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

August 22-23, 2017
Agenda

• KanCare Results
• Nursing Facility Liaison Program
• Medicaid Eligibility Processing
• Kansas Eligibility Enforcement System (KEES)
• MCOs Financial Status
• KanCare Request for Proposal (RFP)
KanCare Utilization

- Members have used their Primary Care Physician 18% 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 7%.

### KanCare Utilization

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>% Utilization Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Care Physician</td>
<td>18%</td>
</tr>
<tr>
<td>Transportation</td>
<td>58%</td>
</tr>
<tr>
<td>Outpatient Non-ER</td>
<td>10%</td>
</tr>
<tr>
<td>Inpatient</td>
<td>-30%</td>
</tr>
<tr>
<td>Outpatient ER</td>
<td>-7%</td>
</tr>
<tr>
<td>Dental</td>
<td>25%</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>2%</td>
</tr>
<tr>
<td>Vision</td>
<td>16%</td>
</tr>
</tbody>
</table>

As of March 2017.
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 up 52%.
- Costly inpatient hospital stays have been reduced by 16%.
- Emergency Room use up by 1%

<table>
<thead>
<tr>
<th>KanCare Waivered Utilization</th>
<th>% Change</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
KanCare Cost Comparison

CY 2006 - CY 2019

Actual
Current Estimate
2012 KanCare Projection
2012 Projection without KanCare
Since the beginning of KanCare, members have been provided over $16 million dollars in total value of services at no cost to the state.

These services were not available to members under old Medicaid.
LTC Application Status

• Implemented 90% advance payment for any Long Term Care (LTC) application over 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
KanCare Clearinghouse Liaison Program

Goal: Deliver a more personalized level of service to ensure that nursing facility residents get access to the medical care they are eligible for in a timely fashion.

- **Pilot** (12 facilities) → **Program** (330 facilities)

Status Update on Liaison Expansion:
1. Enrolled 12 additional nursing facilities in July 2017 (mostly small, non-profit)
2. Continue to identify nursing facilities to participate (KDHE will enroll 5 facilities in August)
3. Expand the program to all nursing facilities in 2018

KDHE would like to thank Leading Age of Kansas and Kansas Health Care Association for their assistance in helping to identify the 12 additional nursing facilities.
Medicaid Eligibility Processing

- Steady State for applications reached as of March 24, 2017
- All Applications over 45 Days Have Been Touched
- CMS discontinued reporting requirement in May 2017
Application Status Update

- Unprocessed Applications are approximately 308 as of last report

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>&gt; 45 days</td>
<td>1,428</td>
</tr>
<tr>
<td>Unprocessed Applications - Total</td>
<td>1,428</td>
</tr>
<tr>
<td>- Unprocessed Applications - Pended</td>
<td>1,120</td>
</tr>
<tr>
<td>= Unprocessed Applications - Approx</td>
<td>308</td>
</tr>
</tbody>
</table>

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

- The report reflects 1,428 applications over 45 days old.

- 1,120 of these are pended and awaiting additional information from applicants.

- Remainder of 308 represents applications in process.

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

Overview
• Eligibility determination for non-medical services will move to KEES, retiring 8 different legacy systems
• Enhancements will be made to the management of medical services, including additional reporting, application tracking enhancements, and system changes to better meet CMS requirements

Benefits
• Integrates medical and non-medical eligibility to streamline the application process
• Standardizes the use of data between agencies and creates a single source of truth for all eligibility information
• Provides a platform for beneficiaries to access information about their medical and non-medical services from one location
KEES Phase 3 Implementation

- **Timing**
  - Cutover to new system began 8/18
  - Full system availability by early September

- **Medical Services During Upgrade: We will…**
  - Continue previously approved benefits without disruption
  - Maintain call center operations and be able to answer questions
  - Accept paper applications and other documents submitted via mail or fax
  - Pre-screen applications for required information
  - Request necessary documents from members and providers
  - Process cases that meet emergency medical criteria and authorize benefits for emergency medical
  - Communicate to all stakeholders, leveraging press releases, FAQ sheets, provider bulletins, website messages, and call center information

- **Non-emergency medical benefit authorization will resume when the upgrade completes**
# MCO Financial Status Update

## MCO Profit and Loss per NAIC Filings
March 31, 2016 Compared to March 31, 2017

<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>$238,498,755</td>
<td>$273,510,636</td>
<td>$231,780,300</td>
<td>$743,789,691</td>
</tr>
<tr>
<td>Total hospital and medical</td>
<td>$220,913,910</td>
<td>$242,852,064</td>
<td>$201,659,300</td>
<td>$665,425,274</td>
</tr>
<tr>
<td>Claims adjustments, General Admin., Increase in reserves</td>
<td>$10,795,215</td>
<td>$27,554,433</td>
<td>$26,797,700</td>
<td>$65,147,348</td>
</tr>
<tr>
<td>Net underwriting gain or (loss)</td>
<td>($8,835,196)</td>
<td>$3,104,139</td>
<td>$3,323,300</td>
<td>($2,407,757)</td>
</tr>
<tr>
<td>Net income or (loss) after capital gains tax and before all other federal income taxes</td>
<td>($8,655,902)</td>
<td>$3,465,677</td>
<td>$3,323,300</td>
<td>($1,866,925)</td>
</tr>
<tr>
<td>Federal and foreign income tax/(benefit)</td>
<td>($3,008,549)</td>
<td>$1,123,253</td>
<td></td>
<td>($1,885,296)</td>
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<tr>
<td>Add Back Change to Reserves</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>Adjusted Net income (loss) - Through March 31, 2017</td>
<td>($5,647,353)</td>
<td>$2,342,424</td>
<td>$3,323,300</td>
<td>$18,371</td>
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<tr>
<td>Add Back Change to Reserves</td>
<td>$0</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income (loss) - March 31, 2016</td>
<td>($5,038,061)</td>
<td>($9,401,103)</td>
<td>($4,621,247)</td>
<td>($19,060,411)</td>
</tr>
<tr>
<td>Adjusted Net income (loss) - March 31, 2016</td>
<td>($5,038,061)</td>
<td>($9,401,103)</td>
<td>($4,621,247)</td>
<td>($19,060,411)</td>
</tr>
<tr>
<td>Difference from Q1 2016 to Q1 2017</td>
<td>($609,292)</td>
<td>$11,743,527</td>
<td>$7,944,547</td>
<td>$19,078,782</td>
</tr>
</tbody>
</table>
KanCare 2.0

• Request for Proposal (RFP) development
  – Member and provider engagement
  – Looking at potential future reforms
  – Identifying opportunities that will enhance KanCare’s position as a model program for the nation

• Reduce provider burden and improve member satisfaction
  – Uniform credentialing requirement
  – Care Coordination services
    • Timing
    • Level of Interaction
    • Documentation
  – Value-Based Purchasing Guidance
  – Enhanced data analytics for MCO oversight
KanCare 1 Year Extension

• Extends existing KanCare program through Dec. 31, 2018

• CMS and KDHE worked closely together

• Submitted 1 year extension to CMS on July 31, 2017.

• CMS notified state application is considered complete
Next Steps

• Continue to work with CMS on new waiver application and the extension

• RFP provider and advocacy group meetings in September, 2017

• RFP public stakeholder calls in October, 2017

• RFP posted in November