KanCare Update: Robert G. (Bob) Bethell KanCare Oversight
April 29, 2019
AGENDA

• Update from the Secretary – Dr. Lee Norman
• State of the KanCare Program – Christiane Swartz, Deputy Director of Medicaid
  • KanCare Program Update
  • 1115 Waiver Update
• Finance and Analytics Update – Adam Proffitt, Finance/Informatics Director
  • MCO Financial Review
  • Clearinghouse contract
• Eligibility Update – Kim Burnam, Eligibility Director
  • Application Status
  • KDHE Clearinghouse Staffing
  • Transition of Medicaid Application Eligibility Processing
UPDATE FROM THE SECRETARY
Dr. Lee Norman
STATE OF THE KANCARE PROGRAM

Christiane Swartz, Deputy Medicaid Director

- KanCare Program Update
  - New MCO contracts
  - Continuity of care
  - 1115 Waiver Update
  - One Care Kansas
New MCO contracts:

- Completed 1st quarter of operations
- Open enrollment period for beneficiary ended 04/03/19
- Rapid response calls for providers, associations and beneficiaries continuing through end of April – about 900 calls handled since January
Continuity of Care policy:

Policy was put in place to ensure a smooth transition for beneficiaries and providers. The policy establishes principles to be followed when transitions occur. Highlights:

- Plan of Care in place with the original MCO are honored for 90 days by the receiving MCO
- Prior Authorizations in place with the original MCO are honored for 90 days by the receiving MCO
- Non contracted providers are to be paid 100% of the Medicaid fee for service rates for 90 days
- Full policy can be found at https://www.kancare.ks.gov/policies-and-reports/transition-of-care
- Aetna has extended the continuity of care timeline beyond the required 90 days
1115 Waiver:

- Approved December 18, 2018- allowed us to move into the next demonstration period of the waiver
- Completed 1st quarter of operations
- Conducted training on the Standards Terms and Conditions to maintain compliance and avoid financial penalties
- Held monthly status calls with CMS as required by the STCs
- Preparing the first quarterly report due to CMS in May
OneCare Kansas Update

Important Upcoming Dates:
- June 1, 2019 deadline for Applications to become OneCare Partner
- January 1, 2020 implementation

Noteworthy Accomplishments/Tasks:
- Planning Council established and operating – October, 2018- Present
- OneCare Kansas Implementation Newsletter – January, 2019- Present
- Potential OneCare Kansas Partner Forum – March 21, 2019
  - Nearly 100 attendees from 54 potential OneCare Partners.
- Work towards defining target population – Ongoing
  - Contract with KU nearing completion
  - Poised to give 197,000 records to KU to assist in identifying the population
Finance and Analytics Update
Adam Proffitt, Director of Finance and Informatics

- MCO Financial Review
- Clearinghouse Contract
KanCare
MCO Profit and Loss per NAIC Filings
For the Calendar Year Ended December 31, 2018

<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>$1,078,908,575</td>
<td>$1,355,465,683</td>
<td>$1,118,770,798</td>
<td>$3,553,145,056</td>
</tr>
<tr>
<td>Total hospital and medical</td>
<td>$938,651,400</td>
<td>$1,120,596,946</td>
<td>$926,496,521</td>
<td>$2,985,744,867</td>
</tr>
<tr>
<td>Claims adjustments, General Admin., Increase in reserves</td>
<td>$145,034,732</td>
<td>$220,830,045</td>
<td>$165,834,169</td>
<td>$531,698,946</td>
</tr>
<tr>
<td>Net underwriting gain or (loss)</td>
<td>($4,777,558)</td>
<td>$14,038,692</td>
<td>$26,440,108</td>
<td>35,701,242</td>
</tr>
<tr>
<td>Net income or (loss) after capital gains tax and before all other federal income taxes</td>
<td>($870,724)</td>
<td>$16,754,361</td>
<td>$26,440,108</td>
<td>42,323,745</td>
</tr>
<tr>
<td>Federal and foreign income tax/(benefit)</td>
<td>$3,436,185</td>
<td>$6,931,455</td>
<td>$10,944,612</td>
<td>$21,312,252</td>
</tr>
<tr>
<td>Adjusted Net income (loss) - Through December 31, 2018</td>
<td>($4,306,909)</td>
<td>$9,822,906</td>
<td>$15,495,496</td>
<td>$21,011,493</td>
</tr>
<tr>
<td>GP before income tax</td>
<td>-0.1%</td>
<td>1.2%</td>
<td>2.4%</td>
<td>1.2%</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) - December 31, 2017</td>
<td>($6,456,937)</td>
<td>$12,108,780</td>
<td>$13,450,100</td>
<td>$19,101,943</td>
</tr>
<tr>
<td>Adjusted Net income (loss) - Through December 31, 2017</td>
<td>($6,456,937)</td>
<td>$12,108,780</td>
<td>$13,450,100</td>
<td>$19,101,943</td>
</tr>
<tr>
<td>Difference from Q4 2017 to Q4 2018</td>
<td>$2,150,028</td>
<td>($2,285,874)</td>
<td>$2,045,396</td>
<td>$1,909,550</td>
</tr>
</tbody>
</table>

- Full Year 2018, per NAIC filings
- Gross Profit of 1.2%, in line with program target
- Plans increased net profit by $1.9mil vs. 2018, driven by $500mil increase in revenues
• With Amerigroup exiting the market, there has been a shift in MCO proportions
  • Aetna accounts for 27% of total membership, vs. a 32% average share for Amerigroup in 2018
  • United and Sunflower have seen an increase in the percent of total members
Clearinghouse Contract Update

• KDHE has reached an agreement with MAXIMUS to extend their contract
  • Terms will allow KDHE to stay on target for transition plan, and will allow both entities to focus on key priorities moving forward

• Total extension is for 18 months, but will reduce the scope of work for MAXIMUS over the next 6 months
  • MAXIMUS to continue processing all types of applications for the remainder of CY19
  • KDHE to assume responsibility for Elderly & Disabled and Long Term Care applications beginning 01/01/20
  • MAXIMUS to continue processing Family Medical applications for all of CY20

• KDHE will release an RFP later this year for new contract to begin at end of MAXIMUS contract; scope of new contract limited to Family Medical only
Eligibility Update

Kim Burnam, Director of Eligibility

- Application Status
- KDHE Clearinghouse Staffing
- Transition of Medicaid Application Eligibility Processing
Application Status

Over 45 days

- Active Status - applications ready to be processed
  - Family Medical – 36 (less than 1%)
  - Elderly & Disabled Medical – 86 (3%)
  - Long Term Care Medical – 93 (9%)
- Pending Status – applications waiting for information from applicant/provider/financial institution
  - Family Medical – 150 (3%)
  - Elderly & Disabled Medical – 314 (12%)
  - Long Term Care Medical – 153 (14%)
Family Medical Applications Over 45 Days

Protect and improve the health and environment of all Kansans
KanCare Update April 2019

Elderly & Disabled Medical Applications Over 45 Days

Protect and improve the health and environment of all Kansans
Protect and improve the health and environment of all Kansans
# KDHE Staffing Update

<table>
<thead>
<tr>
<th></th>
<th>Maximus</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training &amp; Quality</td>
<td>44</td>
<td>27</td>
</tr>
<tr>
<td>Eligibility Staff (Elderly &amp; Disabled, Long Term Care Medical Programs)</td>
<td>217</td>
<td>256</td>
</tr>
<tr>
<td>Operations</td>
<td>58</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>319</td>
<td>313</td>
</tr>
</tbody>
</table>
Transition Update

- Facility lease signed
- Transition planning with Maximus
  - Communication
  - Transition of Work
  - Hiring of Staff
THANK YOU/QUESTIONS