



Tom Bell
President and CEO

TO: House Health and Human Services Committee

FROM: Audrey Dunkel
Vice President, Financial Advocacy

DATE: February 8, 2018

RE: House Bill 2591

The Kansas Hospital Association appreciates the opportunity to provide comments on House Bill 2591, which would require prior legislative approval for substantial changes to the KanCare program. On November 22, 2017, KHA provided comments to the Kansas Department of Health and Environment regarding the KanCare 2.0 waiver proposal. Our testimony today includes a summary of those comments.

In general, KHA believes there are still a number of underlying issues and concerns with the current KanCare program. Kansas hospitals, both individually and through the KHA KanCare Technical Advisory Group, have spent a significant amount of time and energy addressing issues and concerns related to the KanCare program. We are hopeful that Senate Substitute for House Bill 2026, which passed during the 2017 legislative session, will help to align a number of the operations that are vital to the KanCare program. These include processes to streamline the prior authorization requirements, standardize and reduce the burdens of provider enrollment and credentialing, require KDHE to provide accurate and uniform encounter data to providers, and to ensure standardized claims denial reason codes.

In recent updates to various legislative committees, KDHE has also expressed concerns with the backlogs and processes in the eligibility processes, which has been a long-standing concern of all of the KanCare providers across the state. Other concerns, such as the inability of KDHE to accurately provide updated rate settings for the inpatient DRGs, the critical access hospital cost adjustment factors, and the balance of funds for the Health Care Access Improvement Program (the Medicaid Provider Assessment program), have been very troublesome. Without accurate data, we have concerns about the ability of KDHE to implement and control expenditures of new program initiatives, such as value-based initiatives and work requirements. We believe that the issues with KanCare should be resolved before implementing KanCare 2.0.

Kansas hospitals are committed to providing high quality healthcare to all Kansans and are prepared to continue our collaboration with our state partners and the KanCare MCOs to improve the KanCare program. We are encouraged by the recent development of the KDHE/KDADS Association Group meetings, which started in January of 2018. This continued dialogue will provide us an opportunity to discuss systemic

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challenges or opportunities regarding the KanCare program. In addition, we are pleased with the renewed commitment to collaboration and transparency that we have experienced in our meetings with Secretary Jeff Anderson and Medicaid Director Jon Hamdorf in the last few weeks. It is through the agency's willingness to partner with providers and provider associations, that we will re-build the trust that is vital for the success of the program which serves our most vulnerable patients.

Thank you for your consideration of our comments.