



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

February 24, 2017

Agenda

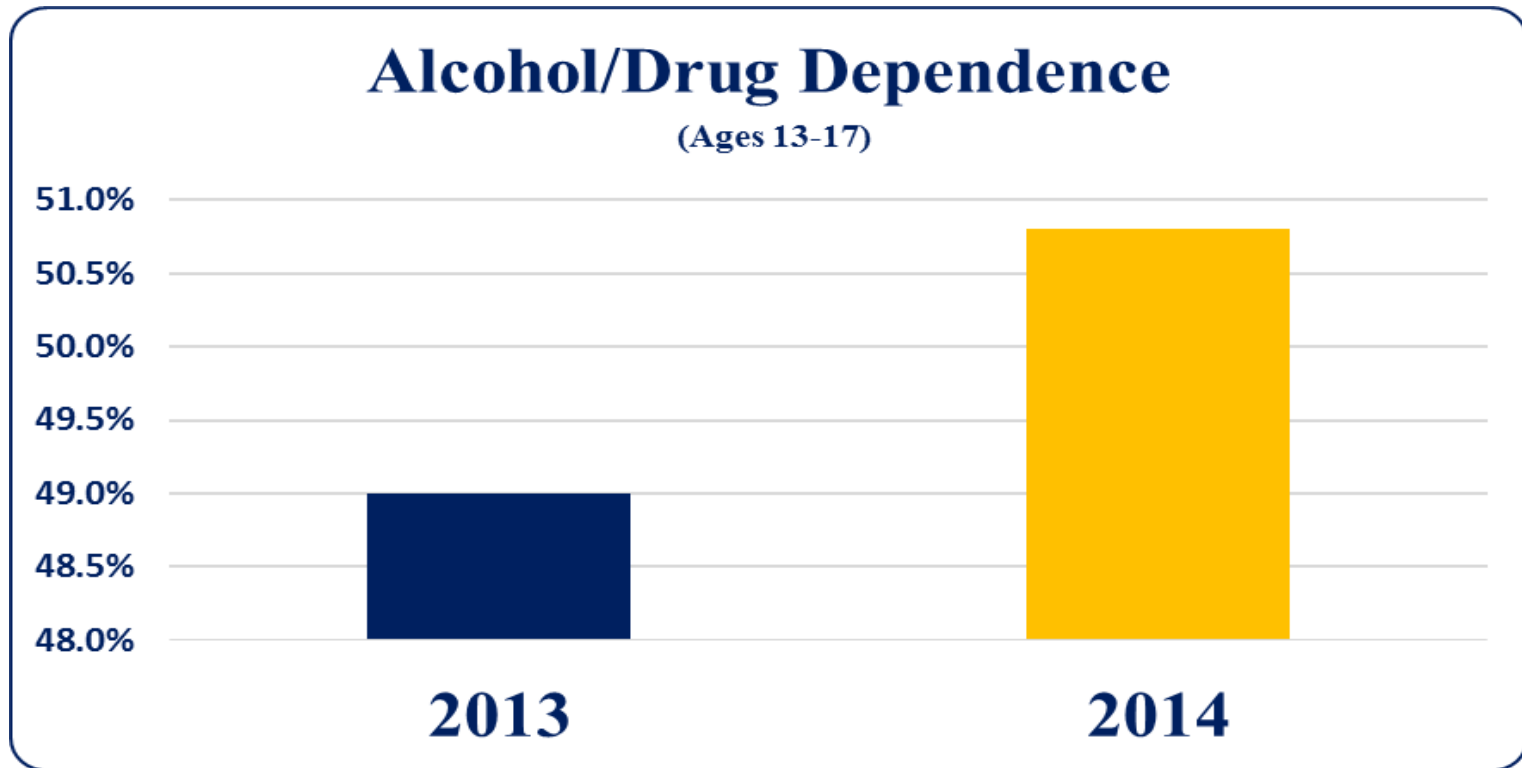
- KanCare Overview
- Medicaid Eligibility Backlog Update
- Kansas Eligibility Enforcement System (KEES) Update
- MCOs Financial Status
- Step Therapy
- KanCare Request for Proposal (RFP) Update
- SB 69 Implementation Issues
- CMS Letters (KDADS will present the 12/14/16 letter update)

The Triple Aim

The Triple Aim in Health Policy:

- Better care for individuals
- Better health for populations
- Lower costs per capita

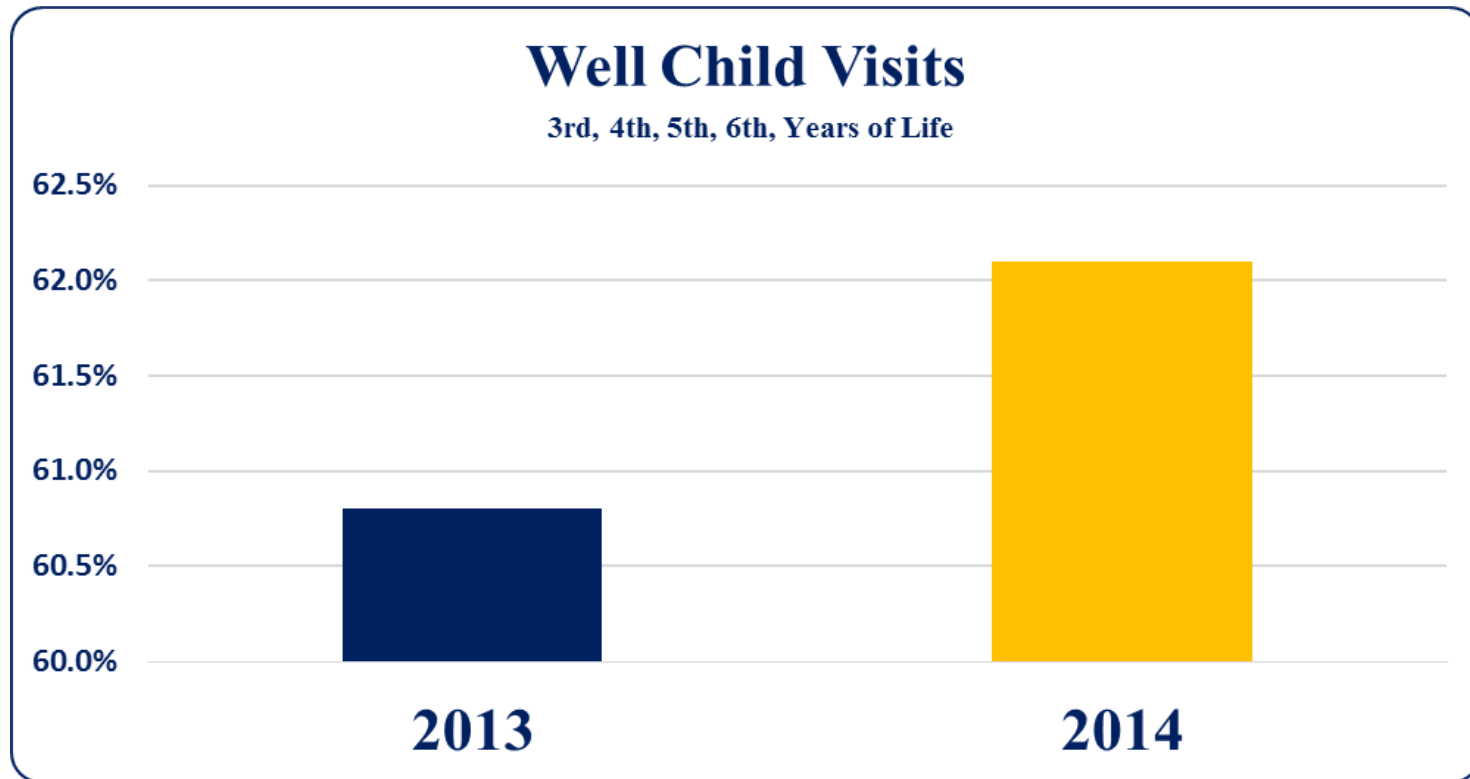
Improved Alcohol/Drug Treatment



- **Alcohol/Drug Dependence**

Initiation of treatment improved by 3.7% from 2013.

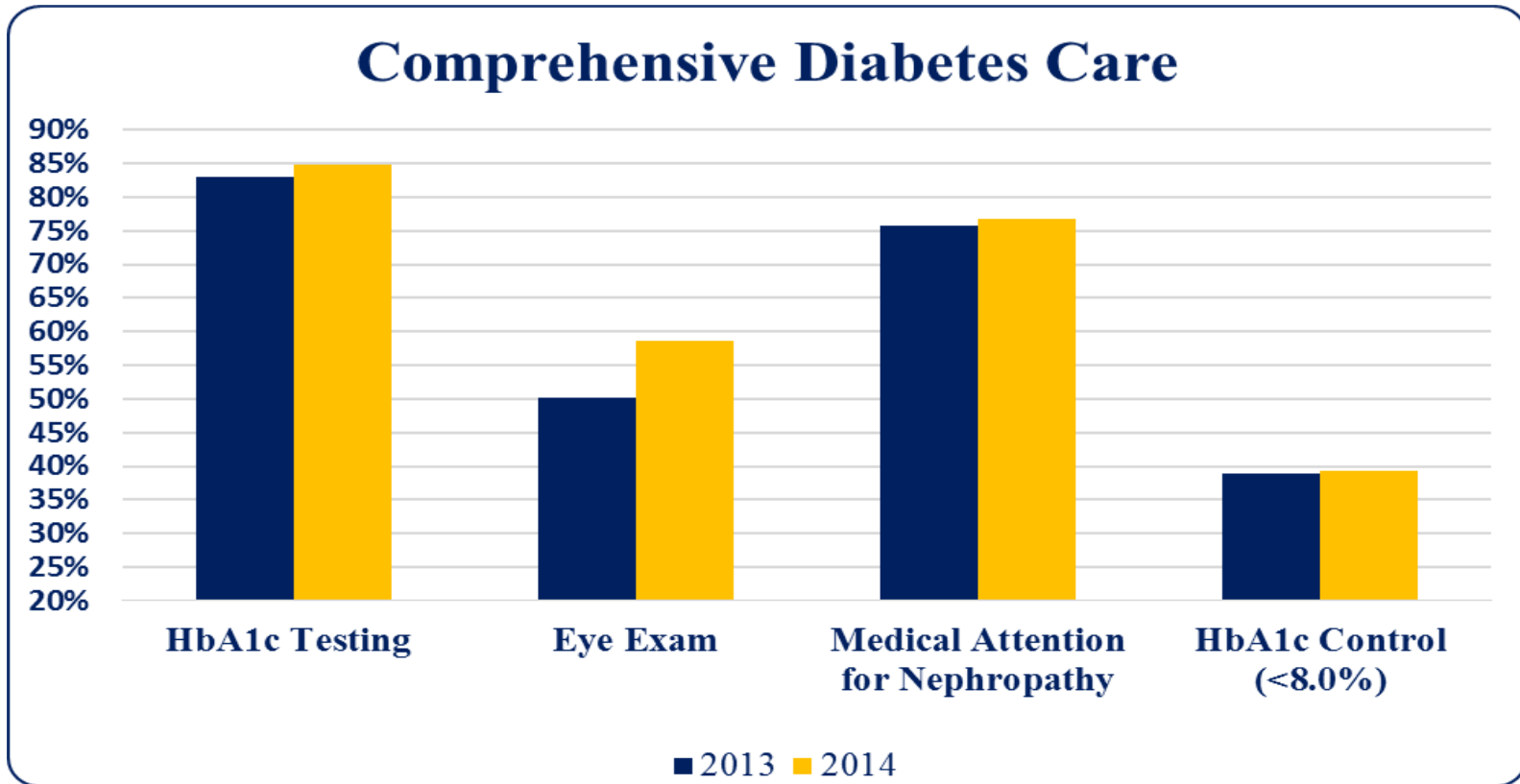
Improved Well Child Visits



- **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.

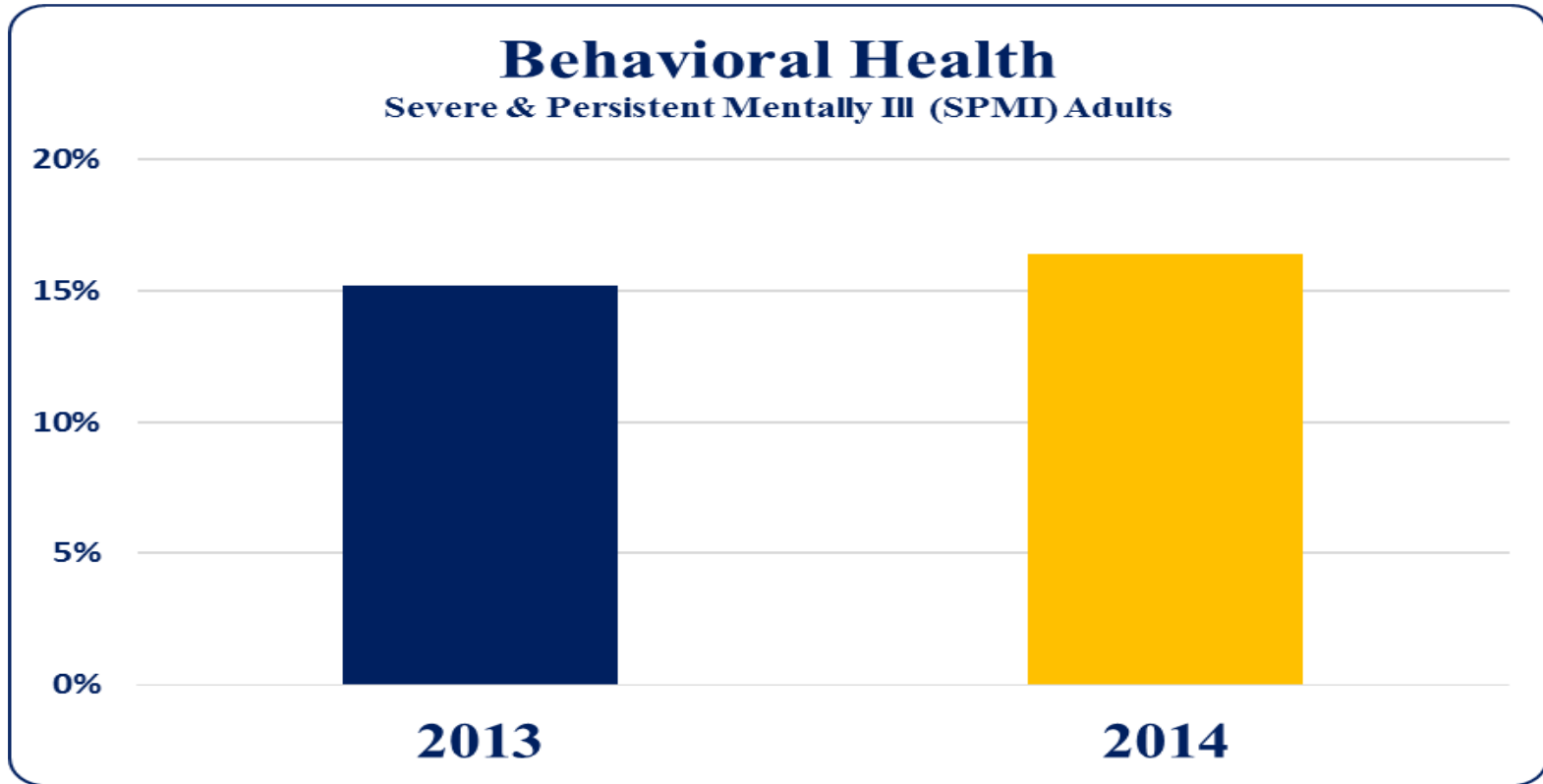
Improved Diabetes Care



- **Comprehensive Diabetes Care**

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

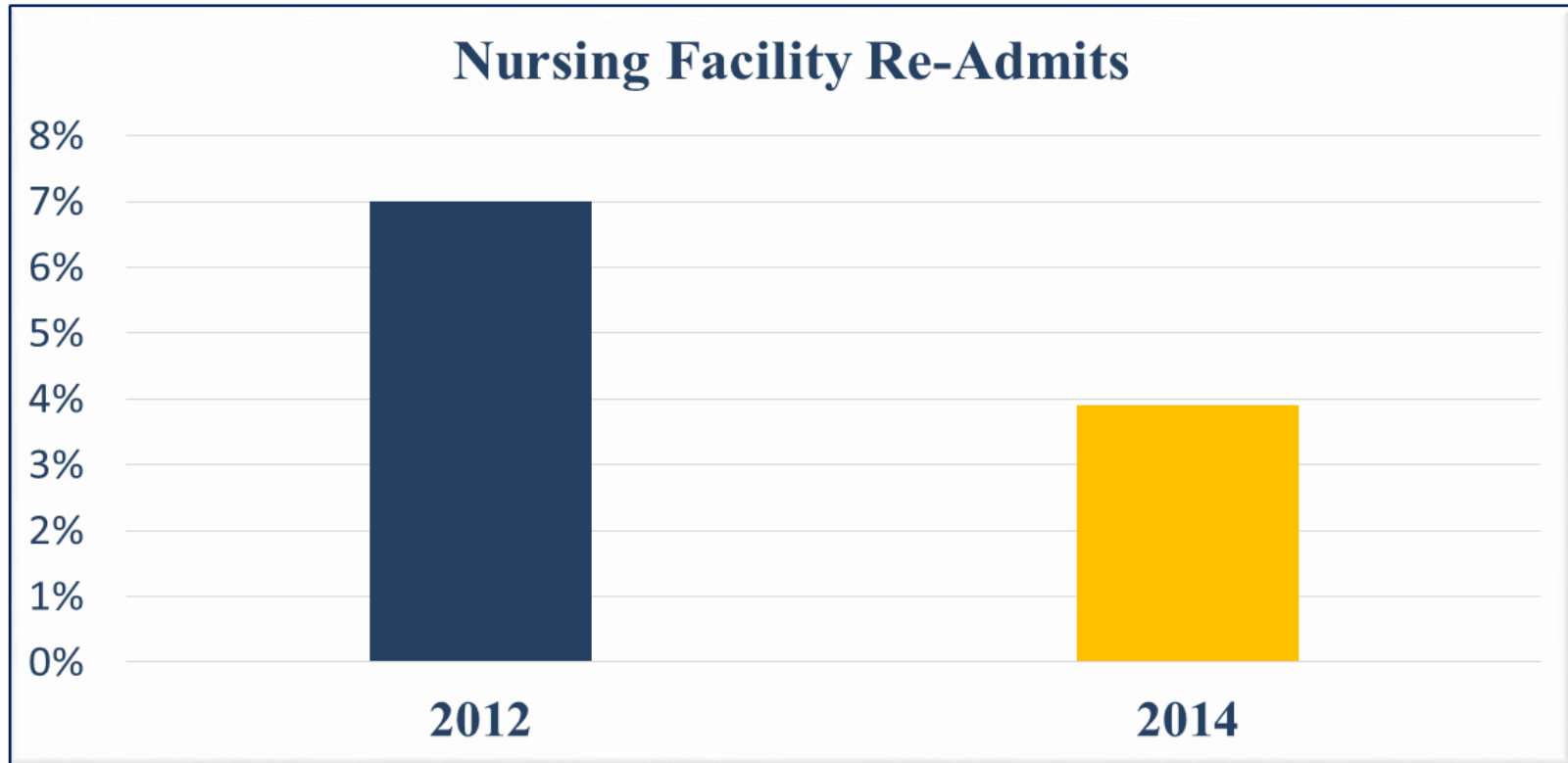
Improved Employment Status



- **Behavioral Health**

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

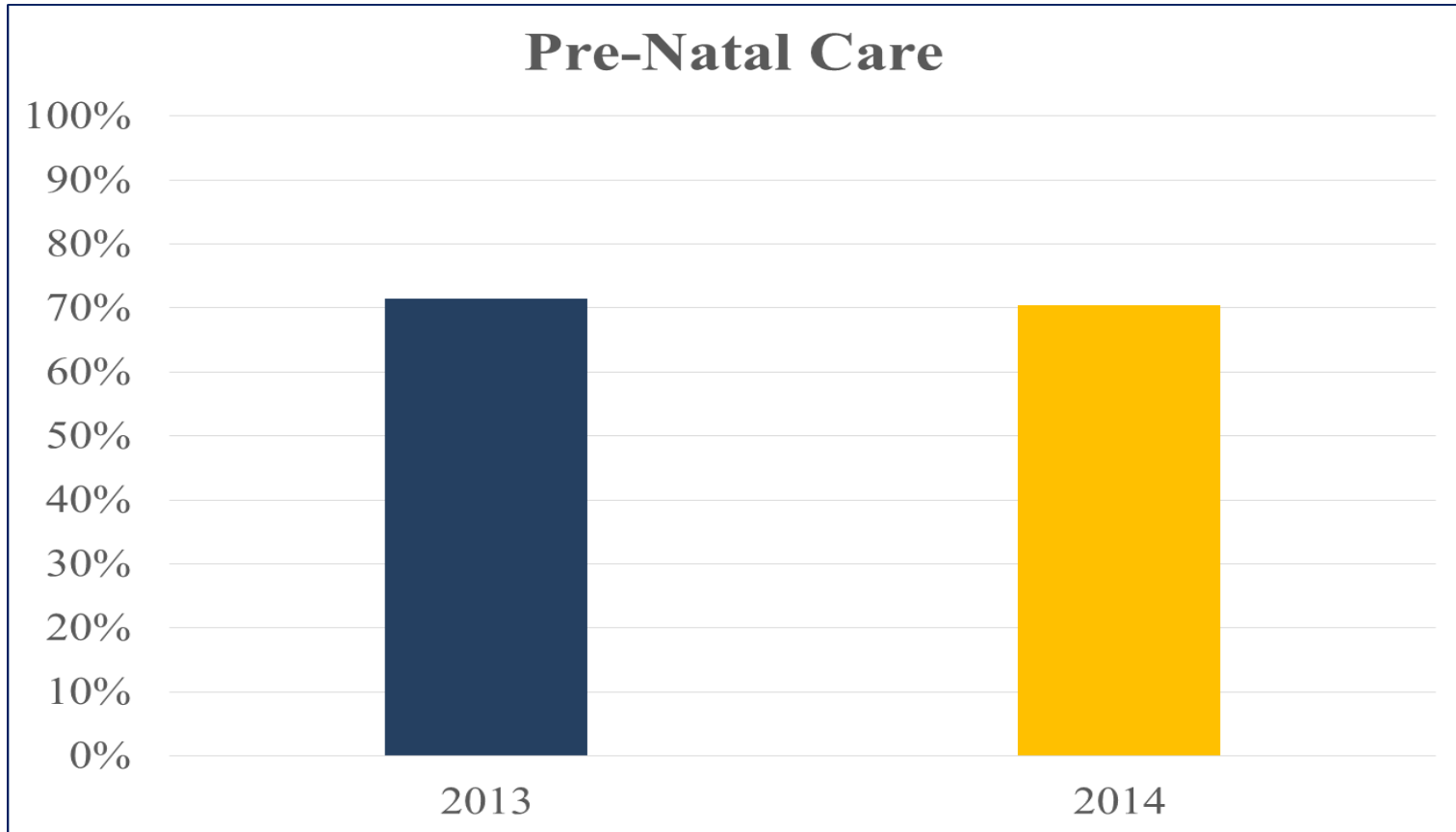
Reduced NF Re-admits



- **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**

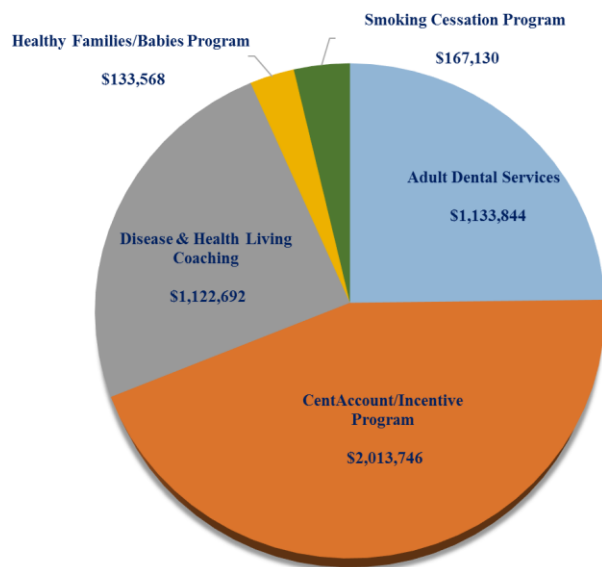
Over 70% of pregnant women continue to get pre-natal care.

KanCare New Services

At No Cost to the State

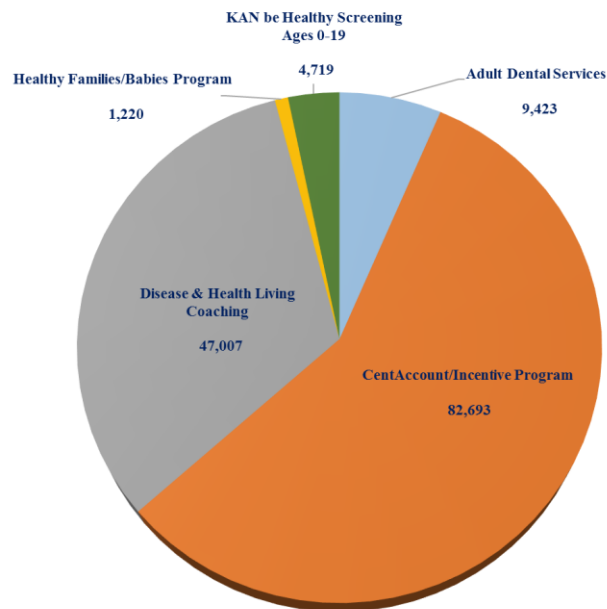
Top 5 Services by Expenditures

Calendar Year 2015



Top 5 Services Accessed by Members

Calendar year 2015



- 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%

HCBS Utilization

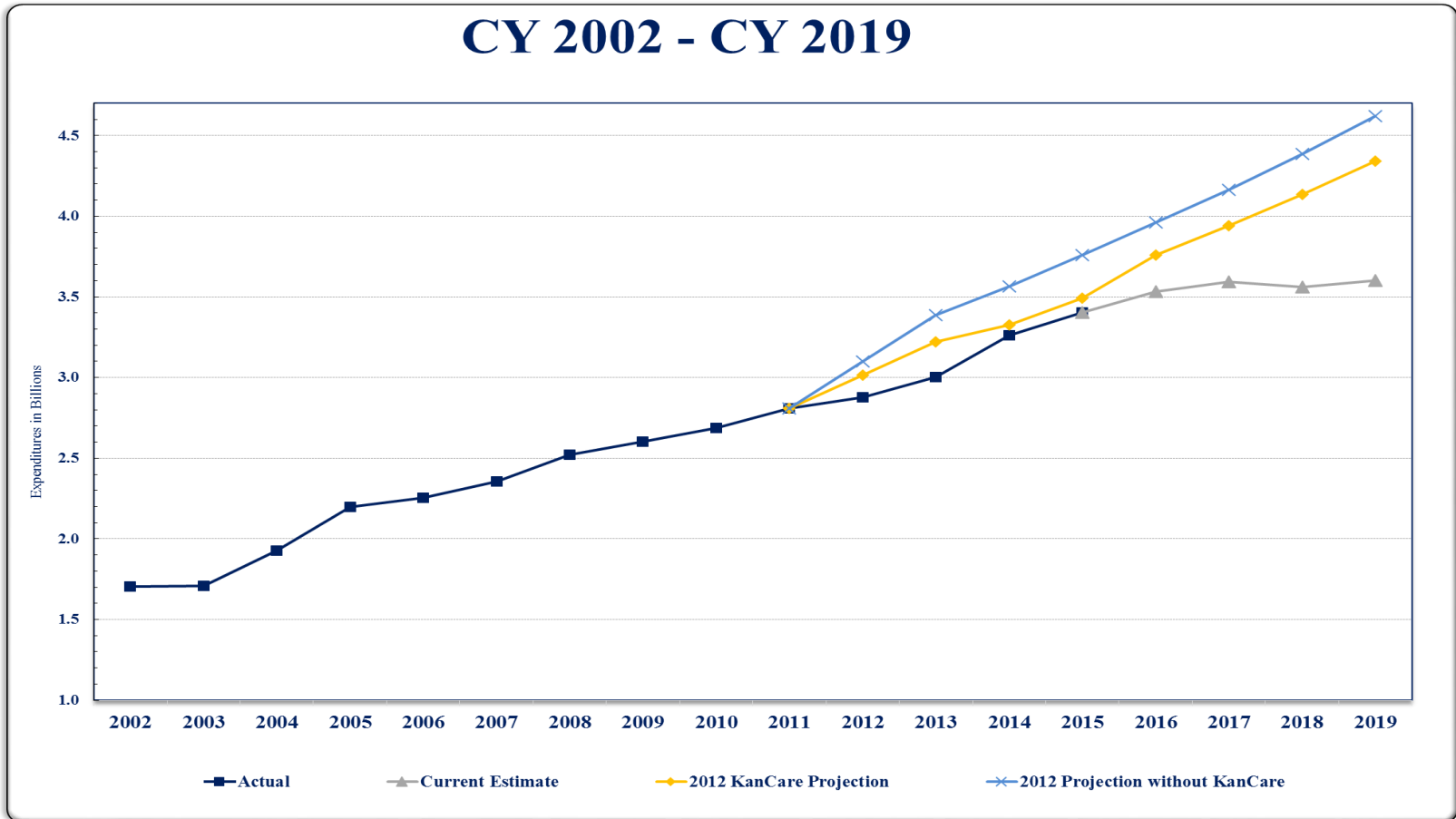
- HCBS members have used their Primary Care Physician 80% more with KanCare.
- Members are more likely to attend their appointments; Non-Emergency transportation up 56%.
- Inpatient hospital stays have been reduced by 29%.
- Emergency Room use down by 7%

KanCare Waiver Utilization	
KanCare 2015 v. Pre KanCare 2012	
Type of Service	% Utilization 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.



Active Backlog

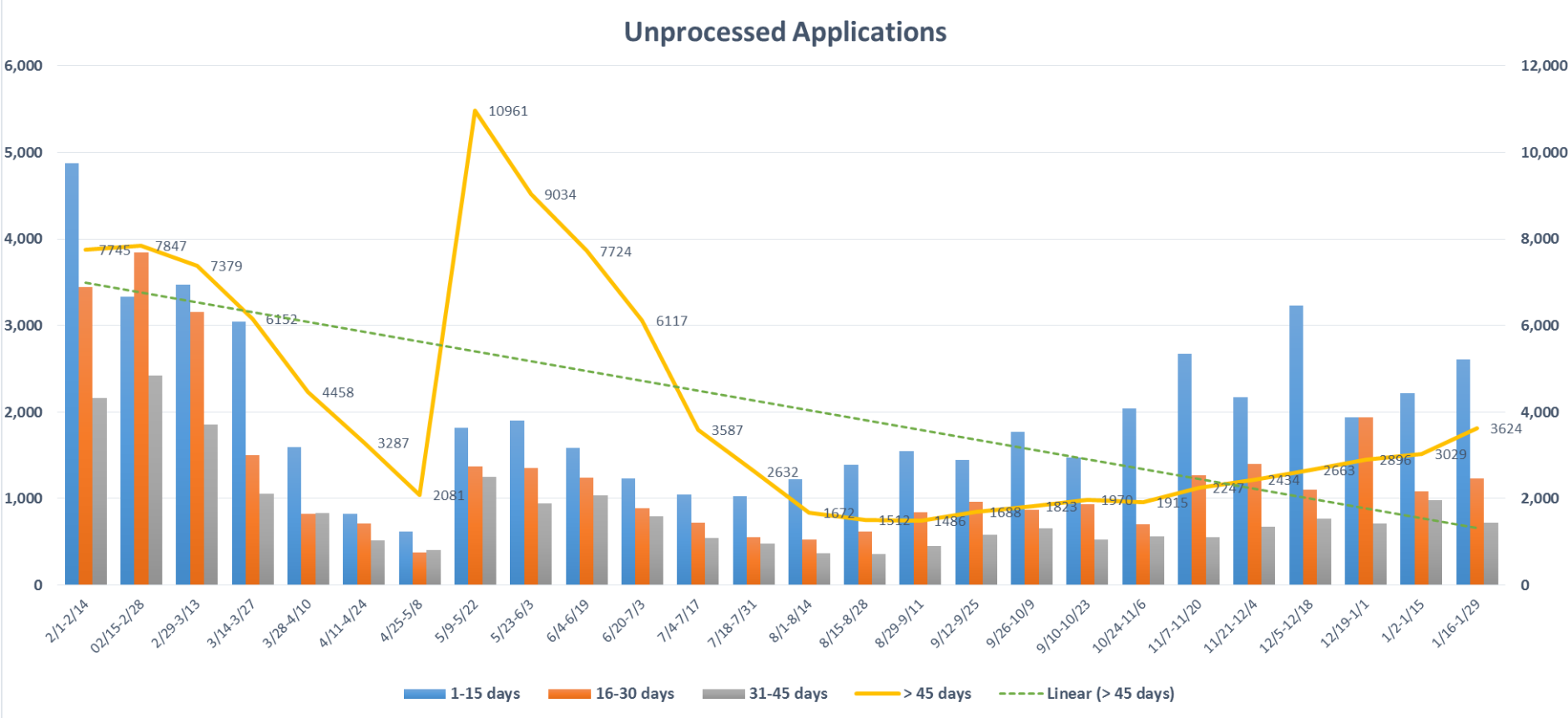
- Active backlog is approximately 1,680 as of last CMS report

Total number of other applications and redeterminations	
	> 45 days
Unprocessed Applications - Total	3,624
- Unprocessed Applications -Pended	1201
- Unprocessed Applications - IROD < 45	743
= Unprocessed Applications - Approx	1,680

Active Backlog Factors

- The report appears to show 3,624 applications are backlogged
- 1,201 of these are pended and awaiting additional information from applicant
- Approximately 743 are designated “Information Received on Denial” (IROD)
 - If an individual applies and is denied, and then reapplies, the system reports the original application date, not the date of the new application
- Remainder of about 1,700 represents Active backlog

Backlog Trend



Backlog Reduction

- Trend has been consistent since March after some of the fixes were put into place.
- The increase in May was due to a reporting issue which was identified and rectified.
- Current reporting reflects all 45+ day and over applications which include:
 - Pended Supplemental Security Income (SSI)
 - Information Received on Denial (IROD)
 - Pended waiting for additional information from applicant
 - Active Backlog over 45+ days

LTC Backlog Reduction

5 Point Plan

- 90% advance payment for any Long Term Care (LTC) application over 45 days
- Expedited the creation of a checklist/manual for LTC facility staff
- Created a webinar for LTC staff working on eligibility
- Assess the current system and determine a “one touch” approach for LTC eligibility
- Established a hotline for LTC facilities and staff

Nursing Facility Advanced Payments

Total Providers <u>reviewed</u> for advance payment	80
Total Providers <u>approved</u> for advance payment	79
Amount Paid	\$ 3,028,033
# of individual payments requested	1,584
<i>Advanced Pay Approved</i>	410
<i>Denied</i>	700
<i>Other</i>	474
Total	1,584



KanCare Clearinghouse Liaison Pilot

- Goal to help people in long term care facilities obtain eligibility for services through a personalized process
- Collaboration with Kansas Health Care Association and Leading Age of Kansas
- Six participant organizations in the pilot
- Pilot program launched Feb. 1, 2017

Liaison Pilot Goals

- Each facility assigned a team
- Improve communication between nursing facilities and Clearinghouse through single point of contact
- Reduce delays in processing long term care cases
- Gain feedback to enhance process and obtain insight on statewide rollout

Liaison Pilot Information

- Holding bi-weekly meetings with participants
- Information will be shared with nursing facilities statewide
- Findings from pilot will be available by mid-April, followed by timeline for statewide rollout if successful

KEES Phase 2 Benefits

- The KEES Self Service Portal (SSP) has allowed 59,723 people to apply for Medicaid benefits online. KDHE is expected to receive approximately 65,695 applications online in 2017.
- When an applicant applies through the self-service portal, no additional manual data entry is necessary, speeding up the process.
- KEES makes it easier for applicants to report their income to determine eligibility.
- The KEES online eligibility tracker provides immediate feedback by allowing applicants to determine their potential eligibility.
- KEES provides fast electronic verifications for identity, citizenship and immigration status through the Federal Data Services Hub.

KEES Phase 2 Benefits, cont.

- KEES automatically generates correspondence to applicants to let them know if additional documentation is required to process their application.
- KEES reduces fraud by not allowing the registration of more than one application with the same Social Security number.
- Time-sensitive tasks, e.g. eligibility determination for pregnant women, are given a priority status in KEES to ensure they are worked at the earliest possible time.
- KEES also provides a Presumptive Eligibility Portal that determines eligibility in real time that hospitals and clinics can use to submit applications for pregnant women.

KEES Phase 3 Benefits

- KEES replaces seven legacy IT systems
- DCF Programs Included in KEES Phase 3:
 - Temporary Assistance for Needy Families (TANF)
 - Food Assistance
 - Child Care Subsidy
 - Employment Services
 - Adoption Support Subsidy
 - Youth Independent Living
 - Permanent Custodianship

KEES Phase 3 Benefits, cont.

- Allow clients to check for potential program eligibility
- Allow clients to apply for TANF/Food Assistance/Child Care online
- Complete PPS and EES Reviews online
- Report changes related to clients' PPS and EES cases electronically
- Allow clients to check status of their application and view case details
- Allow clients to view their benefit amount and history
- Allow clients to view pending verifications needed to process their case
- Let clients upload documents needed to process their case
- Show clients outstanding overpayments and penalties

MCO Financial Status Update

MCO Profit and Loss per NAIC Filings YOY Comparison September 2015 vs. September 2016

	Amerigroup	Sunflower	United	Total
Total Revenues	\$751,627,208	\$830,853,877	\$705,423,097	\$2,287,904,182
Total hospital and medical	\$641,003,961	\$719,255,533	\$584,511,938	\$1,944,771,432
Claims adjustments, General Admin., Increase in reserves	<u>\$101,007,029</u>	<u>\$95,703,025</u>	<u>\$90,678,973</u>	<u>\$287,389,027</u>
Net underwriting gain or (loss)	\$9,616,218	\$15,895,319	\$30,232,186	\$55,743,723
Net income or (loss) after capital gains tax and before all other federal income taxes	\$10,171,523	\$16,627,307	\$30,232,186	\$57,031,016
Federal and foreign income taxes incurred	\$6,788,926	\$11,157,255		\$17,946,181
Add Back Change to Reserves	\$0	\$0	\$0	\$0
Adjusted Net income (loss) - Through September 30, 2016	<u><u>\$3,382,597</u></u>	<u><u>\$5,470,052</u></u>	<u><u>\$30,232,186</u></u>	<u><u>\$39,084,835</u></u>
Add Back Change to Reserves	(\$55,474,368)	(\$31,292,674)		(\$86,767,042)
Net income (loss) - September 30, 2015	<u>\$79,722,133</u>	<u>\$19,281,715</u>	<u>\$29,439,692</u>	<u>\$128,443,540</u>
Adjusted Net income (loss) - September 30, 2015	<u><u>\$24,247,765</u></u>	<u><u>(\$12,010,959)</u></u>	<u><u>\$29,439,692</u></u>	<u><u>\$41,676,498</u></u>
Difference from Q3 2015 to Q3 2016	(\$20,865,168)	\$17,481,011	\$792,494	(\$2,591,663)

Step Therapy

DUR Approved 2016		
	Step Therapy Title	Impl. Date
1	Brand name ARB/CCB Combinations	9/15/2016
2	Metformin ER	9/15/2016
3	Beta-Blocker/Angiotensin II Receptor Blocker Combinations	1/1/2017
4	Botulinum Toxins- step therapy only on Botox <i>For indications of chronic migraines & overactive bladder</i>	1/1/2017
5	Constipation Agents	1/1/2017
6	DPP-4 Inhibitor Combinations	1/1/2017
7	Entyvio® <i>step therapy only on the indications of ulcerative colitis and Crohn's disease</i>	1/1/2017

Step Therapy

Step Therapy Title		Impl. Date
1	Amrix	3/1/2017
2	Daklinza	
3	Zepatier	
4	Harvoni	
5	Technivie	
6	Viekira, & Viekira XR	
7	Olysio	
8	Solvaldi	
9	Epclusa	
1	Yosprala (combination product)	4/1/2017
2	Adlyxin	
3	GoNitro	
4	Zegerid	
5	Avandaryl	
6	Zolpimist	



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

CMS Letters

- 372 Documents – December 14, 2016
(KDAD's will present)
- CMS On-Site Review – January 13, 2017
- Extension Request – January 17, 2017
- Eligibility and Enrollment – January 20, 2017

CMS On-Site Review

- Process versus Outcome Focused
 - Significant improvement in Quality
 - Fewer ER visits
 - Less in-patient utilization
 - Increased Primary Care Physician utilization
- Anecdotal versus Fact
- Most all issues in the letter already identified by the state and in the process of being addressed

KanCare Extension

- Delay of extension has no impact on current KanCare program
- Current KanCare waiver lasts through Dec. 31, 2017
- Kansas Department of Health and Environment (KDHE) and Kansas Department for Aging and Disability Services (KDADS) began work on the new waiver and RFP last year
- Applied to CMS for an extension of the waiver after decision was made to delay application and RFP
- Corrective action plan submitted to CMS February 17th, 2017

Next Steps

- Continue to work with CMS on new waiver application.
- Public meetings scheduled for March 20th and 21st.
- Waiver extension will be submitted in April 2017.
- KDHE and KDADS in communication and working diligently with CMS.

Eligibility and Enrollment (E&E)

- On-site review in September 2016
 - Detailed discussions with KDHE leadership and contractor leadership
 - Documentation review (policies, call center scripts, notice of actions, etc.)
 - System demonstrations

E&E Findings

- Findings
 - Timely determination of eligibility
 - Issuance of denials for non-eligible members (Social Security Disability Determinations)
 - Opportunity to apply or renew in person
 - Redetermination of eligibility (reviews)
 - Reporting functionality
 - KEES functionality
 - Requests for state fair hearings

E&E Corrective Action Plan

- KDHE's Corrective Action Plan
 - Due to CMS March 20, 2017
 - Plans developed for findings
 - Working with eligibility staff and contractors to complete
 - Will be submitted within the deadline