

# Medicaid 101 and KanCare Overview

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## **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

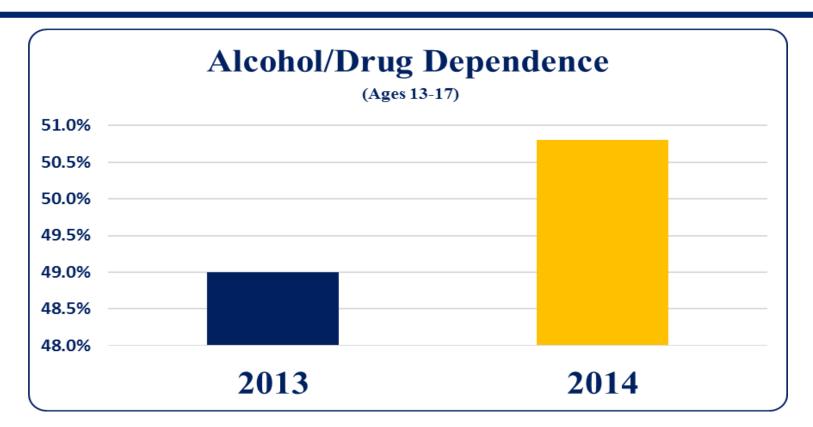


### KanCare Goals

- Whole Person Care Coordination
- Clear Accountability
- Improved Health Outcomes
- Financial Sustainability



## Improved Alcohol/Drug Treatment

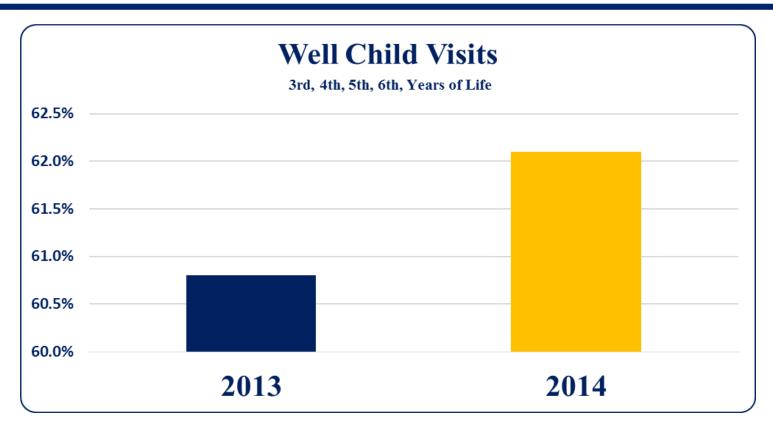


#### Alcohol/Drug Dependence

Initiation of treatment improved by 3.7% from 2013.



## **Improved Well Child Visits**

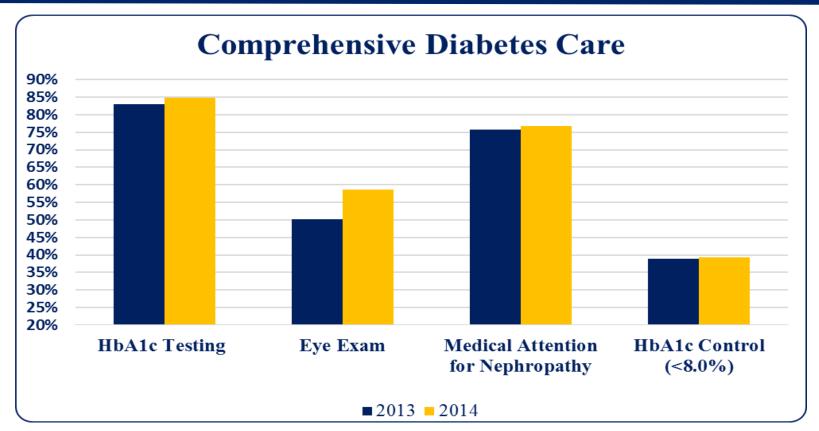


#### Well Child Visits

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**

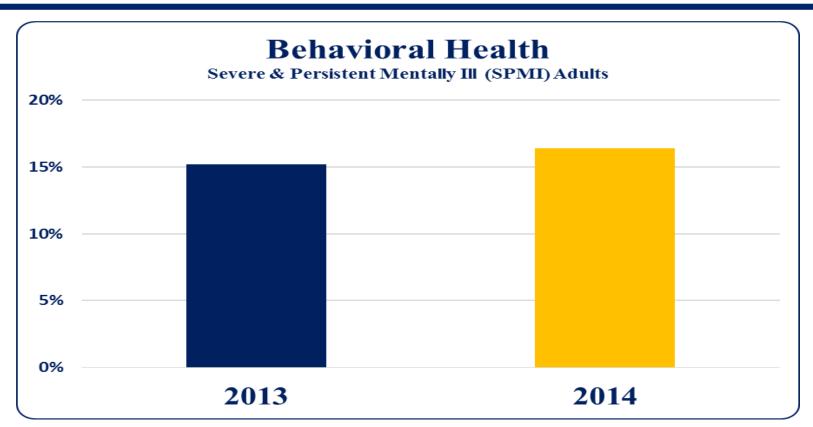


Comprehensive Diabetes Care

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



## **Improved Employment Status**

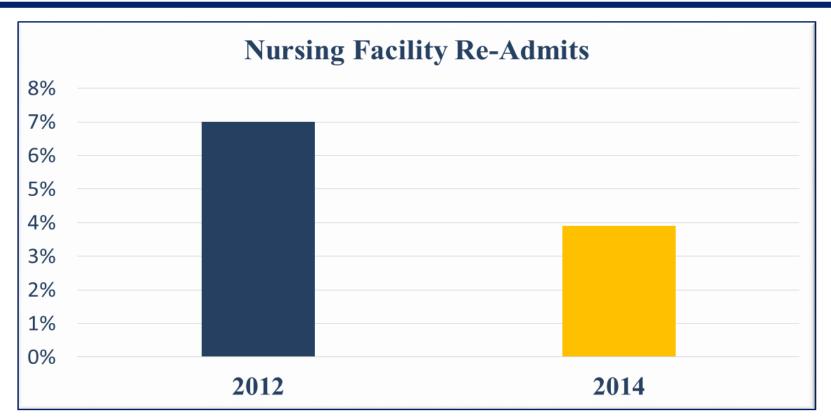


#### Behavioral Health

Severe and Persistent Mentally III adults (SPMI) competitively employed Q1 of 2014 increased by 1.3% into Q4 2014.



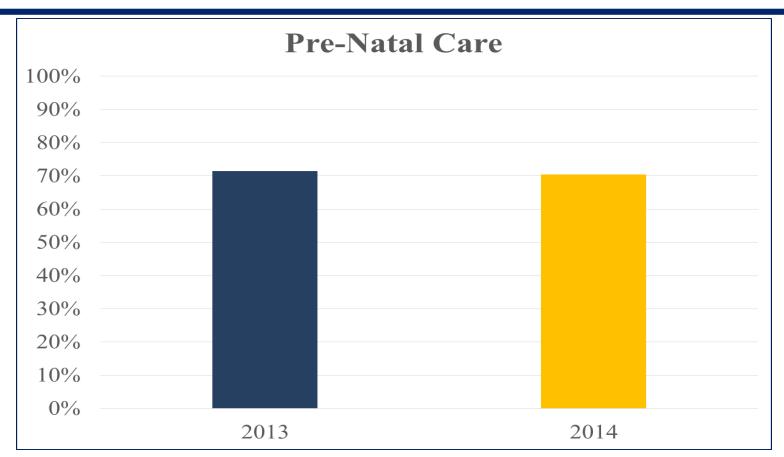
## **Reduced NF Re-admits**



#### 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**



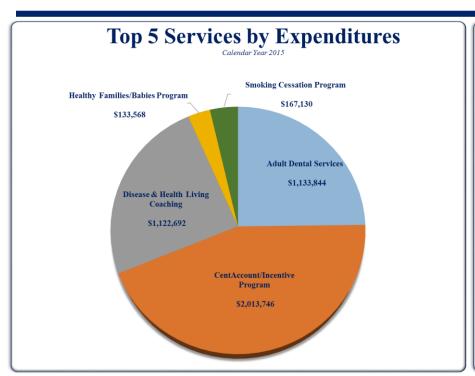
#### Pre-Natal Care

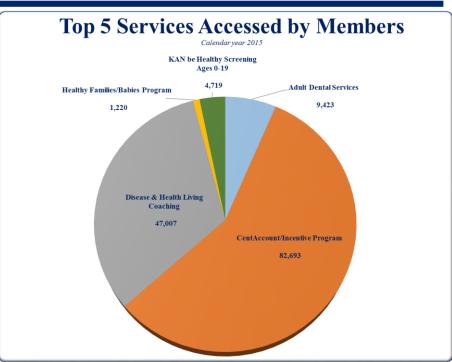
Over 70% of pregnant women continue to get pre-natal care.



### **KanCare New Services**

#### At No Cost to the State





- 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%.

KanCare Utilization		
KanCare (2015) vs. Pre Kancare (2012)		
Type of Service	% Utilization Difference	
Primary Care Physician	24%	
Transportation	33%	
Outpatient Non-ER	10%	
Inpatient	-23%	
Outpatient ER	-1%	
Dental	32%	
Pharmacy	7%	
Vision	15%	



## **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%

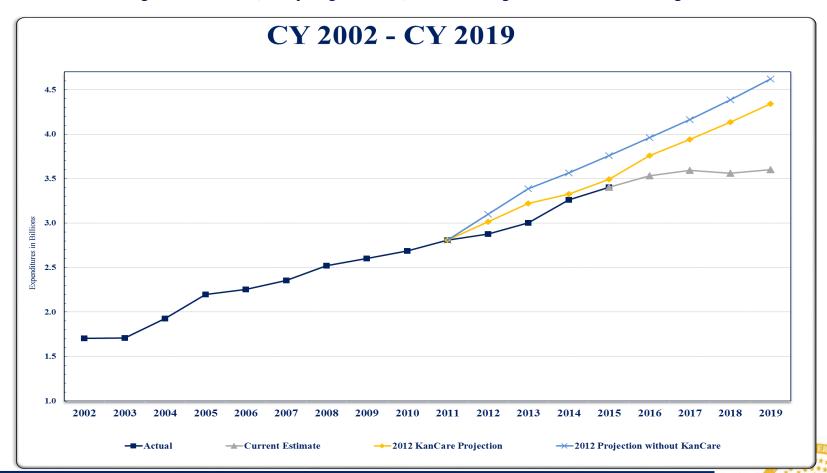
KanCare Waiver	Utilization
KanCare 2015 v. Pre KanCare 2012	
Type of Service	% Utlization Difference
Primary Care Physician	80%
Transportation	56%
Outpatient Non-ER	10%
HCBS Services	34%
Inpatient	-29%
Outpatient ER	-7%
Dental	36%
Pharmacy	2%
Vision	14%

\*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