



To: Joint Committee on Home and Community Based Services and KanCare Oversight  
From: Rachel Monger, Director of Government Affairs  
Date: November 18, 2016

### **KanCare Payment Reductions**

Thank you, Chairman and Members of the Committee. I am Rachel Monger, Director of Government Affairs for LeadingAge Kansas, the state association for not-for-profit aging services. We have 160 members across Kansas, which include not-for-profit nursing homes, retirement communities, hospital long-term care units, assisted living, homes plus, housing, low-income housing, home health agencies, home and community based service programs, PACE and Meals on Wheels. Our members serve more than 25,000 elders each day.

Our testimony today will focus on the effects of the July 1<sup>st</sup> cuts for nursing home Medicaid reimbursement, as well as the continued backlog in Medicaid eligibility applications. The rate cuts, combined with a 150% higher provider assessment, and the devastation wrought by a Medicaid eligibility backlog, is putting an unsustainable burden on long term care services for senior Kansans.

Nursing homes have taken the brunt of the Medicaid eligibility delays over the last year. They recently took the largest rate cut out of all Kansas Medicaid providers. They provide severely underfunded care to elders receiving Medicaid, who represent well over half of the residents they serve. They do this while being held to the highest standard of care, as the most heavily surveyed and highly regulated health care provider in existence. The burden they are facing is unsustainable, and we can point to our own membership loss as proof. These losses will ultimately fall on our seniors, as their access to much-needed care shrinks in every direction.

Nursing homes are faltering, especially in rural areas where their services are needed the most. In the last twelve months, four LeadingAge Kansas members closed their doors. Two more were sold to large for-profit nursing home chains. Losing six members to financial failure in one year is unprecedented in our association's memory. All but one of the nursing homes were in rural communities. Unsurprisingly, some were associated with hospitals, who we already know are struggling.

For the reasons outlined above, we will be asking the 2017 Kansas legislature to make it their first order of business to reverse the July 1st cuts to KanCare. A move we believe is necessary to sustain access to care for our most vulnerable Kansans.

### **Medicaid Eligibility Application Backlog**

In our August 4, 2016 testimony before this committee we provided information on the devastation the Medicaid application backlog has cause for nursing home providers, and more importantly, seniors

seeking long term care. Members of the Committee instructed Kansas Department of Health and Environment officials to meet with the nursing home associations to create an effective “advance payment program” to help alleviate the financial distress for homes while the backlog was cleared.

LeadingAge Kansas and the Kansas Health Care Association met with KDHE officials to create a new advanced payment program, including protections for consumers and providers in the application approval process. While the program is not perfect, KDHE has made funds available to many providers who requested assistance.

While we thank KDHE for implementing the new advance payment program, a backlog still remains, and our members continue to hurt. To protect their operations, nursing homes also continue to turn away seniors with a “medicaid pending” status. Unable to find services, seniors needing care had to wait, hoping their eligibility determination would come through or they could find a willing provider, before it was too late. The ability to access care while Medicaid eligibility is pending is an essential part of the health care system for seniors, ensuring that they receive the care they need right when they need it. Having to wait even the federally allowed 45 days for an eligibility determination before getting care could mean severe disability or even death for a frail elder.

As the backlog drags on, our anxiety about the current and future state of our medicaid eligibility determination system increases. Open enrollment in the federal insurance exchange is looming, and we are extremely concerned that the processing backlog will increase once again. We continue to receive reports from our members about processing errors and communication problems.

As providers we have no control over our state agencies. We merely reap the consequences of their decisions. Our hope is that the Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services and KanCare Oversight will continue to ask the hard questions, seek accountability, and demand a sound plan that addresses the systemic issues occurring within the new eligibility processing system the administration has created.

We thank the Committee for its time and attention to these issues, and we are always happy to answer questions.