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
(Ages 13-17)

- 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

- 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

The percentage of nursing facilities’ (NF) Medicaid members readmitted to a hospital decreased by 44% from 2012 to 2014.
Decrease in 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>% Utilization Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Care Physician</td>
<td>24%</td>
</tr>
<tr>
<td>Transportation</td>
<td>33%</td>
</tr>
<tr>
<td>Outpatient Non-ER</td>
<td>10%</td>
</tr>
<tr>
<td>Inpatient</td>
<td>-23%</td>
</tr>
<tr>
<td>Outpatient ER</td>
<td>-1%</td>
</tr>
<tr>
<td>Dental</td>
<td>32%</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>7%</td>
</tr>
<tr>
<td>Vision</td>
<td>15%</td>
</tr>
</tbody>
</table>
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**

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>% Utilization Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Care Physician</td>
<td>80%</td>
</tr>
<tr>
<td>Transportation</td>
<td>56%</td>
</tr>
<tr>
<td>Outpatient Non-ER</td>
<td>10%</td>
</tr>
<tr>
<td>HCBS Services</td>
<td>34%</td>
</tr>
<tr>
<td>Inpatient</td>
<td>-29%</td>
</tr>
<tr>
<td>Outpatient ER</td>
<td>-7%</td>
</tr>
<tr>
<td>Dental</td>
<td>36%</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>2%</td>
</tr>
<tr>
<td>Vision</td>
<td>14%</td>
</tr>
</tbody>
</table>

*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

<table>
<thead>
<tr>
<th>Total number of other applications and redeterminations</th>
<th>&gt; 45 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unprocessed Applications - Total</td>
<td>3,624</td>
</tr>
<tr>
<td>- Unprocessed Applications - Pended</td>
<td>1,201</td>
</tr>
<tr>
<td>- Unprocessed Applications - IROD &lt; 45</td>
<td>743</td>
</tr>
<tr>
<td>= Unprocessed Applications - Approx</td>
<td>1,680</td>
</tr>
</tbody>
</table>
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

Unprocessed Applications

- 1-15 days
- 16-30 days
- 31-45 days
- >45 days
- Linear (>45 days)
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

<table>
<thead>
<tr>
<th>Description</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Providers reviewed for advance payment</td>
<td>80</td>
</tr>
<tr>
<td>Total Providers approved for advance payment</td>
<td>79</td>
</tr>
<tr>
<td><strong>Amount Paid</strong></td>
<td>$3,028,033</td>
</tr>
<tr>
<td># of individual payments requested</td>
<td>1,584</td>
</tr>
<tr>
<td>Advanced Pay Approved</td>
<td>410</td>
</tr>
<tr>
<td>Denied</td>
<td>700</td>
</tr>
<tr>
<td>Other</td>
<td>474</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,584</td>
</tr>
</tbody>
</table>
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**

<table>
<thead>
<tr>
<th></th>
<th>Amerigroup</th>
<th>Sunflower</th>
<th>United</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$751,627,208</td>
<td>$830,853,877</td>
<td>$705,423,097</td>
<td>$2,287,904,182</td>
</tr>
<tr>
<td><strong>Total hospital and medical</strong></td>
<td>$641,003,961</td>
<td>$719,255,533</td>
<td>$584,511,938</td>
<td>$1,944,771,432</td>
</tr>
<tr>
<td><strong>Claims adjustments, General Admin., Increase in reserves</strong></td>
<td><strong>$101,007,029</strong></td>
<td><strong>$95,703,025</strong></td>
<td><strong>$90,678,973</strong></td>
<td><strong>$287,389,027</strong></td>
</tr>
<tr>
<td><strong>Net underwriting gain or (loss)</strong></td>
<td><strong>$9,616,218</strong></td>
<td><strong>$15,895,319</strong></td>
<td><strong>$30,232,186</strong></td>
<td><strong>$55,743,723</strong></td>
</tr>
<tr>
<td><strong>Net income or (loss) after capital gains tax and before all other federal income taxes</strong></td>
<td><strong>$10,171,523</strong></td>
<td><strong>$16,627,307</strong></td>
<td><strong>$30,232,186</strong></td>
<td><strong>$57,031,016</strong></td>
</tr>
<tr>
<td><strong>Federal and foreign income taxes incurred</strong></td>
<td><strong>$6,788,926</strong></td>
<td><strong>$11,157,255</strong></td>
<td></td>
<td><strong>$17,946,181</strong></td>
</tr>
<tr>
<td><strong>Add Back Change to Reserves</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Adjusted Net income (loss) - Through September 30, 2016</strong></td>
<td><strong>$3,382,597</strong></td>
<td><strong>$5,470,052</strong></td>
<td><strong>$30,232,186</strong></td>
<td><strong>$39,084,835</strong></td>
</tr>
</tbody>
</table>

|                      |                  |                  |                   |                        |
| Add Back Change to Reserves |                  |                  |                   |                        |
| **Net income (loss) - September 30, 2015** |                  |                  |                   |                        |
| **Adjusted Net income (loss) - September 30, 2015** |                  |                  |                   |                        |
| **Difference from Q3 2015 to Q3 2016** | **($20,865,168)** | **17,481,011**   | **$792,494**       | **($2,591,663)**       |
## Step Therapy

### DUR Approved 2016

<table>
<thead>
<tr>
<th>Step Therapy Title</th>
<th>Impl. Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand name ARB/CCB Combinations</td>
<td>9/15/2016</td>
</tr>
<tr>
<td>Metformin ER</td>
<td>9/15/2016</td>
</tr>
<tr>
<td>Beta-Blocker/Angiotensin II Receptor Blocker Combinations</td>
<td>1/1/2017</td>
</tr>
<tr>
<td>Botulinum Toxins- step therapy only on Botox</td>
<td>1/1/2017</td>
</tr>
<tr>
<td><em>For indications of chronic migraines &amp; overactive bladder</em></td>
<td></td>
</tr>
<tr>
<td>Constipation Agents</td>
<td>1/1/2017</td>
</tr>
<tr>
<td>DPP-4 Inhibitor Combinations</td>
<td>1/1/2017</td>
</tr>
<tr>
<td>Entyvio® <em>step therapy only on the indications of ulcerative colitis and Crohn’s disease</em></td>
<td>1/1/2017</td>
</tr>
</tbody>
</table>
## Step Therapy

<table>
<thead>
<tr>
<th>Step Therapy Title</th>
<th>Impl. Date</th>
</tr>
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<tbody>
<tr>
<td>1 Amrix</td>
<td></td>
</tr>
<tr>
<td>2 Daklinza</td>
<td></td>
</tr>
<tr>
<td>3 Zepatier</td>
<td></td>
</tr>
<tr>
<td>4 Harvoni</td>
<td></td>
</tr>
<tr>
<td>5 Technivie</td>
<td></td>
</tr>
<tr>
<td>6 Viekira, &amp; Viekira XR</td>
<td>3/1/2017</td>
</tr>
<tr>
<td>7 Olysio</td>
<td></td>
</tr>
<tr>
<td>8 Solvaldi</td>
<td></td>
</tr>
<tr>
<td>9 Epclusa</td>
<td></td>
</tr>
<tr>
<td>1 Yosprala (combination product)</td>
<td></td>
</tr>
<tr>
<td>2 Adlyxin</td>
<td></td>
</tr>
<tr>
<td>3 GoNitro</td>
<td></td>
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<tr>
<td>4 Zegerid</td>
<td></td>
</tr>
<tr>
<td>5 Avandaryl</td>
<td></td>
</tr>
<tr>
<td>6 Zolpimist</td>
<td></td>
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</table>
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