



**KanCare Update: Robert G. (Bob) Bethell KanCare
Oversight Committee
October 11-12, 2023**

Agenda

Janet Stanek, Secretary

Christine Osterlund, Deputy Secretary for Agency Integration and State Medicaid Director

- KanCare Updates
 - KanCare Contract Re-Procurement Update
 - Update on Medically Needy Program
 - Focused update: Medicaid adult dental benefits
 - Mandatory Medicaid and CHIP Core Set Reporting Final Rule
 - Performance Metrics
 - MCO Financial Review
- Eligibility Updates
 - KDHE Staffing Update
 - Redetermination Overview & Timeline
 - Redetermination Lessons Learned
 - Unwinding Data
 - Medicaid Eligibility Application Status Update
 - Call Center Metrics

Update on KanCare MCO Contract Re-Procurement

Current MCO contracts expire December 31, 2024.

Update:

- RFP was posted on October 2, 2023.
- Adam Proffitt, Secretary of Department of Administration will present on procurement timeline to Bob Bethell Committee tomorrow

Update on KanCare MCO Contract Re-Procurement

KanCare Vision and Goals: The State’s vision for KanCare is one of collaboration and partnership between the State, MCOs, members and providers to realize program excellence and optimal health outcomes for Members.



Partnering together to support Medicaid members in achieving health, wellness, and independence for a healthier Kansas.

To advance this vision, the State has identified the following KanCare goals:

1. Improve member experience and satisfaction.

2. Improve health outcomes by providing holistic care to members that is integrated, evidence-based, and well-coordinated, and that recognizes the impact of social determinants of health (SDOH).

3. Reduce health care disparities.

4. Expand provider network and direct care workforce capacity and skill sets.

5. Improve provider experience and encourage provider participation in Medicaid.

6. Increase the use of cost-effective strategies to improve health outcomes and the service delivery system.

7. Leverage data to promote continuous quality improvement to achieve the goals of the KanCare program.

Key Enhancements to the KanCare Program

- Educate, engage, incentivize, and empower members to achieve personally defined health goals
- Solicit member, family, and provider feedback to drive system improvement
- Enhance care coordination to ensure timely access to needed services, continuity of care, successful care transitions, and improve member outcomes
- Implement community-based care coordination for home and community-based services waiver populations that do not receive targeted case management
- Identify and address SDOH to improve health outcomes
- Enhance timeliness and accountability for non-emergency medical transportation
- Improve access to interpretation services
- Reduce health care disparities
- Improve prenatal and postpartum care, including requirements for maternity care coordination

Key Enhancements to the KanCare Program

- Expand access to oral health services and increasing utilization of preventive oral health services
- Enhance consistency for pharmaceuticals, including compliance with the State's preferred drug list and pharmaceutical policies
- Increase the recruitment and retention of providers
- Expand access to services in rural and frontier areas
- Increase and strengthen the direct care workforce
- Expand the behavioral health provider network by contracting with specific provider types

Key Enhancements to the KanCare Program

- Reduce the administrative burden for providers, including burdens related to credentialing and prior authorization
- Promote payment models designed to improve health outcomes and increase delivery system efficiencies
- Require MCOs to invest a portion of their profits in local communities in Kansas to improve health outcomes
- Enhance MCO reporting requirements and State enforcement options

KanCare MCO Contract Re-Procurement Public Input

RFP Development

- Four public meetings held in April 2023 on RFP.
- Requested input on recommendations and changes to incorporate into new RFP.
- Conducted small group legislative input sessions.
- Input accepted until August 2023.

Post RFP Release

- Release of a fact sheet outlining at a high-level changes in the new RFP.
- KDHE will hold four public meetings on October 24 and 26 to review what was incorporated into RFP.
- Not all recommendations were appropriate for RFP as they are policy changes, such as requests asking Medicaid to cover specific services.
- Presentation will allow those that provided input to understand how their concerns were addressed.

Medically Needy Program Update

- The Medically Needy (MN) program provides eligibility to certain populations whose income exceeds state eligibility limits:
 - Pregnant Women
 - Children under age 19
 - Seniors age 65+
 - Individuals determined disabled by Social Security rules
- As of August 11, 2023, the MN population fell within the following age bands:

Age Range	MN Member Count
0-10	12
11-20	38
21-30	245
31-40	490
41-50	919
51-60	2,211
61-70	3,545
71-80	1,503
80+	687

Medically Needy Program Update

- The Kansas Medically Needy income limit (MNIL) has been frozen at \$475 for a household of one or two for many years. This is because federal law generally links the income limit to the July 16, 1996, Aid to Families and Dependent Children (AFDC) levels.
- As reported at the August Bethell committee, KDHE engaged with CMS in the spring and learned that states have the option to “disregard” types or amounts of income that are used to determine the protected income limit.
 - Kansas is among the states with lower MNIL – currently 29% of the 2023 FPL for a household of two.

Medically Needy Program Update

- KDHE has been studying our Medically Needy population to determine possible options to adjust the MNIL. The Eligibility team believes the best path forward would be to disregard income between the current MNIL and 100% of SSI. This would effectively tie the MNIL to SSI, which is adjusted annually.
 - There would be a cost to this change because of more MN members meeting their spenddown and gaining Medicaid coverage sooner.
 - Costs would be subject to legislative approval via caseloads or the budget process.
 - Preliminary estimate is that setting the MNIL at 100% of SSI would cost **\$1.8 million** all funds, including **\$940,000** SGF.

Update: Medicaid Adult Dental Coverage

- The state has received feedback that adults with KanCare coverage have difficulty finding a dentist.
- KDHE conducted research in 2023 to determine root causes. Findings:
 - Many adults with Medicaid coverage have not received consistent dental care during their lives, and they often require more intensive services.
 - The codes used most often with Medicaid adults have very low reimbursement rates in relation to the amount of dentist time involved.
 - Most Kansas Medicaid reimbursement rates are far below any other payor. It would cost **\$35.5 million** all funds to bring our current dental rates up to the **10th percentile** of national payor rates according to American Dental Association data.
- In order to address access to care concerns, KDHE is focusing on enhancing reimbursement rates for the 20 most impactful dental services codes.

Medicaid and CHIP Core Set Reporting Final Rule

- On August 31, 2023, CMS published the final rule which will require states to submit Child Core Set, Adult Core Set, and Health Home Core Set quality measures in a new, standardized format.
- CMS' announcement summarizes the content and purpose of the rule as follows:
- “This rule finalizes requirements for mandatory annual state reporting of three different quality measure sets starting in federal fiscal year 2024:
 - The purpose of Core Set of Children’s Health Care Quality Measures for Medicaid and CHIP;
 - Behavioral health measures on the Core Set of Adult Health Care Quality Measures for Medicaid; and
 - Core Sets of Health Home Quality Measures for Medicaid.

Medicaid and CHIP Core Set Reporting Final Rule

- The overall purpose of the Child and Adult Core Sets is to measure the overall national quality of care for beneficiaries, monitor performance at the state level, and improve the quality of health care. The purpose of the Health Home Core Sets is to measure the overall national quality of health home care for Medicaid beneficiaries, monitor the impact of this optional state plan benefit, monitor performance of this benefit at the state and program levels, and improve the quality of health care. States will be required to report stratified data beginning in 2024 for an increasing number of measures over time, with potential stratification factors including geography and race/ethnicity. For more information, or to review the rule in its entirety, [visit the Federal Register.](#)”

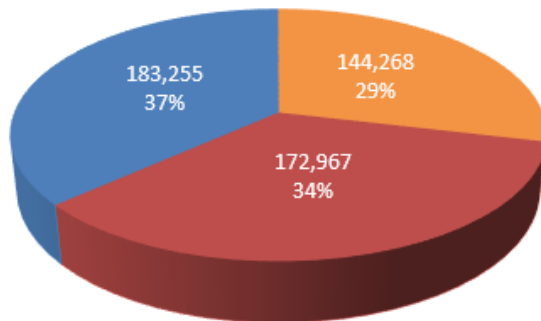
Medicaid and CHIP Core Set Reporting Final Rule

- How does the final rule impact Kansas?
 - The rule will require quality data to be broken out by “race, ethnicity, sex, age, rural/urban status, disability, language, or such other factors as may be specified by the Secretary [of HHS].”
 - **KDHE has some, but not all, of this data.** The KanCare application asks questions about each of those data fields, but not all those questions require an answer and therefore our data is incomplete. For example, applicants are not required to disclose race and ethnicity to have their application considered complete. To fully capture each of those data fields:
 - KDHE would need to schedule and pay for system changes.
 - CMS would have to (1) reverse its current rule that states cannot require applicants to report this data, and (2) approve changes to the Medicaid application form to make those data fields mandatory.
 - KDHE will likely need to obtain some of this data from the MCOs, who may collect it as part of screening activities they perform for all new members.

The count of KanCare beneficiaries continues decreasing because of the Public Health Emergency Unwinding Effort

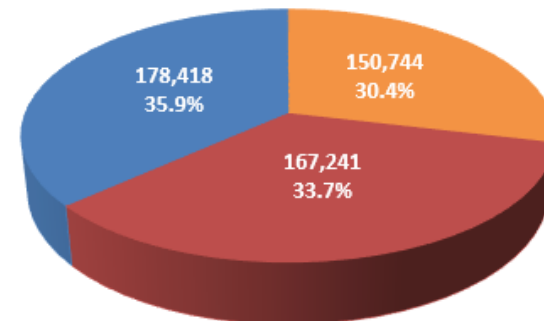
- As of August 2023, average MCO-enrollment for the calendar year is 496,402 beneficiaries.
- UHC maintains the highest MCO-enrollment with an average of 178,418 beneficiaries per month.
- Sunflowers beneficiaries account for 33.7% of MCO enrollment; Aetna's account for 30.4% of MCO enrollment.

2022 (January - August)
500,490 Beneficiaries



ABH SUN UHC

2023 (January - August)
496,402 Beneficiaries



ABH SUN UHC



KanCare Update October 2023

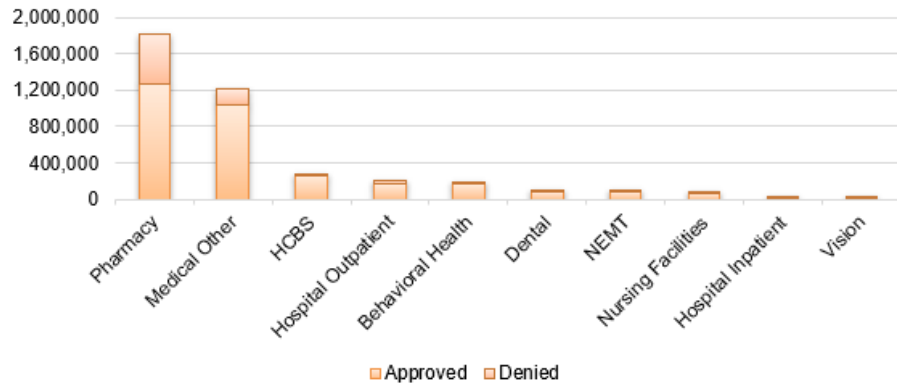
Processed & Denied Claims (January – August 2023)

Service Type	Count of Processed Claims			% of Total Services by MCO		
	ABH	SUN	UHC	ABH	SUN	UHC
Pharmacy	1,820,172	1,362,508	1,454,877	46.15%	32.25%	33.25%
Medical Other	1,210,477	1,237,283	1,338,758	30.69%	29.29%	30.59%
HCBS	257,791	433,133	384,353	6.54%	10.25%	8.78%
Hospital Outpatient	204,008	242,939	270,497	5.17%	5.75%	6.18%
Behavioral Health	183,840	566,278	544,797	4.66%	13.40%	12.45%
Dental	90,557	134,680	134,950	2.30%	3.19%	3.08%
NEMT	87,377	71,264	92,373	2.22%	1.69%	2.11%
Nursing Facilities	64,991	66,814	77,898	1.65%	1.58%	1.78%
Hospital Inpatient	18,003	23,288	18,728	0.46%	0.55%	0.43%
Vision	6,520	86,579	58,628	0.17%	2.05%	1.34%
Total	3,943,736	4,224,766	4,375,859	100%	100%	100%

Service Type	Count of Denied Claims			% of Total Denied Claims by Service Type		
	ABH	SUN	UHC	ABH	SUN	UHC
Pharmacy	557,883	340,147	361,663	68.94%	51.02%	45.11%
Medical Other	170,530	192,814	252,685	21.07%	28.92%	31.52%
Hospital Outpatient	36,301	25,259	70,540	4.49%	3.79%	8.80%
Dental	9,976	16,253	24,416	1.23%	2.44%	3.05%
HCBS	6,326	11,061	8,180	0.78%	1.66%	1.02%
Behavioral Health	16,339	61,796	59,880	2.02%	9.27%	7.47%
Nursing Facilities	7,164	5,578	12,682	0.89%	0.84%	1.58%
Hospital Inpatient	3,837	5,624	4,710	0.47%	0.84%	0.59%
Vision	617	7,652	6,197	0.08%	1.15%	0.77%
NEMT	203	515	837	0.03%	0.08%	0.10%
Total	809,176	666,699	801,790	100%	100%	100%

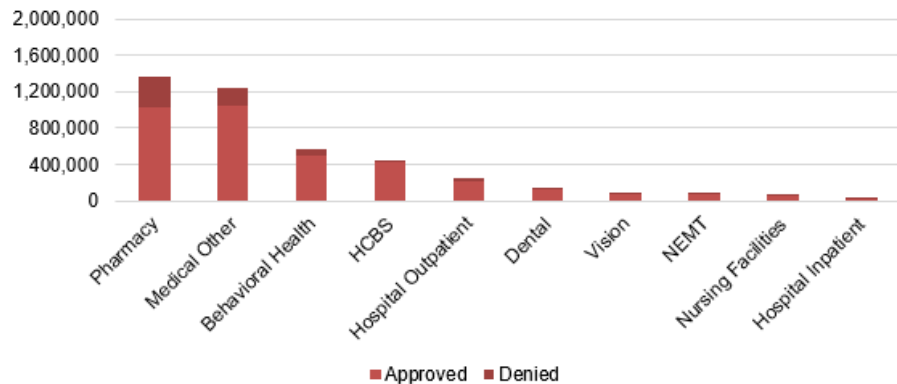
Portion of Denied to Total Claims (January – August 2023)

Aetna

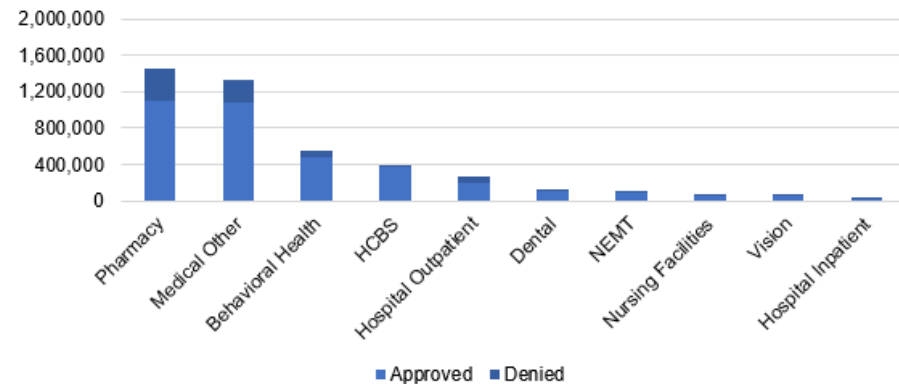


Pharmacy has the highest percentage of denied claims across the program because it is a point-of-sale service.

Sunflower

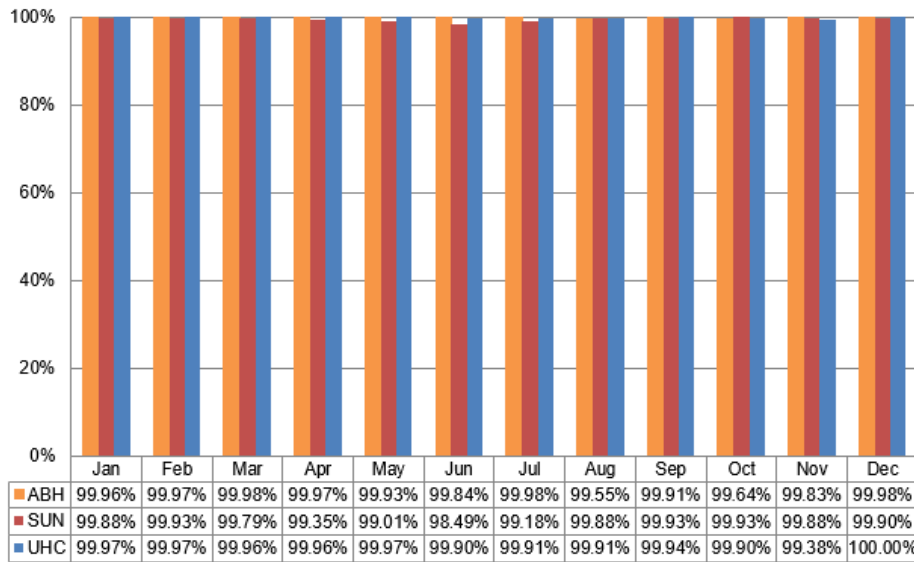


UnitedHealthcare

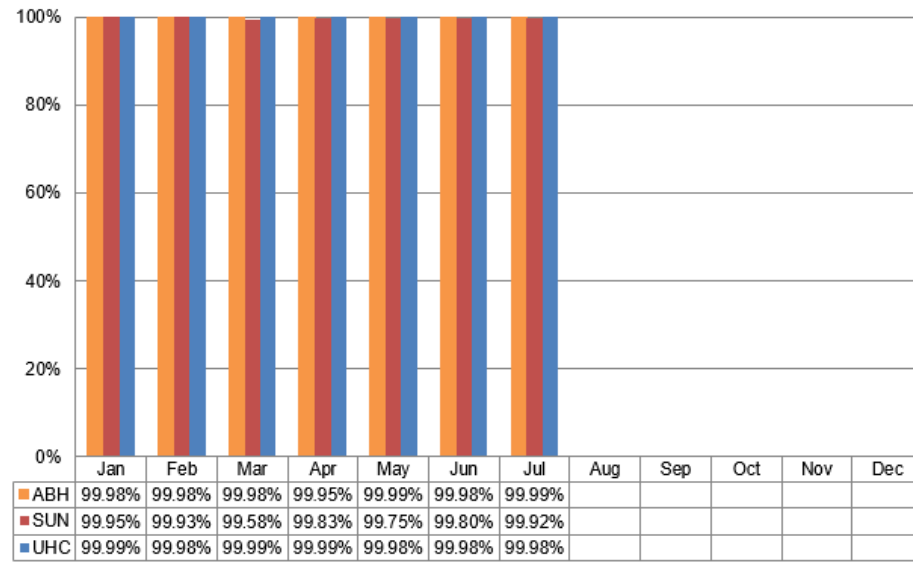


Clean Claims Processed Within 30 Days Comparison

2022 Clean Claims



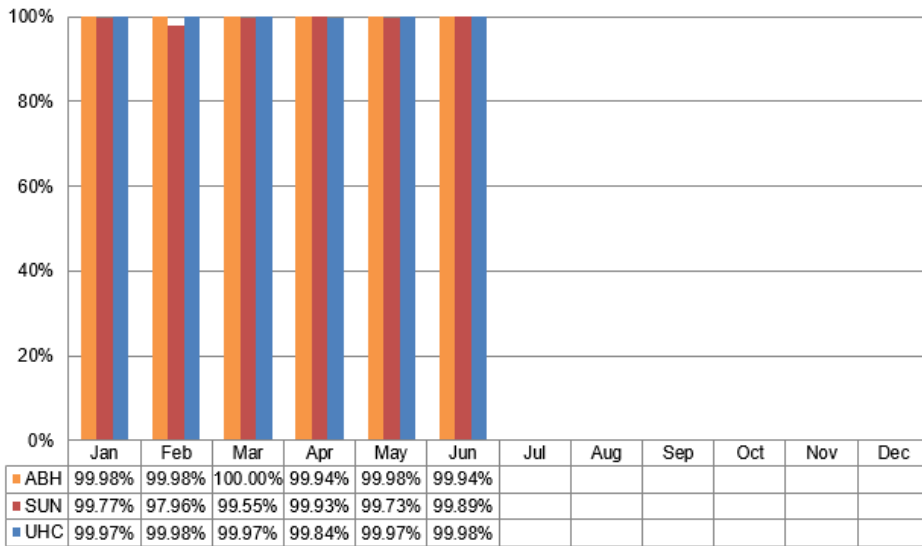
2023 Clean Claims



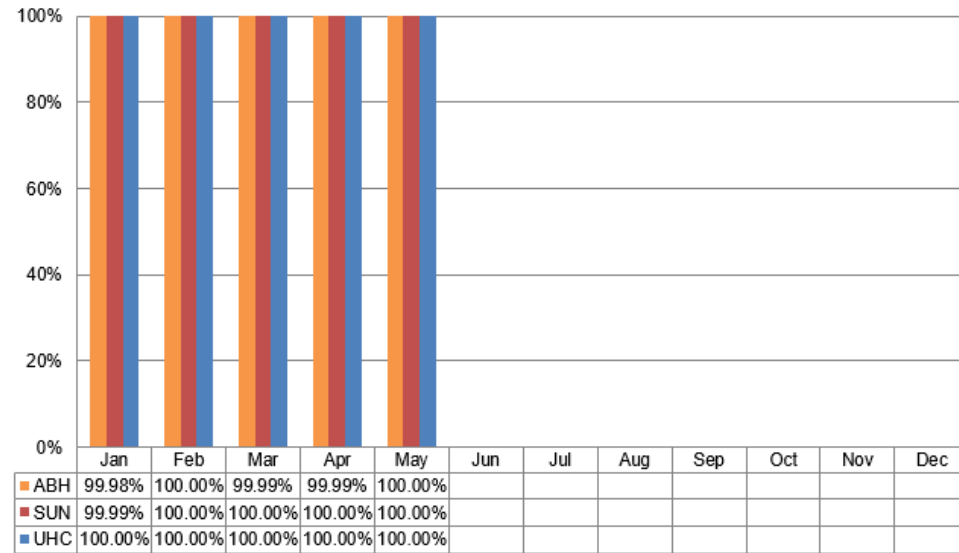
The contract standard is 100% of clean claims will be processed within 30 days. A clean claim is a claim that can be paid or denied with no additional intervention required. Clean claims do not include adjusted or corrected claims, claims that require documentation for processing (e.g., consent forms, medical records, etc.), claims from new out-of-network providers, or claims where a plan's updated policy changes were not received by the state at least 30 days before the effective date.

Claims Processed Within 60 and 90 Calendar Days

2023 Processed in ≤ 60 Days



2023 Processed in ≤ 90 Days



The contract standard is 100% of clean claims will be processed within 30 days; 99% of non-clean claims will be processed within 60 calendar days; and 100% of non-clean claims will be processed within 90 calendar days.



KanCare Update October 2023

Aetna

MCO Profit and Loss per NAIC Filings
Q1 2023 - Q4 2023

	<u>Q1 2023</u>	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>
Total Revenues	\$404,420,083	\$798,195,497		
Total hospital and medical	\$369,708,479	\$479,877,304		
Claims adjustments, General Admin., Increase in reserves	\$49,304,687	\$93,145,099		
Net underwriting gain or (loss)	\$1,759,906	(\$7,213,660)		
Net income or (loss) (after cap gains tax/before fed taxes)	(\$13,448,513)	(\$3,726,217)		
Federal and foreign income tax/(benefit)	(\$2,457,394)	(\$764,503)		
Add Back Change to Reserves				
Adjusted Net income (loss)	(\$10,991,119)	(\$2,961,714)		
GP before income tax	-3.3%	-0.5%		

*Per NAIC filings, which do not necessarily reflect how program is priced. **Quarterly reported financials, per NAIC statements, are reflective of full year-to-date results (i.e., Q2 2022 includes the cumulative results for Q1 and Q2).**



KanCare Update October 2023

Sunflower

MCO Profit and Loss per NAIC Filings

Q1 2023 - Q4 2023

	<u>Q1 2023</u>	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>
Total Revenues	\$450,583,338	\$895,287,676		
Total hospital and medical	\$359,065,584	\$609,483,589		
Claims adjustments, General Admin., Increase in reserves	\$90,468,447	\$180,028,270		
Net underwriting gain or (loss)	\$1,049,307	(\$491,499)		
Net income or (loss) (after cap gains tax/before fed taxes)	\$4,398,606	\$6,538,212		
Federal and foreign income tax/(benefit)	\$1,909,122	\$1,574,761		
Add Back Change to Reserves				
Adjusted Net income (loss)	\$2,489,484	\$4,963,451		
GP before income tax	1.0%	0.7%		

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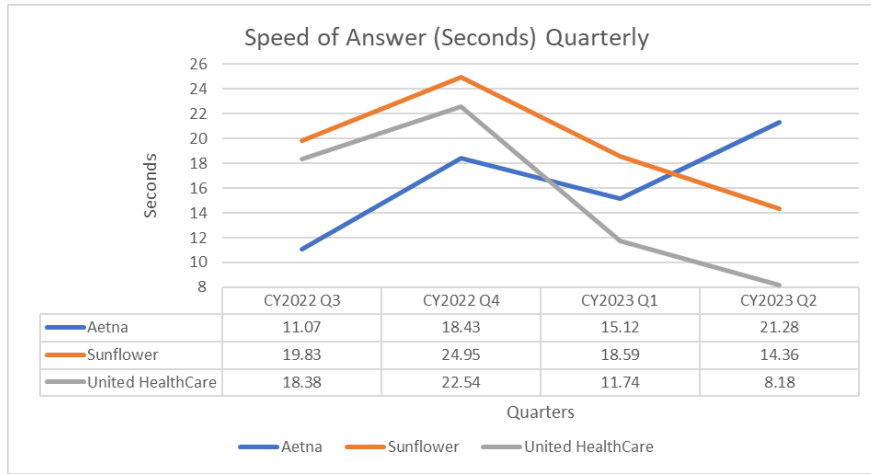
United

MCO Profit and Loss per NAIC Filings
Q1 2023 - Q4 2023

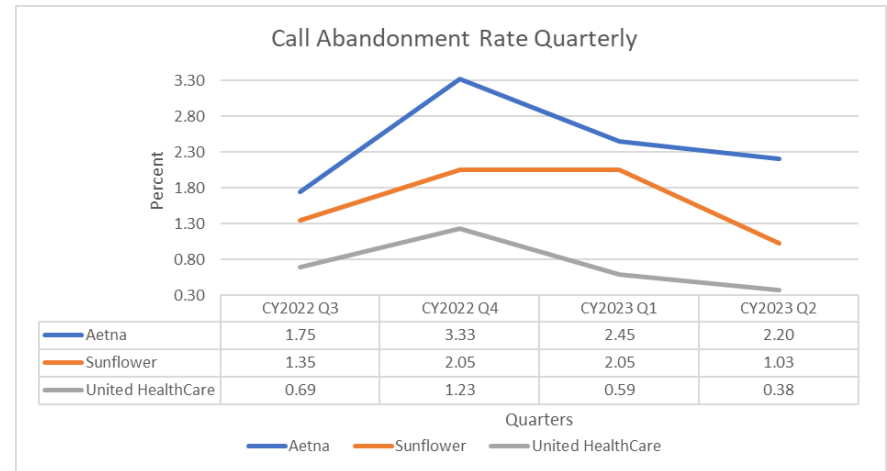
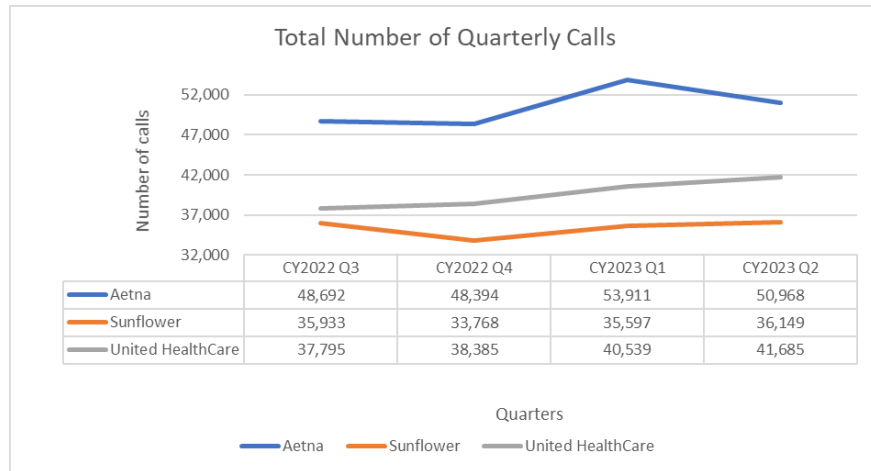
	<u>Q1 2023</u>	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>
Total Revenues	\$410,744,831	\$812,060,333		
Total hospital and medical	\$351,315,752	\$714,116,266		
Claims adjustments, General Admin., Increase in reserves	\$47,773,366	\$94,204,221		
Net underwriting gain or (loss)	\$11,655,713	\$14,645,332		
Net income or (loss) (after cap gains tax/before fed taxes)	\$11,655,713	\$14,645,332		
Federal and foreign income tax/(benefit)	\$2,351,438	\$2,326,808		
Add Back Change to Reserves				
Adjusted Net income (loss)	\$9,304,275	\$12,318,524		
GP before income tax	2.3%	1.5%		

*Per NAIC filings, which do not necessarily reflect how program is priced. **Quarterly reported financials, per NAIC statements, are reflective of full year-to-date results (i.e., Q2 2022 includes the cumulative results for Q1 and Q2).**

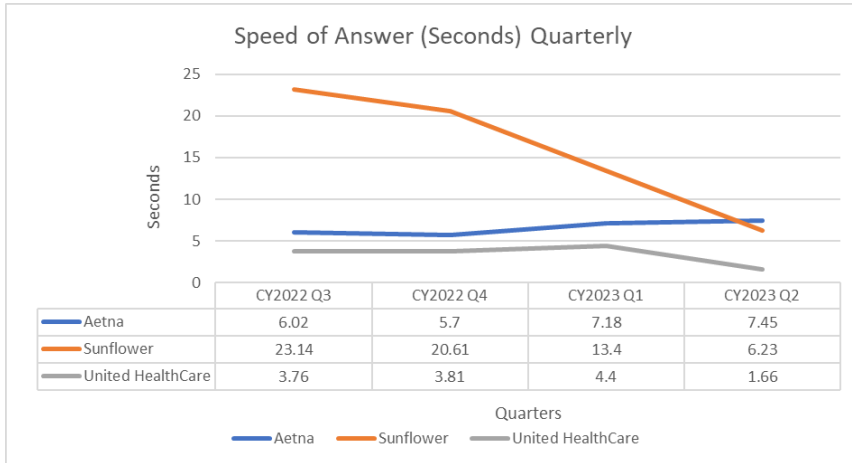
Customer Service Center – Members



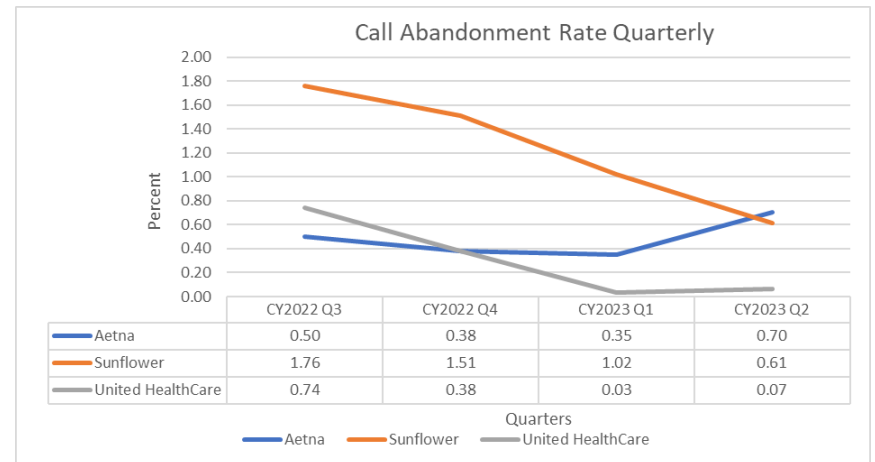
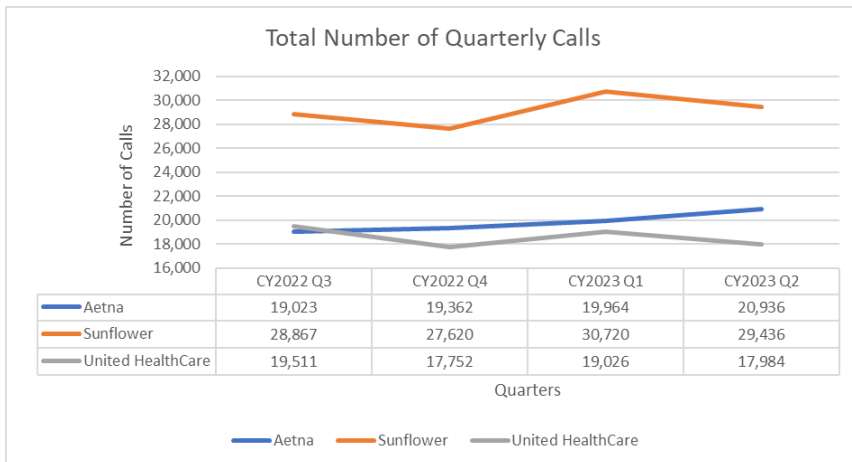
	LAST FOUR QUARTERS AVERAGES		
	Avg Speed of Answer (Seconds)	Avg Call Abandonment Rate	Avg # of Total Calls per Quarter
Aetna	16.5	0.48%	50,491
Sunflower	19.3	1.22%	35,362
United HealthCare	15.0	0.29%	39,601
Total			125,454.000



Customer Service Center – Providers



	LAST FOUR QUARTERS AVERAGES		
	Avg Speed of Answer (Seconds)	Avg Call Abandonment Rate	Avg # of Total Calls per Quarter
Aetna	6.61	0.49%	19,821
Sunflower	15.71	1.22%	29,161
United HealthCare	3.43	0.31%	18,568
Total			67,550



Eligibility Update

- KDHE Staffing Update
- Ex Parte
- Unwinding Data
- Medicaid Eligibility Application Status Update
- Call Center Metrics



KDHE Staffing Update

- Continuing to recruit to fill vacant positions. KDHE is piloting a small program to recruit qualified staff from any location in the state. These staff members would work 100% remotely. We will monitor this pilot program for success in reducing vacancies.
- Operating at about 92% of staffing capacity.

Department	Number of Staff
KDHE Training & Quality	27 approved full-time employees (FTEs) 25 hired 2 vacancies
KDHE Eligibility Staff (Elderly & Disabled, Long Term Care Medical Programs)	253 approved FTEs 26 supervisors/managers hired 205 Eligibility staff hired 21 Eligibility staff vacancies 1 supervisor vacancy
KDHE Operations	30 approved FTEs 27 hired 3 vacancies
Total	310 staff 26 vacancies (about 8%)

Ex Parte

Ex Parte Renewal: Also known as auto renewal, passive renewal, or administrative renewal – is a redetermination of eligibility based on reliable information contained in the beneficiary's account or other more current information available to the agency, including information accessed through electronic data sources.

Ex Parte

- **Engagement with USDS**
 - CMS offered state free technical resources to states to evaluate ex parte process to try and find improvements to passive review rates
 - Kansas accepted assistance to improve process
 - Work began in July 2023
 - Two corrections identified as part of the work and solutions developed
- **Individual vs Household ex parte**
 - Data matches are applied to each person to determine if individual meets Medicaid requirements (long standing Kansas process)
 - Pre-populated review is only sent to individuals in the household who do not meet criteria (change from sending comprehensive review to entire household)
 - Impact of individual ex parte is on average average Kansas will see an 8% increase in ex parte or passive reviews each month
 - Will positively impact around 10,000 Medicaid members who lost eligibility

Ex Parte

- **CMS State Directive**

- In August 2023, CMS started communicating with states regarding requirement to conduct ex parte at the individual level
- This was a change in interpretation of 2012 regulations and CMS approved the household level ex parte in state's eligibility systems
 - Kansas ex parte process was approved by CMS as part of the 2016 implementation of the KEES system
- Kansas was already in process of changing to individual ex parte prior to CMS guidance
- Discontinuances were paused in August as mitigation was still being tested to ensure compliance
- September discontinuance were paused in September as CMS had not approved Kansas' ex parte mitigation
- Discontinuances will resume in October
- Renewal notices were not paused and continued to be sent and any returned review has continued to be worked

Redetermination Status

- Kansas has sent renewal notices to the April – November populations.
- Only four months of renewal notices have yet to be sent. Last Unwinding renewal notices will be sent in February 2024.
 - Starting in March 2024 renewal notice volumes will return to very close to historical volumes instead of high Unwinding volumes.
- With increase of timeline to return reviews Kansas continues to see an increase of 20% in timely returned reviews.
 - Under old 30-day timeline about 40% were returned timely.
 - With increased timeline return rate has increased to 62%.

Current Unwinding Data

- Medicaid enrollment was just over 540,000 members when Unwinding began
- As of August 31:
 - 300,543 individuals sent a renewal notice.
 - 99,491 individuals approved.
 - 22,474 individuals discontinued (determined no longer eligible).
 - 58,718 individuals in reinstatement window (did not submit a review timely but have 90 days to submit a review and have eligibility backdated).

Medicaid Eligibility Application Status

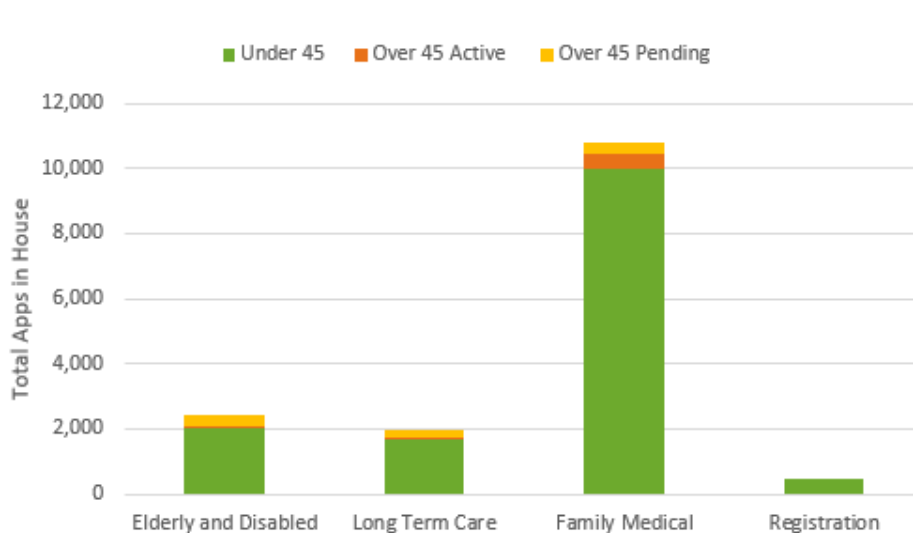
- **Data as reported to Bethell Committee in February 2020:**
 - 8,471 total applications in house.
 - 1,258 applications over 45 days, 15% of total applications.
 - 441 applications (5% of total) over 45 days in active status — ready to be processed.
 - 814 applications (10% of total) over 45 days in pending status — waiting for more information from applicant/provider/financial institution.
- **Data as reported to Bethell Committee in August 2023**
 - 15,457 total applications in house.
 - 2,045 applications over 45 days (13% of total applications); 883 applications (6% of total) over 45 days in active status — ready to be processed.
 - 1,162 applications (7% of total) over 45 days in pending status — waiting for more information from applicant/provider/financial institution.



Medicaid Eligibility Application Status

KanCare Update October 2023

- 15,641 total applications in house.
 - 1,450 applications over 45 days (9% of total applications); 504 applications (3% of total) over 45 days in active status — ready to be processed.
 - 946 applications (6% of total) over 45 days in pending status — waiting for more information from applicant/provider/financial institution.



	Under 45	Over 45 Active	Over 45 Pending	Total
Elderly and Disabled	2,029	40	368	2,437
Long Term Care	1,696	30	216	1,942
Family Medical	10,011	434	362	10,807
Registration	455	0	0	455
Total	14,191	504	946	15,641

	Under 45	Over 45 Active	Over 45 Pending	Total
Elderly and Disabled	83.3%	1.6%	15.1%	100.0%
Long Term Care	87.3%	1.5%	11.1%	100.0%
Family Medical	92.6%	4.0%	3.3%	100.0%
Registration	100.0%	0.0%	0.0%	100.0%
Total	90.7%	3.2%	6.0%	100.0%

Call Center Metrics

- April data is not a full month but reflective of when call volumes dramatically escalated

Date	Number of Calls Received	Abandon Percentage	Average Speed to Answer (minutes)
August 2023	37,350	3%	2:00
July 2023	37,150	15%	11:00
June 2023	38,115	19.15%	14:00
May 2023	37,533	29.83%	24:00
April 2023 (April 21 – April 30)	19,785	53%	43:00

Thank You and Questions

