**June 30, 2017 Compared to June 30, 2016**

<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>$476,597,825</td>
<td>$540,191,022</td>
<td>$465,758,000</td>
<td>$1,482,546,847</td>
</tr>
<tr>
<td>Total hospital and medical</td>
<td>$443,727,882</td>
<td>$473,499,398</td>
<td>$410,881,800</td>
<td>$1,328,109,080</td>
</tr>
<tr>
<td>Claims adjustments, General Admin., Increase in reserves</td>
<td>$50,775,343</td>
<td>$63,591,390</td>
<td>$53,849,400</td>
<td>$168,216,133</td>
</tr>
<tr>
<td>Net underwriting gain or (loss)</td>
<td>($17,905,400)</td>
<td>$3,100,234</td>
<td>$1,026,800</td>
<td>($13,778,366)</td>
</tr>
<tr>
<td>Net income or (loss) after capital gains tax and before all other federal income taxes</td>
<td>($16,952,987)</td>
<td>$3,863,804</td>
<td>$1,026,800</td>
<td>($12,062,203)</td>
</tr>
<tr>
<td>Federal and foreign income tax/(benefit)</td>
<td>($5,860,368)</td>
<td>$1,371,639</td>
<td></td>
<td>($4,488,729)</td>
</tr>
<tr>
<td>Add back change to reserves</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Adjusted Net income (loss) - Through June 30, 2017</td>
<td>($11,092,619)</td>
<td>$2,492,255</td>
<td>$1,026,800</td>
<td>($7,573,564)</td>
</tr>
<tr>
<td>Add back change to reserves</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Net income (loss) - June 30, 2016</td>
<td>($14,282,212)</td>
<td>($4,017,725)</td>
<td>$19,802,901</td>
<td>$14,356,964</td>
</tr>
<tr>
<td>Adjusted Net income (loss) - Through June 30, 2016</td>
<td>($14,282,212)</td>
<td>($4,017,725)</td>
<td>$19,802,901</td>
<td>$14,356,964</td>
</tr>
<tr>
<td>Difference from Q2 2016 to Q2 2017</td>
<td>($9,664,407)</td>
<td>$6,509,980</td>
<td>($18,776,101)</td>
<td>($21,930,528)</td>
</tr>
</tbody>
</table>
CHIP Reauthorization

Current Funds Expire in March 2018

CHIP Reauthorization legislation currently discussed in House and Senate bills

Kansas Medicaid has developed contingency plans if CHIP is reauthorized or if it is not. This plan includes:

- New eligibility category to align with CHIP eligibility
- System changes to support new eligibility determination
- Notification plan for individuals enrolled in CHIP
- Transition from CHIP to Medicaid

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

Additional State Expenditures from CHIP not being reauthorized:

SFY 2018 Forecasted budget impact:

SGF: $37,719,937

SFY 2019 Forecasted budget impact:

SGF: $53,355,911
Addressing the Opioid Epidemic
Opioid Strategy

5 Key Domains:
1. Opioid Supply Policy
Reduce number of opioids prescribed and in medicine cabinets in Kansas.

2. Opioid Demand Policy
Introduce alternative pain strategies and develop step-down protocols to reduce the number of people needing intensive opioid-based pain management regimens.

3. Opioid Treatment Policy
Expand access to proven treatments for opioid use disorder and dependence.
Opioid Strategy

5 Key Domains:

4. Opioid Prevention Policy
Implement programs to educate on dangers of opioids and on preventive measures to reduce the number of conditions that require intensive pain management.

5. Opioid Enforcement Policy
Work with law enforcement and the Attorney General’s office to identify and prosecute illegal sales and trafficking of synthetic and diversion opioids.
1. **KanCare Prescribing Guidelines**
   Update KanCare Opioid prescribing guidelines to be reviewed by KDHE leadership and ultimately presented to the Drug Utilization Review (DUR) board in January 2018.
   - Led by KDHE Leadership and DHCF,
   - Supply-side policy to reduce opioid prescriptions.

2. **Kansas Prescription Drug Prevention Workgroup**
   Grant funded workgroup targeting treatment and recovery activities, with the remainder going to prevention, early intervention and public education.
   - Led by Bureau of Health Promotion, and KDADS,
   - Treatment and prevention policy directive.
Current KanCare Opioid Activities

(Continued)

3. KanCare 2.0 – 1115 Waiver
Institutions for Mental Diseases (IMD) Exclusion as part of 1115 waiver

4. Other Meetings with key stakeholders
Attorney general (enforcement initiatives), University of Kansas Heart and Stroke Collaborative (PCORI opioid grant proposal), Board of Pharmacy (K-TRACS roadmap),
KanCare Corrective Action Plan (CAP) Update

- Kansas Medicaid Enterprise (KME) is on schedule to complete all tasks by December 2017 as required in the CAP

- KME has met with CMS bi-weekly throughout CY 2017 to obtain CMS support and approval for completing CAP tasks

- Where CMS identified deficiencies, KME is developing operating procedures to better guide staff monitoring tasks

- KME is finalizing system components for real-time reporting of long-term services and supports (LTSS) critical incidents

- KDADS is revising policies for its person-centered planning process to be more member-centric for members receiving home and community-based services (HCBS)
### KanCare Corrective Action Plan (CAP) Update (Continued)

#### CAP Progress by Task Area

<table>
<thead>
<tr>
<th>Task Area</th>
<th>% of Tasks Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Authority</td>
<td>77%</td>
</tr>
<tr>
<td>Person-Centered Planning</td>
<td>82%</td>
</tr>
<tr>
<td>Provider Access and Network Adequacy</td>
<td>85%</td>
</tr>
<tr>
<td>Participant Protections</td>
<td>79%</td>
</tr>
<tr>
<td>Support for Beneficiaries</td>
<td>92%</td>
</tr>
<tr>
<td>Stakeholder Engagement Process Development</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Overall % of CAP Tasks Complete</strong></td>
<td><strong>83%</strong></td>
</tr>
</tbody>
</table>
KanCare 2.0 RFP

Department of Administration to respond to questions on RFP