



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

**November 18, 2016**

# Agenda

---

- KanCare Overview
- Medicaid Eligibility Backlog Update
- Kansas Eligibility Enforcement System (KEES) Update
- CMS Services Review
- Waiver Integration Project Update
- MCO Financial Status
- Nursing Facility Advanced Payments
- Step Therapy
- KanCare Request for Proposal (RFP) Update

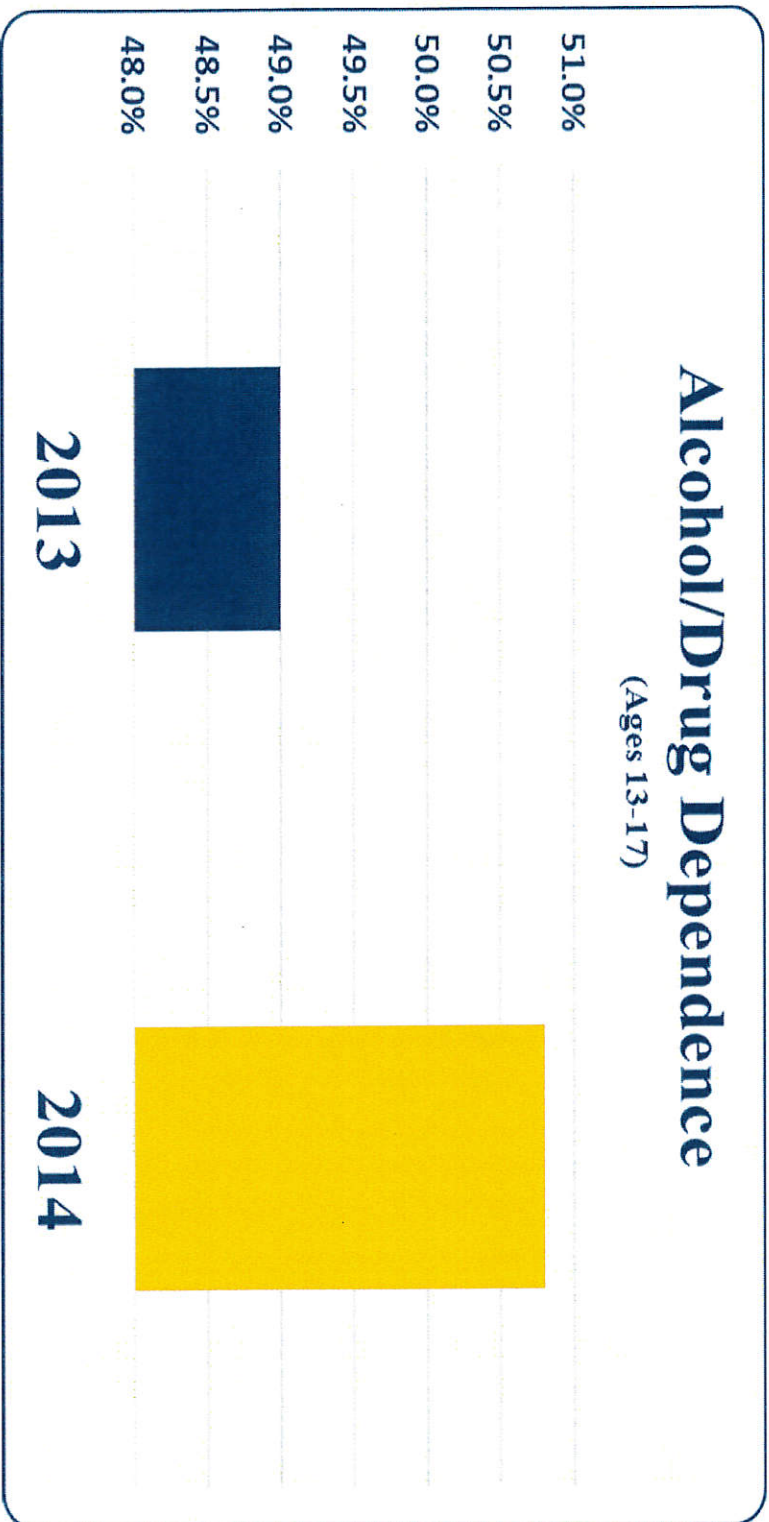


# KanCare Goals

---

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

# Improved Alcohol/Drug Treatment



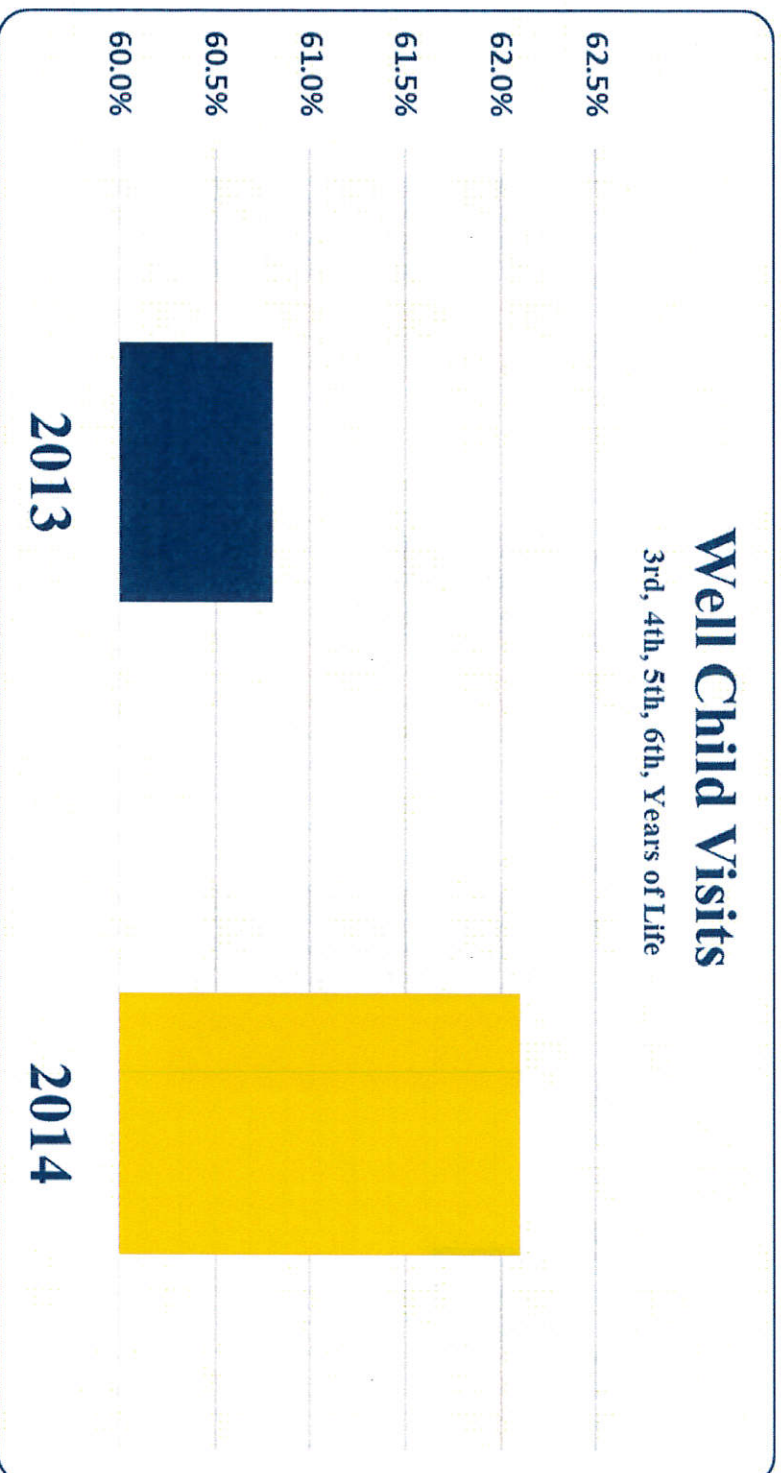
- **Alcohol/Drug Dependence**

Initiation of treatment improved by 3.7% from 2013.



# Improved Well Child Visits

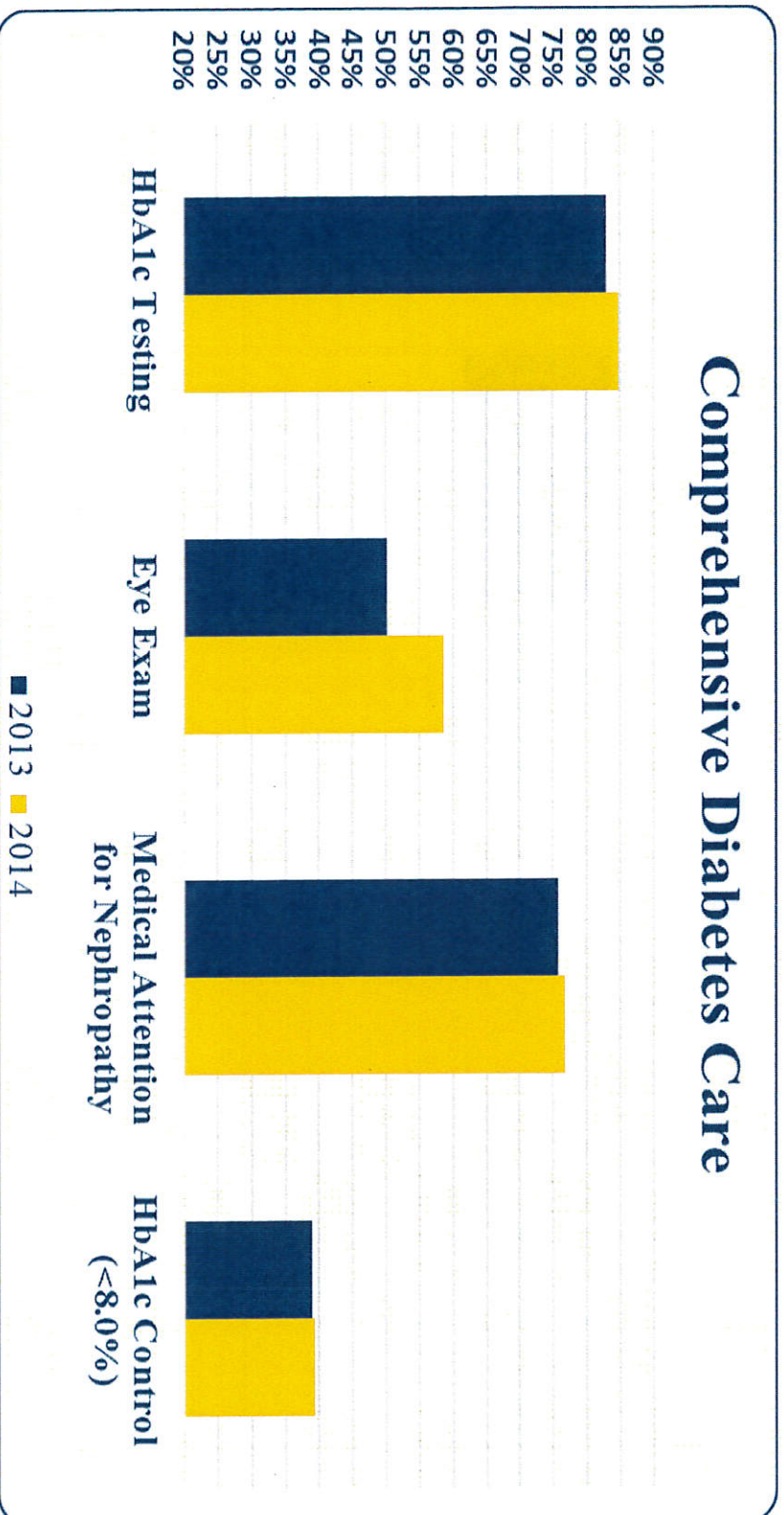
---



- **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

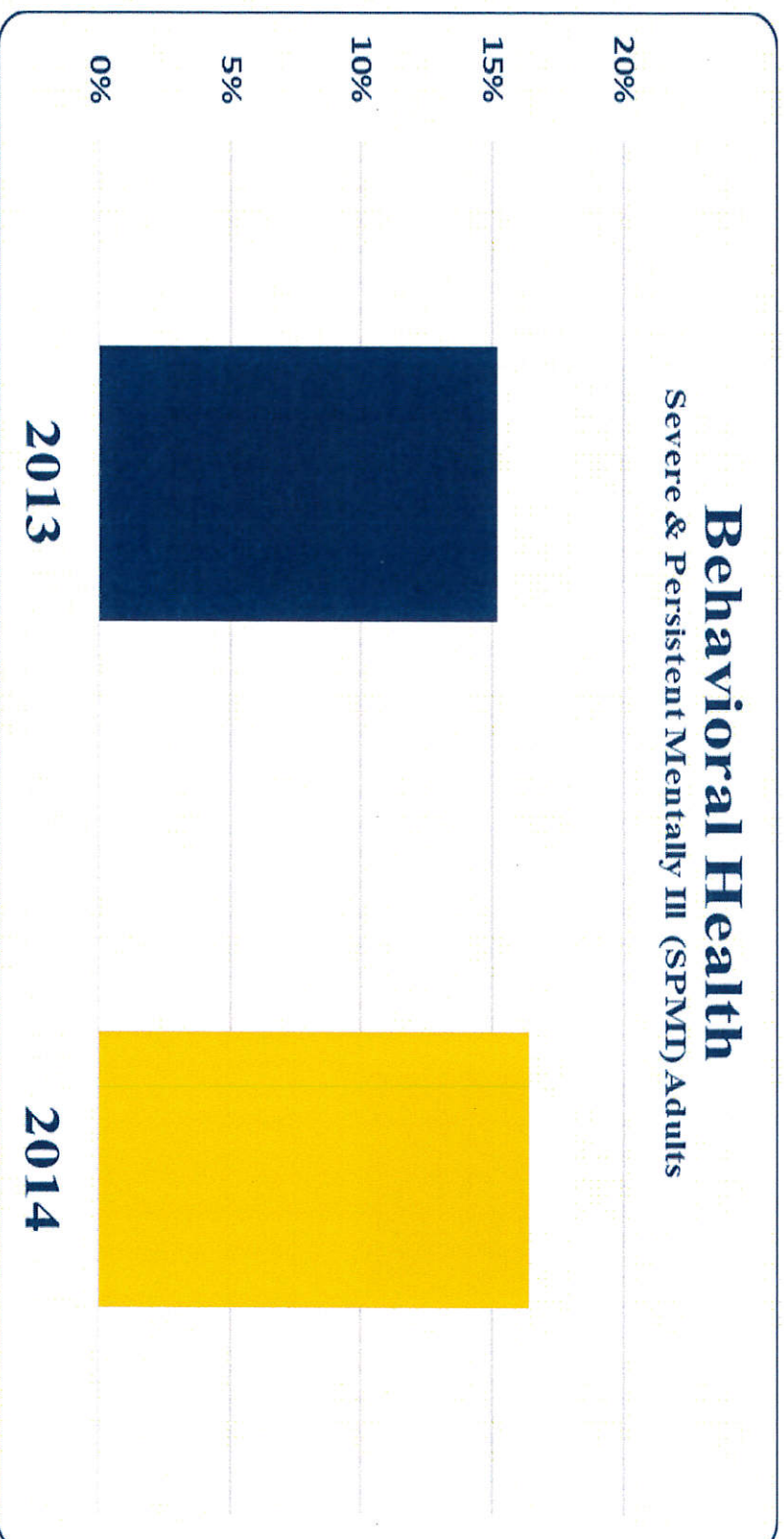


- **Comprehensive Diabetes Care**

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

# Improved Employment Status

---

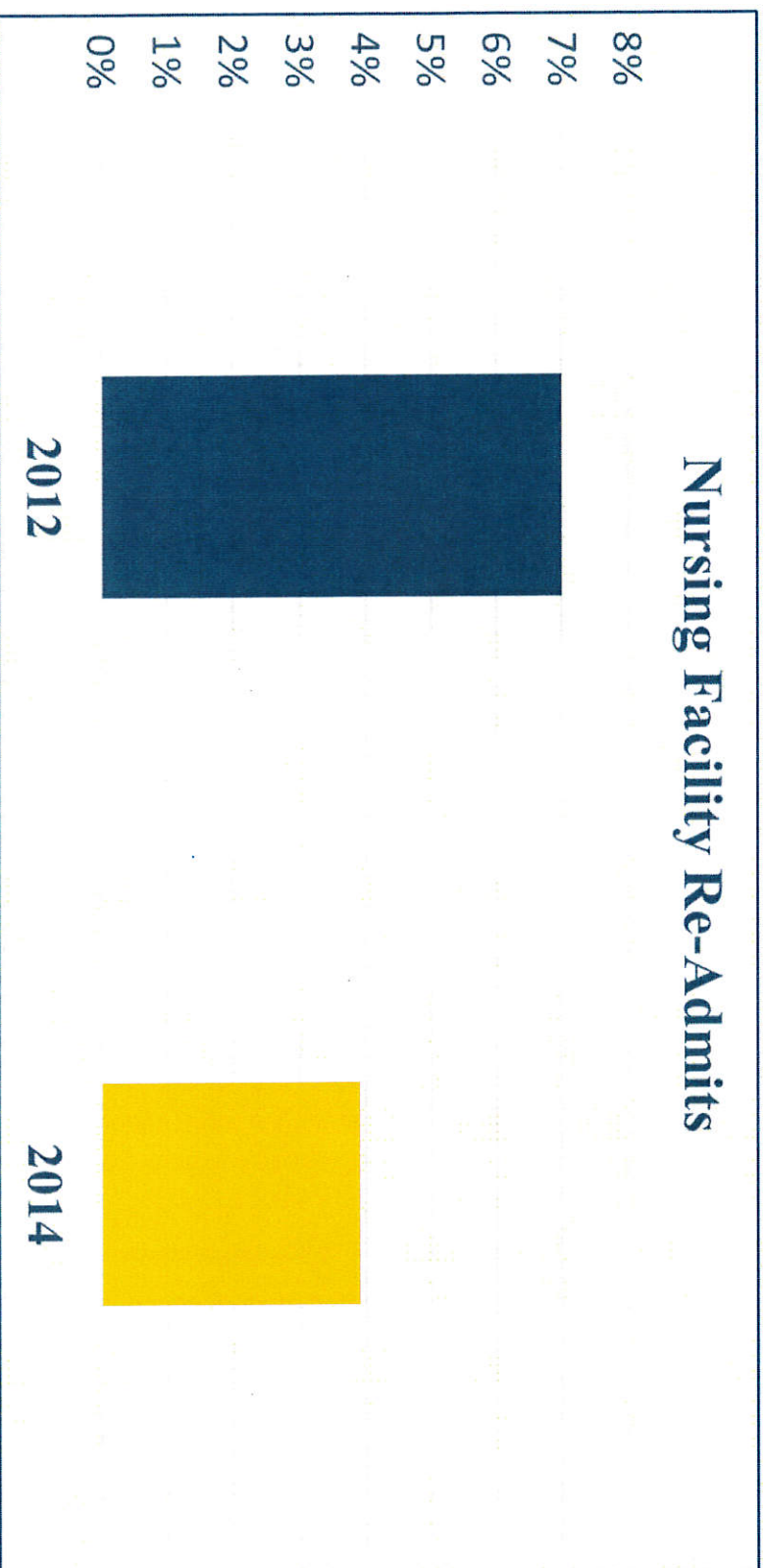


- **Behavioral Health**

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



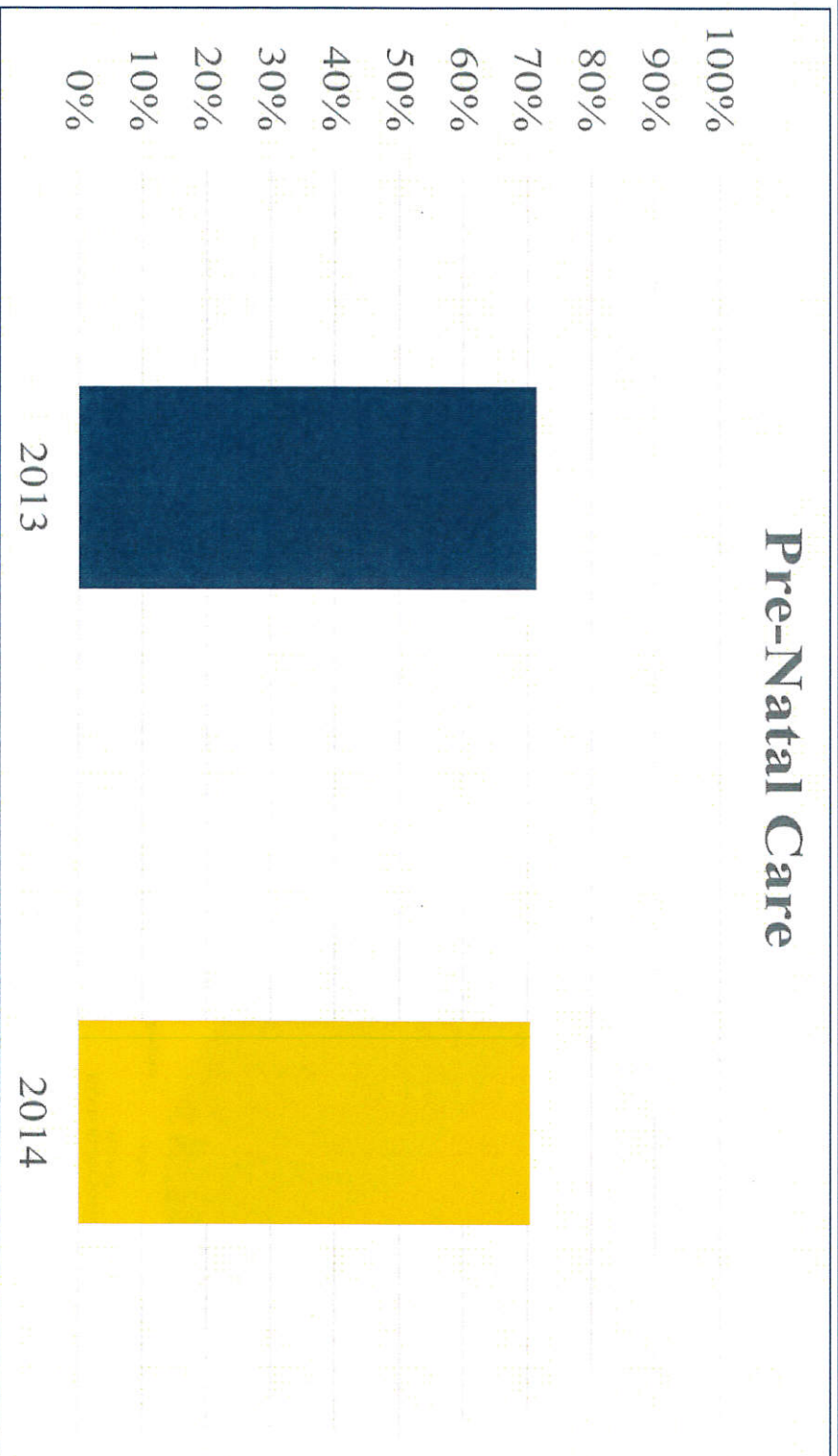
# Reduced NF Re-admits



- **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.

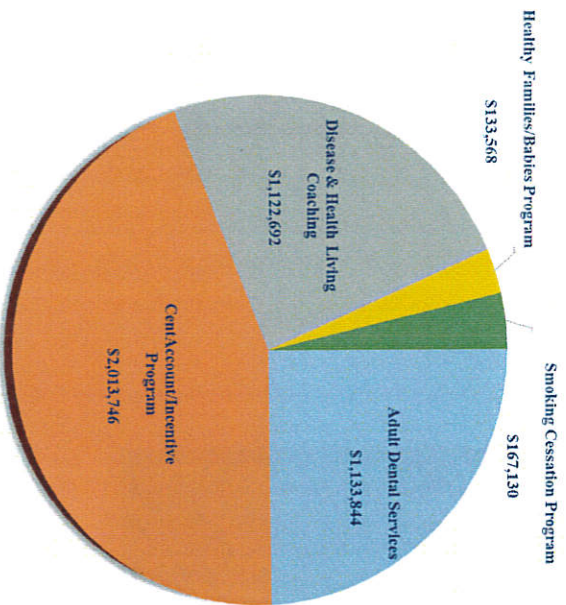


# KanCare New Services

At No Cost to the State

## Top 5 Services by Expenditures

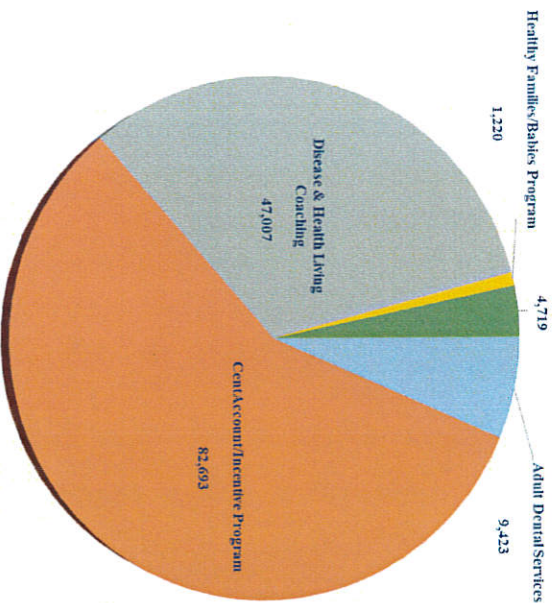
Calendar Year 2015



## Top 5 Services Accessed by Members

Calendar Year 2015

KAN be Healthy Screening  
Ages 0-19



- 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	<b>-23%</b>
Outpatient ER	<b>-1%</b>
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	% 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%

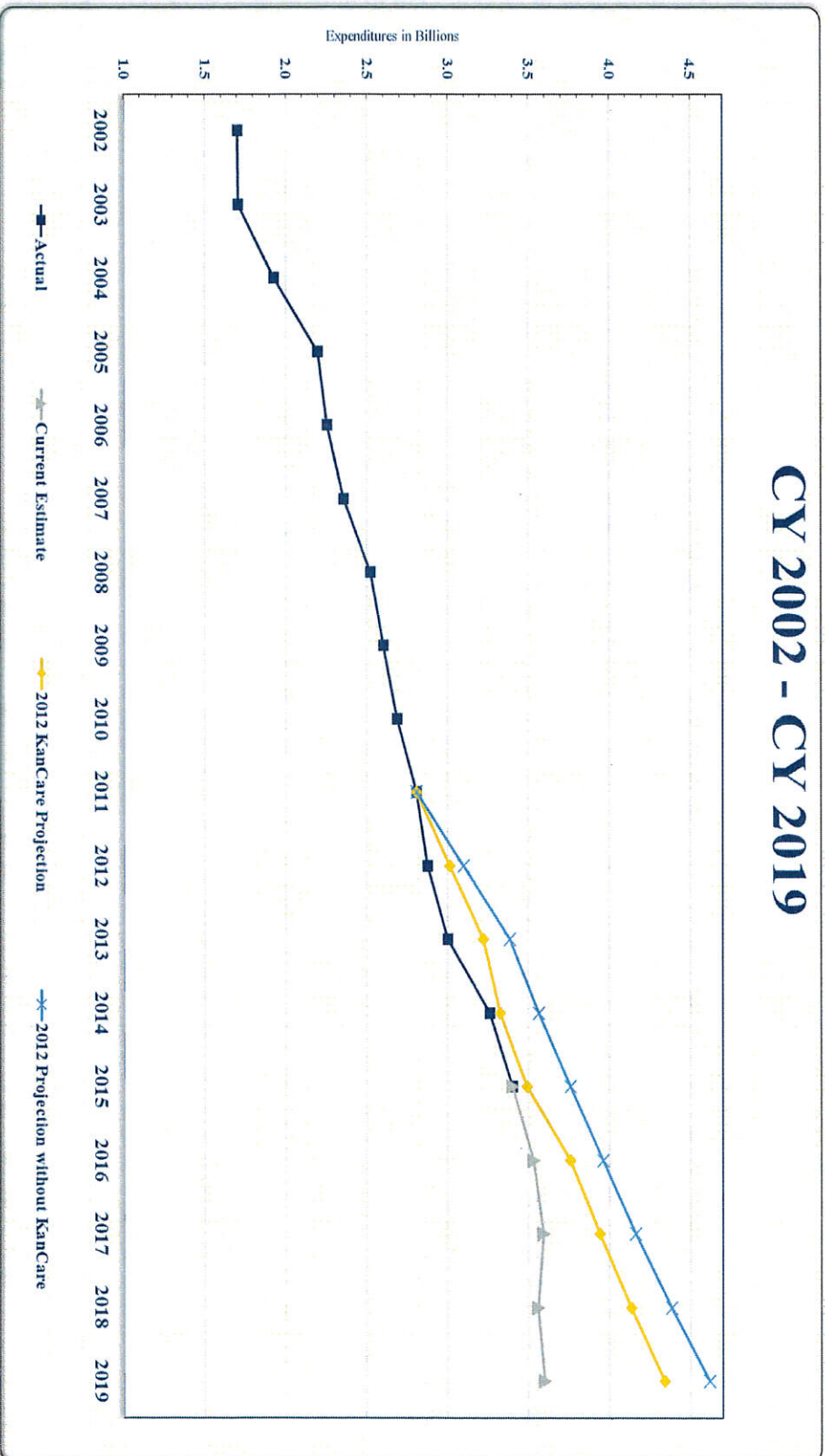
\*SED, DD, PD, FE, Autism, TA, and TBI



# 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.

## CY 2002 - CY 2019



# If Waivers were to be Carved Out

---

- Two Scenarios:
  1. If State takes over care coordination services -
    - Over \$180M in additional care and staffing costs would be incurred over 5 years.
    - Over 400 staff would be needed to perform services and manage recipients.
  2. If care coordination services go back to pre-KanCare levels -
    - Over \$340M in additional care and staffing costs would be incurred over 5 years.



# Backlog Update

---

- Resolution Activities
- System Update and Enhancements
- Staffing Increases
- Process Improvements

# Active Backlog

---

- Active backlog is approximately 800 as of last CMS report

Total number of Other applications and redeterminations	
Unprocessed Applications - Total	> 45 days 1970
- Unprocessed Applications - Pended	482
- Unprocessed Applications - IROD <45	approx. 700
= Unprocessed Applications - Approx	788

# Active Backlog Calculation Factors

---

- The report appears to show 1,970 applications are backlogged.
- 482 of these are pended and awaiting additional information from applicant.
- Approximately 700 are designated “Information Received on Denial”. or 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, or about 800, represents Active backlog.



# **System Enhancements & Updates**

---

- Since Go-Live, KDHE and the KEES Vendor (Accenture) have developed and implemented 17 major system enhancements to improve system performance across these functional areas:
  - Eligibility
  - Customer Service
  - Imaging
  - Data Entry
  - Registration

# Staffing

---

- Clearinghouse vendor (Maximus) added 40 temporary staff for calendar year 2016 with additional 70 staff added in July.
  - 50 of these staff are specifically trained to process Family Medical applications.
  - This additional staff will also mitigate federally facilitated marketplace applications (FFM) from creating backlog.
- State has augmented staff by 20 temporary workers.
  - 12 of these are for registering FFM applications during the ACA open enrollment period.
- Staff working overtime as needed.



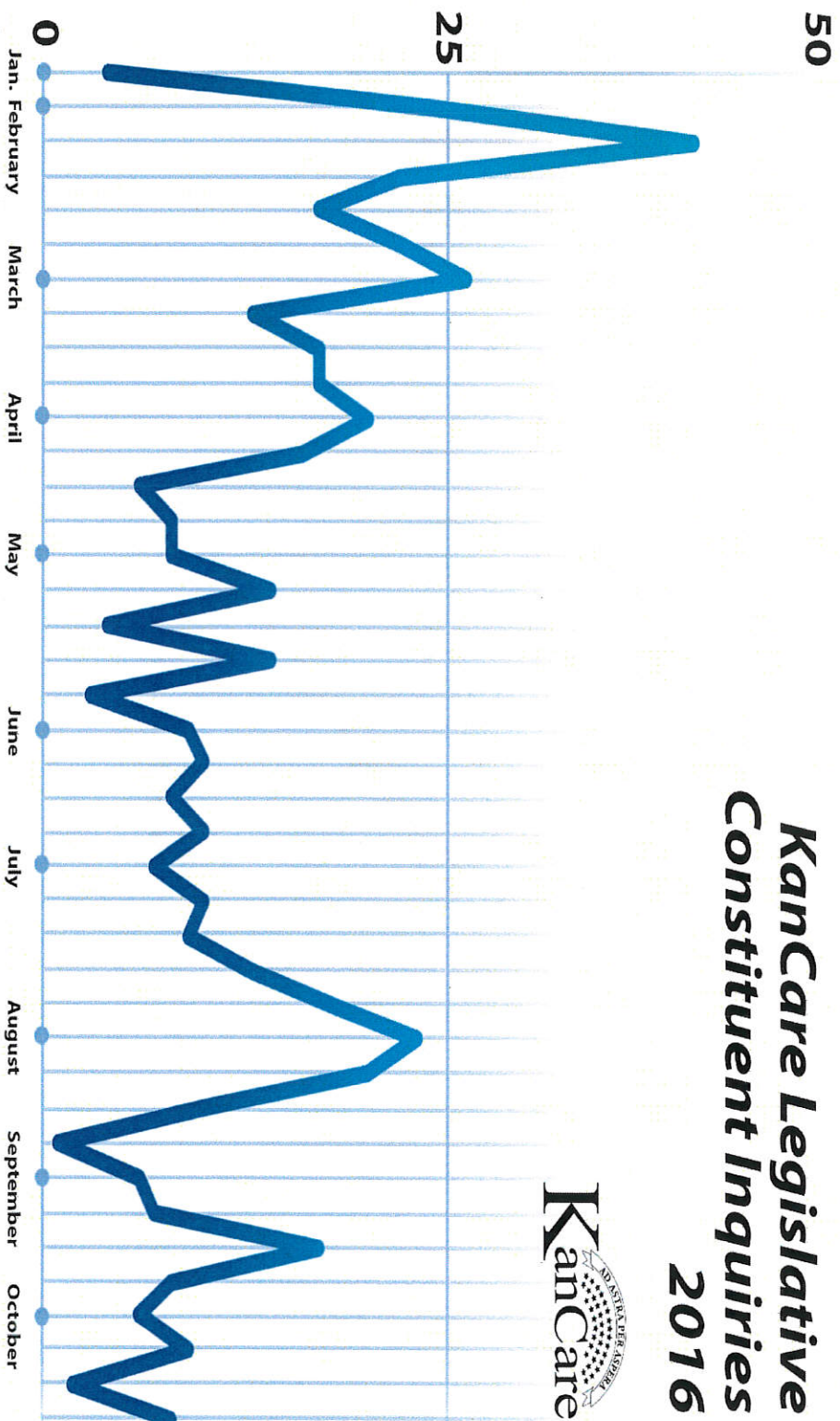
# Process Improvements

---

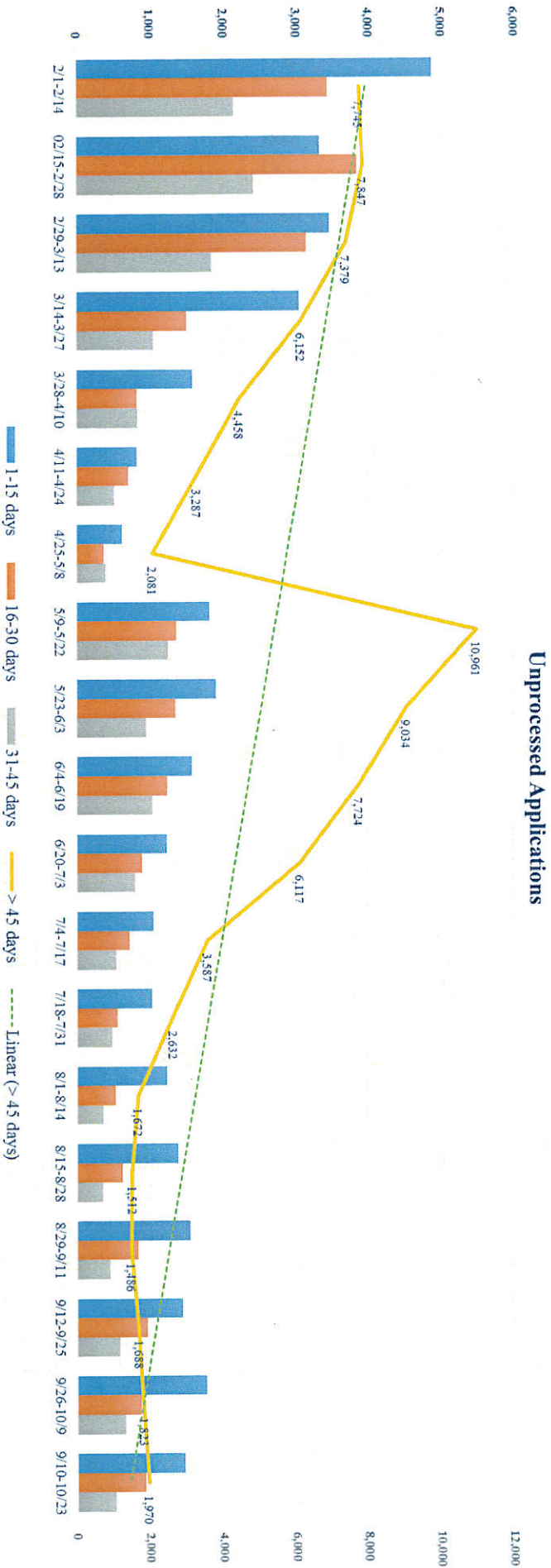
- Internal and external process reviews to identify work flow improvements:
  - Internal - continuously working to identify process improvement opportunities with state staff, Maximus and Accenture.
  - External — worked with process experts to assess workflow and identified and implemented a number of short-term and long-term improvements.
- Clearinghouse vendor installed a new call management system that better serves beneficiaries.
  - Since February 2016, the overall average speed to answer has declined from 27 minutes to about 46 seconds and the maximum wait time has declined from over 1 hour and 22 minutes to less than 11 minutes.

# Legislative Inquiries are Down

## *KanCare Legislative Constituent Inquiries 2016*



# Backlog Trend





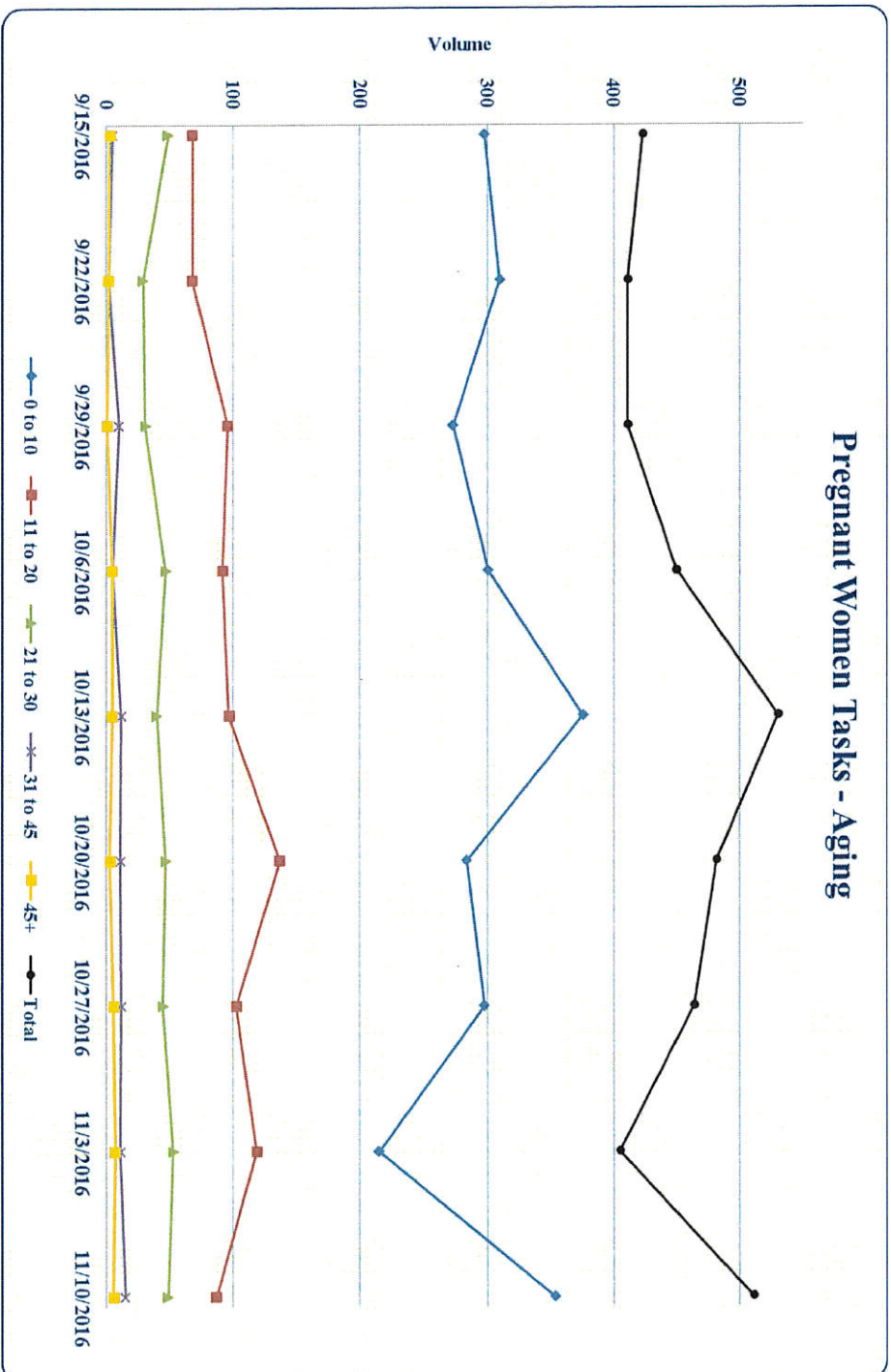
# Backlog Reduction

---

- 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 SSI
  - Information Received on Denial (IROD)
  - Pended waiting for additional information from applicant
  - Active Backlog over 45+ days

# Trends for Pregnant Women

- 70% of pregnant women cases are processed in less than 10 days.
- 96% of pregnant women cases are processed in less than 30 days.
- 4% of the cases are on hold waiting for additional information from the applicant.





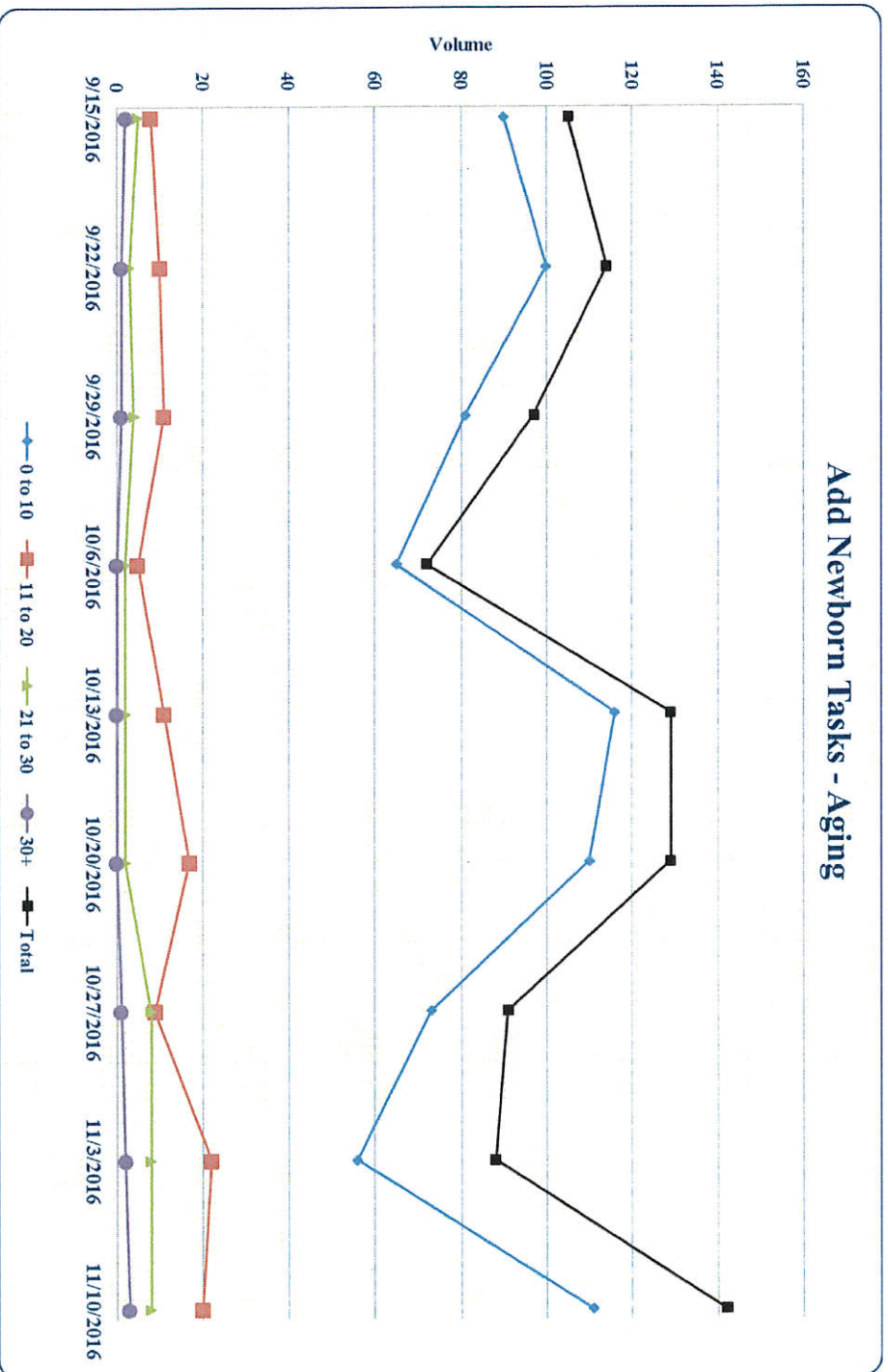
# Pregnant Women Facts

---

- **Pregnant women who meet the criteria for presumptive eligibility, will receive coverage for prenatal and/or emergency room visits until a final determination has been completed.**
- Hospitals and clinics that have completed or scheduled training for the Presumptive Eligibility system:
  - Children’s Mercy Hospital
  - Community Health Center of Southeast Kansas
  - GraceMed Health Clinic
  - Hunter Health Clinic
  - Via Christi Regional Medical Center
  - Stormont Vail Healthcare Inc.
- These hospitals represent 12% of Medicaid births in 2015.
- We are in the process of enrolling and training additional hospitals in the Presumptive Eligibility System.

# Trends for Newborns

- 94% of all newborn cases are processed within 20 days.
- 78% of those are processed in less than 10 days.
- 6% are waiting additional informational from the applicant.



# CMS Review

---

- CMS conducted an on-site review of the State on October 24, 2016.
- CMS visited each MCO October 25<sup>th</sup>-27<sup>th</sup>.
- Focus was on KanCare – Calendar Year 2013 to current.
- Exit conference was scheduled for November 16, 2016.



# MCO Financial Status Update

## MCO Profit and Loss per NAIC Filings

YOY Comparison June 2015 vs. June 2016

	<u>Amerigroup</u>	<u>Sunflower</u>	<u>United</u>	<u>Total</u>
Total Revenues	\$ 499,378,032	\$ 552,811,447	\$ 466,963,194	\$ 1,519,152,673
Total hospital and medical	\$ 427,143,528	\$ 482,049,829	\$ 383,363,312	\$ 1,292,556,669
Claims adjustments, General Admin., Increase in reserves	<u>\$ 69,457,653</u>	<u>\$ 68,580,971</u>	<u>\$ 63,796,980</u>	<u>\$ 201,835,604</u>
Net underwriting gain or (loss)	\$ 2,776,851	\$ 2,180,647	\$ 19,802,901	\$ 24,760,399
Net income or (loss) after capital gains tax and before all other federal income taxes	\$ 3,038,112	\$ 2,612,511	\$ 19,802,901	\$ 25,453,524
Federal and foreign income taxes incurred	\$ 4,466,324	\$ 6,630,236	\$ -	\$ 11,096,560
Add Back Change to Reserves	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Adjusted Net Income (loss) - Through June 30, 2016	<u>\$ (1,428,212)</u>	<u>\$ (4,017,725)</u>	<u>\$ 19,802,901</u>	<u>\$ 14,356,964</u>
Add Back Change to Reserves	\$ (48,614,012)	\$ (24,909,030)	\$ -	\$ (73,523,042)
Net income (loss) - June 30, 2015	\$ 50,324,624	\$ 13,789,928	\$ 16,253,308	\$ 80,367,860
Adjusted Net Income (loss) - June 30, 2015	<u>\$ 1,710,612</u>	<u>\$ (11,119,102)</u>	<u>\$ 16,253,308</u>	<u>\$ 6,844,818</u>
Difference from Q1 2015 to Q1 2016	<b>\$ (3,138,824)</b>	<b>\$ 7,101,377</b>	<b>\$ 3,549,593</b>	<b>\$ 7,512,146</b>

# Nursing Facility Advanced Payments

Total Providers	70
# of Individual Requests	1182
<b>Amount Paid</b>	<b>\$ 2,105,461</b>

<b># Requested</b>	<b>1182</b>
Advanced Pay Approved	280
Denied/Eligibility Approved	140
Denied	357
Duplicate	395
Pending	10
<b>Total</b>	<b>1,182</b>

# Step Therapy

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 &amp; 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



# 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