Medicaid 101 and KanCare Overview

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Senate Public Health and Welfare Committee
January 17th, 2017
Agenda

- Medicaid 101
- KanCare Overview
- Role of MCO
Overview of Medicaid

- Created in 1965 through an amendment to the Social Security Act
- Joint program between state and federal government
- Major payer in the U.S. health care system
- 56 entities have Medicaid programs – 50 states, Washington, D.C. and 5 territories
- Tailored by each state to meet the needs of the vulnerable populations of the state
- Growing
Medicaid Coverage and Cost

• Provides coverage for a broad range of health care services
• Serves children, pregnant women, the frail elderly, physically disabled individuals and individuals with intellectual or developmental disabilities
• Nationally, Medicaid state and federal expenditures in FY 2014 were over $495 billion
• Average state share of costs is approximately 40%
What’s The Difference?

• **Medicare** – national health insurance for people ≥ 65 and some people who have disabilities

• **Medicaid** – Health care program for people with very low incomes who also meet some other eligibility criteria:
  – Age (child or senior)
  – Condition (pregnancy)
  – Disability
FMAP

• Federal Medical Assistance Percentage (FMAP)
  – Match range is 50%-83%
  – Enhanced funding for Children’s Health Insurance Program

• For the current federal fiscal year:
  – FMAP: 56.21%
  – Enhanced FMAP: 69.35%
    • plus ACA 23 point increase: 92.35%
What Flexibility Do States Have?

- Optional eligibility requirements
- Optional benefits
- Service delivery mechanisms:
  - Capitated managed care
  - Fee for service (FFS)
  - Primary Care Case Management (PCCM)
What is Covered By Medicaid?

- **Mandatory Services**
  - Inpatient Hospital
  - Outpatient Hospital
  - Rural Health Clinic Services
  - Federally Qualified Health Center (FQHC) Services
  - Lab and X-Ray Services
  - Transportation to medical care
  - Home Health
  - Early Periodic Screening Diagnosis & Treatment “Kan Be Healthy”
  - Physician Services
  - Dental Services (for children)
  - Tobacco cessation counseling for pregnant women
  - Nursing Facilities
  - Family Planning
  - Pregnancy Care
  - Some Other Practitioner Services
What is Covered By Medicaid?

• Optional Services
  – Prescribed Drugs
  – Clinic Services
  – Physical Therapy
  – Occupational Therapy
  – Speech, Hearing and Language
  – Prosthetic Device
  – Eye Care Services
  – Eyeglasses
  – Rehabilitation Services
  – Home & Community-Based Services (HCBS)
  – Respiratory Care Services
  – Other diagnostic/screening services
  – Mental Health Services
  – Hospice
  – Targeted Case Management
  – Podiatry
  – Chiropractic Services
  – Intermediate Care for Individuals with Intellectual Disability
Medicaid State Plan

• Specifies the eligibility groups served (elderly & disabled, pregnant women, and children), the benefits provided, and the day to day operations of the program.

• Provides the basis for a state’s claim for Federal Financial Participation (FFP)

• The state plan and all subsequent amendments must be reviewed and approved by the federal government
KDHE’s Role in Kansas Medicaid

• Single State Medicaid Agency (SSMA)

• Primary contact with Centers for Medicare and Medicaid Services (CMS) at the federal level

• KDHE contracts with three managed care organizations (MCOs)
What is KanCare?

• Medicaid + Children’s Health Insurance Program (CHIP) = KanCare

  – CHIP (Title 21 of Social Security Act) covers children in families with incomes too high to qualify for Medicaid
    • Covers children up to age 19
    • Benefits almost identical to Medicaid
KanCare Goals

- Whole Person Care Coordination
- Clear Accountability
- Improved Health Outcomes
- Financial Sustainability
Improved Alcohol/Drug Treatment

**Alcohol/Drug Dependence**
(Ages 13-17)

- Alcohol/Drug Dependence
  
  Initiation of treatment improved by 3.7% from 2013.
Improved Well Child Visits

Well Child Visits
3rd, 4th, 5th, 6th, Years of Life

- **Well Child Visits**

  Children who attended their well child visit in the third, fourth, fifth, and sixth years of life increased 2.1% from 2013.
Improved Diabetes Care

Comprehensive Diabetes Care

- **Comprehensive Diabetes Care**

Diabetes Care measures have improved since 2013 and improved since old Medicaid measures in 2012.
• Behavioral Health

Severe and Persistent Mentally Ill adults (SPMI) competitively employed Q1 of 2014 increased by 1.3% into Q4 2014.
Reduced NF Re-admits

The percentage of nursing facilities' (NF) Medicaid members readmitted to a hospital decreased by 44% from 2012 to 2014.

- **Nursing Facility Re-admits**

  The percentage of nursing facilities’ (NF) Medicaid members readmitted to a hospital decreased by 44% from 2012 to 2014.
Decrease in Pre-Natal Care

- Pre-Natal Care
  Over 70% of pregnant women continue to get pre-natal care.
In 2015, 133,012 members received value added services; this was an increase of 32% since 2014.

Since the beginning of KanCare, members have been provided over $12 million dollars in total value of services at no cost to the state.

These services were not available to members under old Medicaid.
KanCare Utilization

- Members have used their Primary Care Physician 24% more with KanCare.
- Members are more likely to attend their appointments; Transportation up 33%.
- Costly inpatient hospital stays have been reduced by 23%.
- Emergency Room use down by 1%.

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Percentage Utilization Difference</th>
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<tr>
<td>Primary Care Physician</td>
<td>24%</td>
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<tr>
<td>Transportation</td>
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<td>Outpatient Non-ER</td>
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<tr>
<td>Inpatient</td>
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<tr>
<td>Outpatient ER</td>
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<tr>
<td>Dental</td>
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<td>Pharmacy</td>
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<tr>
<td>Vision</td>
<td>15%</td>
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**Waiver Utilization**

- Waiver members have used their Primary Care Physician 80% more with KanCare.
- Members are more likely to attend their appointments; Non-Emergency transportation up 56%.
- Costly inpatient hospital stays have been reduced by 29%.
- Emergency Room use down by 7%.

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<th>Type of Service</th>
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<tr>
<td>Primary Care Physician</td>
<td>80%</td>
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<tr>
<td>Transportation</td>
<td>56%</td>
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<td>Outpatient Non-ER</td>
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<td>HCBS Services</td>
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<td>Dental</td>
<td>36%</td>
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<td>Pharmacy</td>
<td>2%</td>
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<tr>
<td>Vision</td>
<td>14%</td>
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*SED, DD, PD, FE, Autism, TA, and TBI
KanCare Cost Comparison

KanCare has produced more than $1.4B in savings to the state. A portion of these savings has allowed us to invest in eliminating the PD waiver, as of August 2016, and reducing the DD waiver waiting lists.
KanCare 2.0

• Extending request for proposal (RFP) development
  • Looking at exciting possibilities around potential future reforms
  • Identifying opportunities that will enhance KanCare’s position as a model program for the nation
• Providing opportunities to greatly reduce provider burden and member satisfaction
  • Uniform credentialing requirement
  • Care Coordination services
    • Timing
    • Level of Interaction
    • Documentation
  • Value-Based Purchasing Guidance
  • More meaningful access to data to monitor and manage MCOs
• Currently working with vendor on drafting of RFP
MCO Role

• Ensure provision of medically necessary physical and behavioral health services, and long term supports to all eligible KanCare members

• Coordinate care for all members to ensure needed services are provided, members needs are met, and unnecessary or duplicative services are not provided

• Provide customer service call centers, handbooks and other web-based and printed material for both providers and members to assist with questions and any issues or concerns

• Credential and contract with willing providers to ensure an adequate network for all services statewide