KanCare Update: Robert G. (Bob) Bethell KanCare Oversight
April 20, 2022

Agenda

Janet Stanek, KDHE Secretary
- Key KDHE goals
- Medicaid priority items

Sarah Fertig, State Medicaid Director
- KanCare Updates
  - Medicaid Provider Rates
  - KanCare 3.0 and MCO Contract Reprocurement
  - Extending Postpartum Coverage to 12 Months
  - American Rescue Plan Act 10% FMAP Increase for HCBS
  - Health Care Access Improvement Panel (HCAIP)
  - Support and Training to Employ People Successfully (STEPS) Program
  - KanCare COVID-19
  - KanCare Analytics and Performance Metrics

LaTonya Palmer, Director of Eligibility
- Eligibility Updates
  - Medicaid Eligibility Applications Update
  - KanCare Clearinghouse Update

Elizabeth Wolff, Enterprise Systems Director
- Update on the Kansas Modular Medicaid System (KMMS) – *see separate slide deck*

Update from the Secretary

Janet Stanek, KDHE Secretary

- Key KDHE goals
- Medicaid priority items

Key KDHE goals

- Recruitment/Retention of Personnel
- Tracking and responding to legislation
- Budget and Finance Management
- Reaccreditation of Public Health
- Communications & Stakeholder Relationships

Medicaid priority items

- Recruitment of new Medical Director starting May 2022
- RFP Development for MCO Contracts expiring 12/2023
- Implementation of new IT System
- Staff recruitment

State of the KanCare Program

Sarah Fertig, State Medicaid Director

- KanCare Updates
  - Medicaid Provider Rates
  - KanCare 3.0 and MCO Contract Reprocurement
  - Extending Postpartum Coverage to 12 Months
  - American Rescue Plan Act 10% FMAP Increase for HCBS
  - Health Care Access Improvement Panel (HCAIP)
  - Support and Training to Employ People Successfully (STEPS) Program
  - KanCare COVID-19
  - KanCare Analytics and Performance Metrics

LaTonya Palmer, Director of Eligibility

- Eligibility Updates
  - Medicaid Eligibility Applications Update
  - KanCare Clearinghouse Update

Elizabeth Wolff, Enterprise Systems Director

- Kansas Modular Medicaid System (KMMS) – *see separate slide deck*

Medicaid Provider Rates

KDHE implemented a modest rate increase for global obstetric codes 59400 and 59510, effective January 1, 2022, to raise the reimbursement rate to 65% of Medicare. We are pursuing a similar increase for DME providers to be effective July 1, 2022.

H Sub for Sub SB 267 includes various rate increases that would take effect July 1, 2022:

- $2.9 million to increase pediatric primary care rates
- $10 million to increase ambulance rates
  - Includes ground and air ambulance rates
- $122.2 million to provide a 25% increase to I/DD waiver provider rates
- $65.2 million to rebase nursing facility rates

KDHE will work with the state's actuary to determine the impact to 1115 waiver budget neutrality once the new investments in Medicaid for FY23 are finalized.

- As of fall 2021, the state was projected to have roughly $132 million in budget neutrality "cushion" through the end of calendar year 2023.
- **On April 13, 2022, the state received verbal notice from CMS that they have approved our proposal to add additional cushion to our budget neutrality spending caps.**

KanCare 3.0 and MCO Contract Reprocurement

Current Medicaid MCO contracts are effective through December 31, 2023.

Current status: MCO RFP planning activities are underway. The first series of formal stakeholder input sessions was held in March. Examples of input:

- KanCare should be less cumbersome for providers.
- KanCare should include more flexibility/innovation in payment methodologies.
- The state needs to invest in the HCBS workforce.
- Plans of care need to be fully staffed with all hours met.
- There needs to be more accountability for the MCOs.

The KanCare 1115 waiver also expires at the end of CY 2023. KDHE is studying options for the state to consider, including renewing the 1115 waiver or switching to another source of federal authority such as a 1915(b) managed care waiver.

Extending Medicaid Coverage for Pregnant Women

- Under the American Rescue Plan Act (ARPA), effective 4/1/22 states may extend Pregnant Women coverage to 12 months postpartum through a Medicaid state plan amendment. This would add 10 additional months of coverage for the Pregnant Women eligibility group.

- Governor Kelly included funding to implement this policy change in her budget. Funding to implement this policy change was also included in H Sub for Sub SB 267.

- The KDHE team is working to iron out details necessary for implementation, including:

  - Any IT system changes necessary;

  - Coordinating the coverage extension with the ending of the federal public health emergency; and

  - Preparing state plan amendment language.

The American Rescue Plan Act of 2021 – 10% FMAP Increase to Supplement HCBS/PACE

- States may claim 10% additional FMAP on certain services between 4/1/21-3/30/22. These funds must be used to *supplement*, not supplant, current HCBS/PACE/home health spending. Funds may be spent through 3/30/24.

- KDHE and KDADS received formal notice of CMS' approval of the state spending plan on January 31, 2022.

- Status of KDHE projects:
  - Pilot investment in community health workers → in discussions with KDHE Public Health to design targeted pilot projects.
  - Incentivize investments in housing for homeless or housing-insecure HCBS members → will begin planning discussions after the legislative session.
  - Training for primary care and dental providers to expand and improve services to HCBS members → will begin planning after the legislative session.
  - In-depth evaluation of the STEPS supported employment program → planning underway; hope to have research contractor on board by late summer/early fall.

Health Care Access Improvement Program (HCAIP) Update

Background:

- The HCAIP is a program created by K.S.A. 65-6207 *et seq*. It imposes an assessment on inpatient revenues for most Kansas hospitals, and those funds are used to draw down federal matching dollars to help improve access to medical care. Legislation passed in 2020 increased the provider assessment and expanded the scope of the assessment to include outpatient services. *Those statutory changes cannot take effect unless approved by CMS.*

Update:

- On February 24, 2022, the entire Kansas Congressional delegation, led by Sen. Roger Marshall, submitted a joint letter to CMS requesting a speedy decision on this matter.
- CMS confirmed in early 2022 that they are actively working on our request. Since February, KDHE has been in weekly contact with CMS to iron out details that would be necessary for implementation.
- CMS has not yet announced whether the HCAIP changes have been approved, but they are advising KDHE on steps necessary for approval and helping with strategy to gain approval.
- Our goal: implement on July 1, 2022.

Support and Training to Employ People Successfully (STEPS) Program

Background:

- Kansas included this voluntary pilot program for up to 500 eligible KanCare members in our KanCare 2.0 1115 waiver.
- Pilot participants will have access to Benefits Specialists so that they will be aware of any impact participation in the pilot may have on benefits.
- STEPS launched on July 1, 2021. Information can be found on the KanCare website.

Update:

- 28 individuals are currently enrolled in the program, up from 14 in February. Of those 28, 17 are in the I/DD population and 11 are in the behavioral health population.
- A total of 139 referrals to the program so far. Outreach efforts continue to identify potential participants.
- The first STEPS participant secured competitive, integrated employment earlier this year. This individual came from the I/DD waiver wait list. They are currently working 20 hours a week at a job with competitive pay and benefits. Since this individual began employment, their need for supports dropped significantly and they are using fewer support services.
- Most STEPS participants are in the pre-employment supports phase of the program.

KanCare COVID-19 Update - Recent Highlights

- Recent additions to Medicaid coverage:
  - At-home COVID-19 testing kits
  - Monoclonal antibody treatment (bebtelovimab)
  - Veklury® (remdesivir) antiviral medication

- The Secretary of HHS renewed the federal Public Health Emergency (PHE) for another 90 days. The PHE was set to expire on April 16, 2022; the renewal means the PHE will continue until **July 15, 2022**.

  - While the PHE is in place, Kansas Medicaid may not terminate Medicaid eligibility unless (1) the beneficiary moves away from Kansas; (2) the beneficiary dies; or (3) the beneficiary asks to terminate coverage.

  - Federal law allows the state to drawn down 6.2% additional FMAP through the quarter in which the PHE ends**.** Through December 31, 2021, we have drawn down **$519,238,274** in additional federal dollars, an average of roughly $65 million per quarter.

Analytics and Performance Metrics

Sarah Fertig, State Medicaid Director

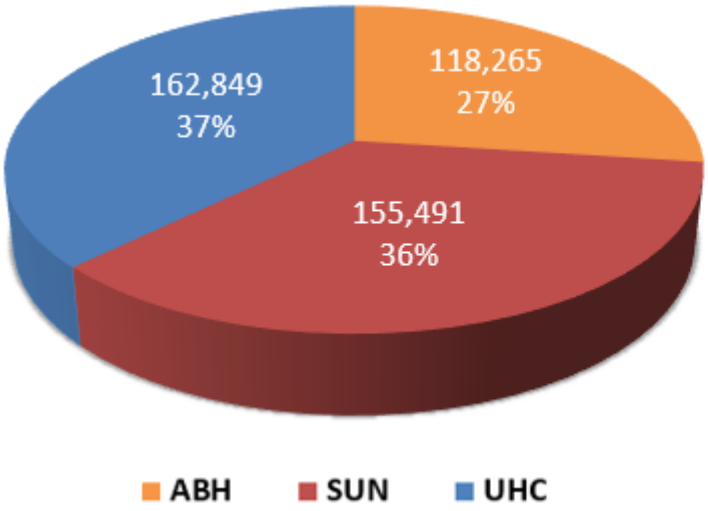
- Enrollment by Plan
- Claims Information – Number of Claims and Denial Rates
- Grievances and Appeals
- Customer Service and Call Center
- MCO Financial Review

KanCare Update April 2022

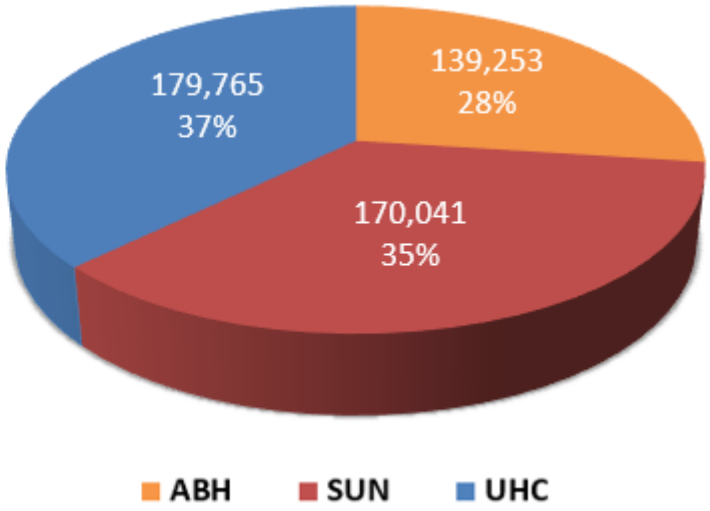
Overall enrollment continues to increase.

- YTD, there are 489,059 beneficiaries – 52,454 more than this time last year.
- UHC maintains 37% of overall enrollment, with 179,765 beneficiaries.
- Sunflower's beneficiaries account for 35% of overall enrollment; Aetna's account for 28%.

2021 January & February
436,605 Beneficiaries



2022 January & February
489,059 Beneficiaries

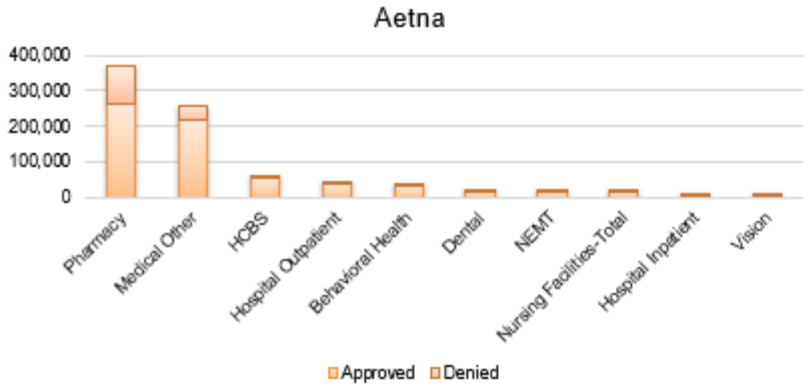


KanCare Update April 2022

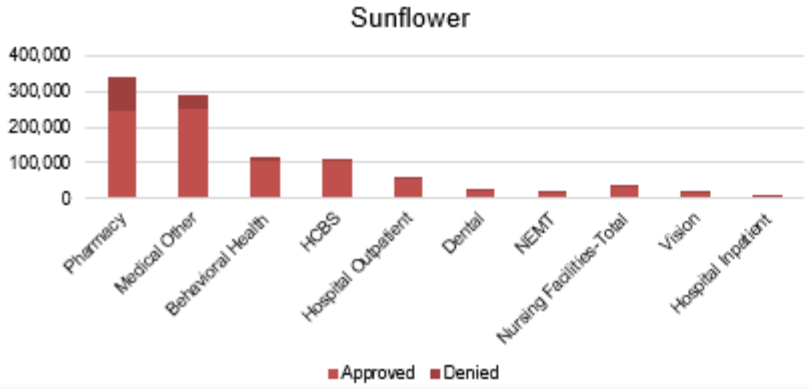
Service Type	Count of Processed Claims (Jan & Feb 2022)			% of Total Services by MCO (Jan & Feb 2022)		
	ABH	SUN	UHC	ABH	SUN	UHC
Pharmacy	371,605	343,945	333,287	45.75%	34.04%	33.59%
Medical Other	255,332	288,857	311,852	31.44%	28.59%	31.43%
HCBS	55,577	110,955	92,097	6.84%	10.98%	9.28%
Hospital Outpatient	45,423	58,544	63,295	5.59%	5.79%	6.38%
Behavioral Health	31,366	115,687	114,296	3.86%	11.45%	11.52%
Dental	17,699	24,654	25,923	2.18%	2.44%	2.61%
NEMT	16,400	15,227	16,452	2.02%	1.51%	1.66%
Nursing Facilities	13,445	31,360	18,978	1.66%	3.10%	1.91%
Hospital Inpatient	4,014	5,503	4,467	0.49%	0.54%	0.45%
Vision	1,360	15,663	11,497	0.17%	1.55%	1.16%
Total	**812,221**	**1,010,395**	**992,144**	**100%**	**100%**	**100%**

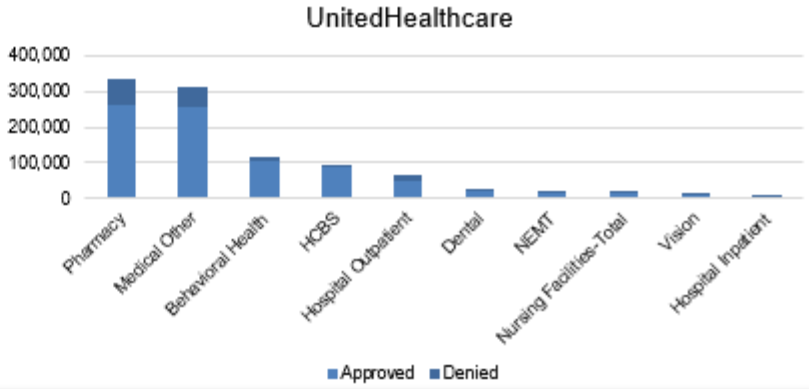
Service Type	Count of Denied Claims (Jan & Feb 2022)			% of Total Denied Claims by Service Type (Jan & Feb 2022)		
	ABH	SUN	UHC	ABH	SUN	UHC
Pharmacy	107,088	96,734	72,721	67.05%	58.88%	44.74%
Medical Other	37,851	40,113	56,761	23.70%	24.42%	34.92%
Hospital Outpatient	8,196	6,330	13,275	5.13%	3.85%	8.17%
Dental	2,564	2,111	3,732	1.61%	1.28%	2.30%
HCBS	1,246	4,775	1,816	0.78%	2.91%	1.12%
Behavioral Health	931	9,751	8,877	0.58%	5.94%	5.46%
Nursing Facilities	911	1,638	2,481	0.57%	1.00%	1.53%
Hospital Inpatient	796	1,099	940	0.50%	0.67%	0.58%
Vision	90	1,679	1,841	0.06%	1.02%	1.13%
NEMT	47	52	110	0.03%	0.03%	0.07%
Total	**159,720**	**164,282**	**162,554**	**100%**	**100%**	**100%**

Portion of Denied to Total Claims 2022 (January & February)



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

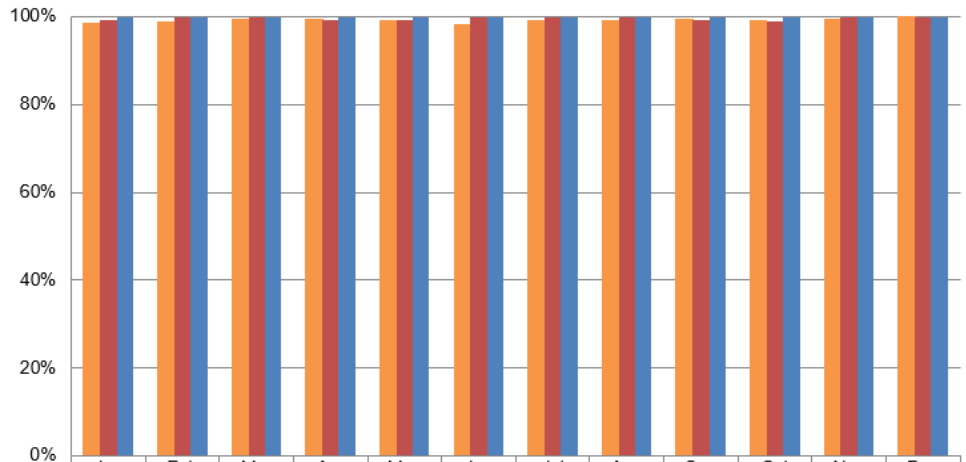




KanCare Update April 2022

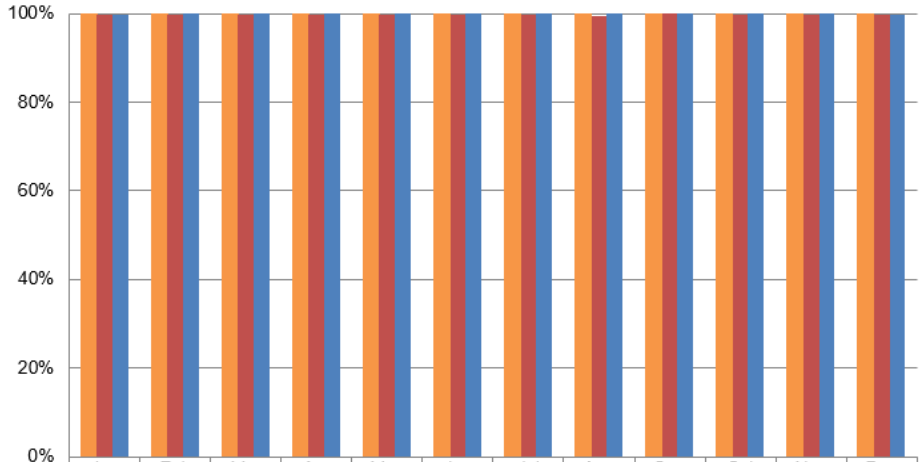
Year End 2020 & 2021 Comparison: Clean Claims Processed ≤ 30 Days

2020 Clean Claims



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
ABH	98.34%	98.73%	99.48%	99.50%	99.17%	98.20%	99.16%	98.96%	99.43%	99.11%	99.27%	99.87%
SUN	99.17%	99.81%	99.82%	99.38%	99.38%	99.86%	99.87%	99.91%	99.15%	99.04%	99.89%	99.74%
UHC	100.00%	100.00%	99.97%	99.99%	100.00%	99.98%	99.99%	99.99%	99.99%	99.98%	99.98%	99.87%

2021 Clean Claims

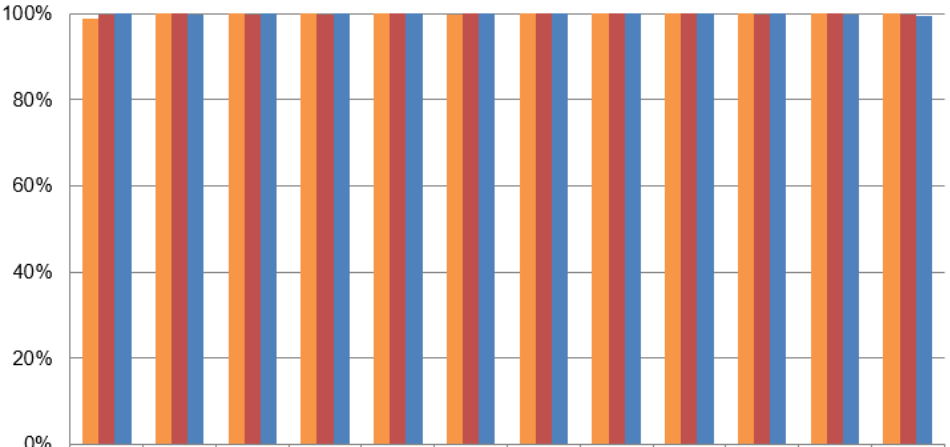


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
ABH	99.94%	99.91%	99.92%	99.90%	99.89%	99.91%	99.95%	99.95%	99.99%	99.99%	99.93%	99.98%
SUN	99.84%	99.87%	99.85%	99.82%	99.83%	99.89%	99.88%	99.61%	99.93%	99.71%	99.81%	99.87%
UHC	99.86%	99.97%	99.98%	99.98%	99.99%	99.97%	99.99%	99.98%	99.97%	99.98%	99.96%	99.84%

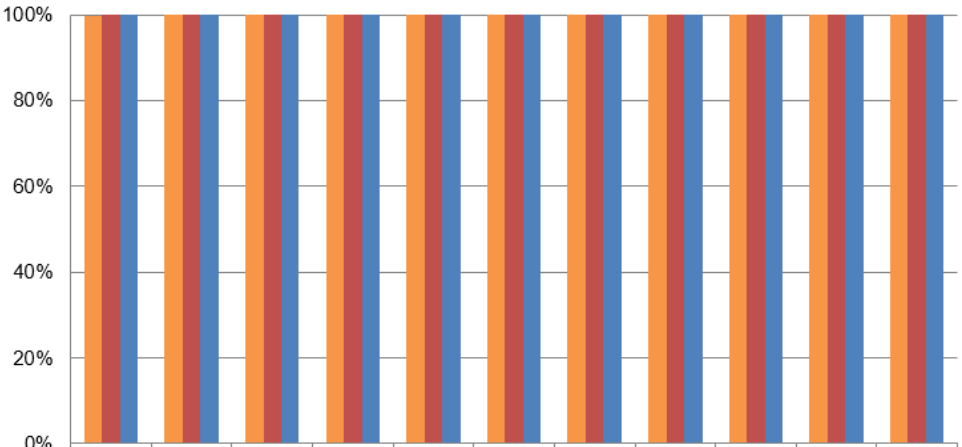
The contract standard is 100% of clean claims will be processed within 30 days. A clean claim is a claim that can be paid or denied with no additional intervention required. Clean claims do not include adjusted or corrected claims, claims that require documentation for processing (e.g., consent forms, 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.

KanCare Update April 2022

Year-End 2021: Claims Processed Within 60-90 Calendar Days



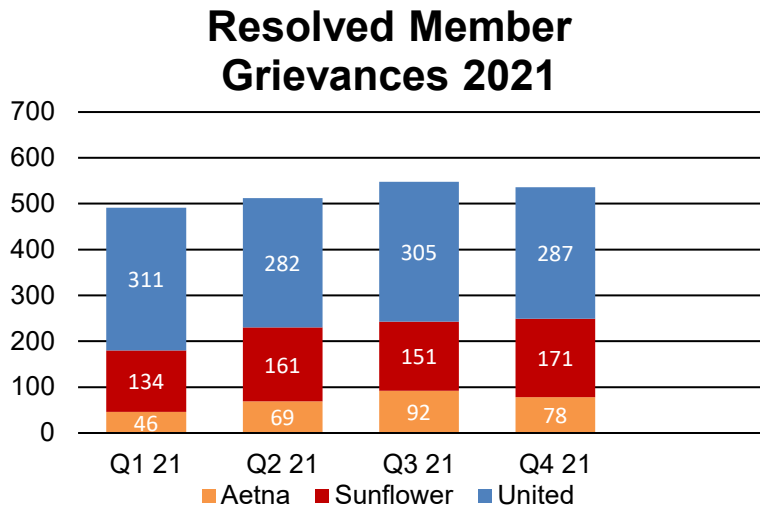
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
ABH	98.85%	99.94%	99.94%	99.98%	99.97%	99.85%	99.97%	99.99%	100.00%	99.95%	99.98%	99.99%
SUN	99.59%	99.96%	99.85%	99.86%	99.98%	99.97%	99.93%	99.97%	99.95%	99.83%	99.91%	99.86%
UHC	99.99%	99.81%	99.98%	99.89%	99.93%	99.90%	99.96%	99.97%	99.97%	99.94%	99.82%	99.33%

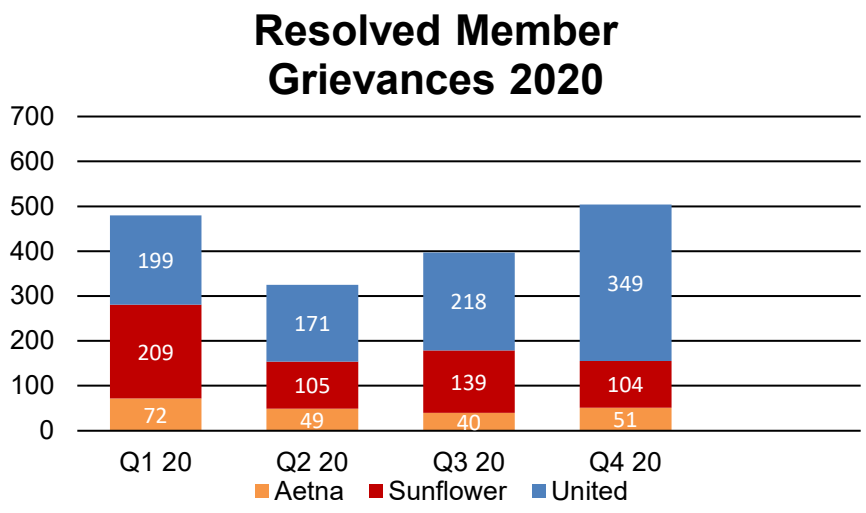


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
ABH	99.76%	99.98%	99.98%	99.96%	99.95%	99.96%	99.97%	99.98%	100.00%	99.99%	100.00%
SUN	100.00%	99.99%	99.99%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
UHC	100.00%	100.00%	100.00%	100.00%	99.99%	100.00%	100.00%	100.00%	100.00%	100.00%	99.95%

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 April 2022



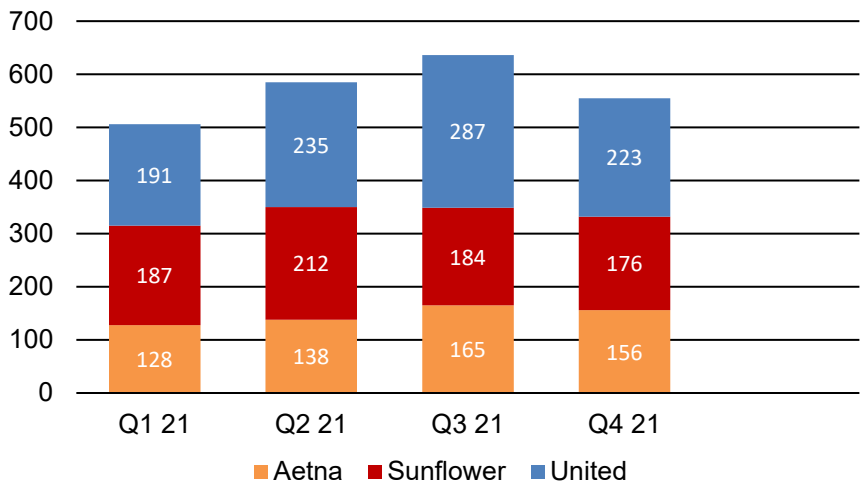


2021 4th Qtr. Member Grievance Top 5 Trends

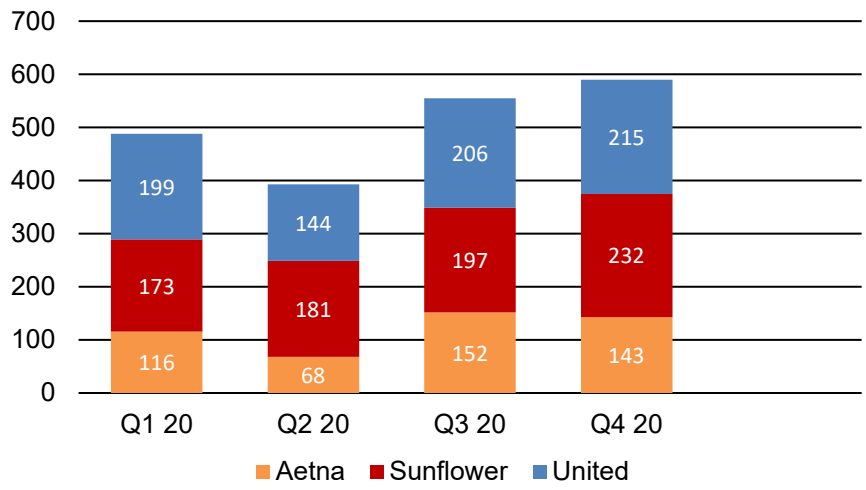
Aetna		Sunflower		United	
Total # of Resolved Grievances	78	**Total # of Resolved Grievances**	171	**Total # of Resolved Grievances**	287
Trend 1: Transportation – Other	17%	Trend 1: Transportation – Other	22%	Trend 1: Transportation – Other	21%
Trend 2: Transportation – Late	15%	Trend 2: Transportation – No Show	20%	Trend 2: Billing/Financial Issues (non-Transportation)	21%
Trend 3: Quality of Care (non HCBS Providers)	13%	Trend 3: Transportation – No Driver Available	12%	Trend 3: Transportation – No Show	19%
Trend 4: Customer Service	10%	Trend 4: Quality of Care (non HCBS Providers)	10%	Trend 4: Transportation – No Driver Available	11%
Trend 5: Access to Service or Care	10%	Trend 5: Access to Service or Care	9%	Trend 5: Transportation – Late	8%

KanCare Update April 2022

Resolved Member Appeals 2021



Resolved Member Appeals 2020

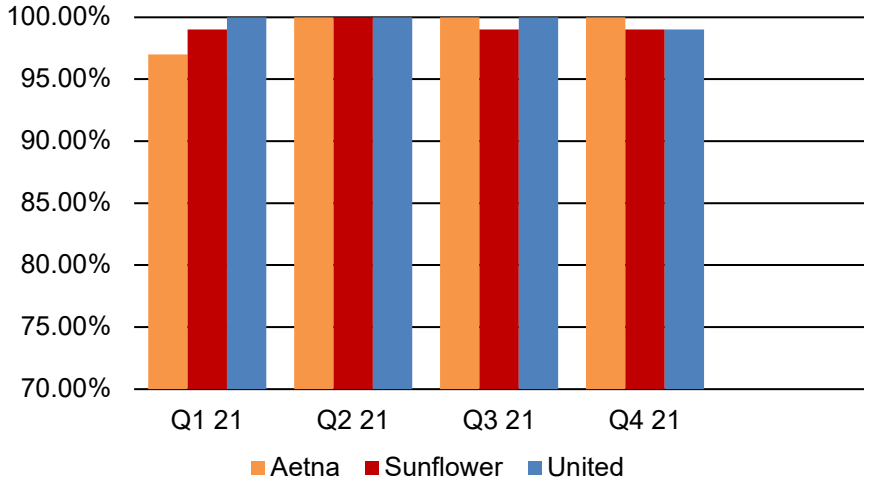


2021 4th Qtr. Member Appeals Top 5

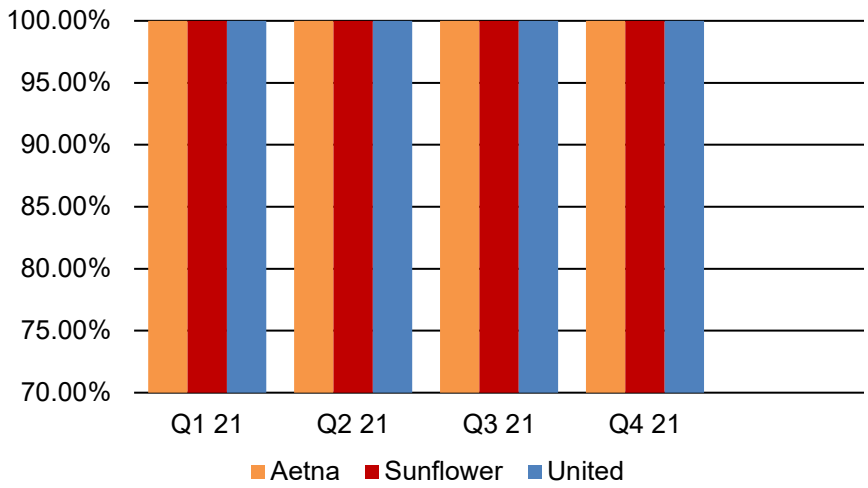
Aetna		Sunflower		United	
Total # of Resolved Member Appeals	156	Total # of Resolved Member Appeals	176	Total # of Resolved Member Appeals	223
1: Criteria Not Met – Pharmacy	40%	1: Criteria Not Met – Pharmacy	32%	1: Criteria Not Met – Pharmacy	53%
2: Criteria Not Met– Medical Procedure	25%	2: Criteria Not Met – Radiology	13%	2: Criteria Not Met - Inpatient Admissions (Non-Behavioral Health)	12%
3: Criteria Not Met – Behavioral Health Outpatient and Physician	8%	3: Criteria Not Met – Other	9%	3: Criteria Not Met – Durable Medical Equipment	9%
4: Criteria Not Met – Durable Medical Equipment	7%	4: Criteria Not Met – Medical Procedure	8%	4: Criteria Not Met – Medical Procedure	5%
5: Criteria Not Met – Radiology	7%	5: Criteria Not Met – PT/OT/ST and Criteria Not Met – Inpatient Behavioral Health	8%	5: Criteria Not Met – Dental	5%

Provider Appeals

Resolved Within 30 Calendar Days 2021 (Compliance is 98%)



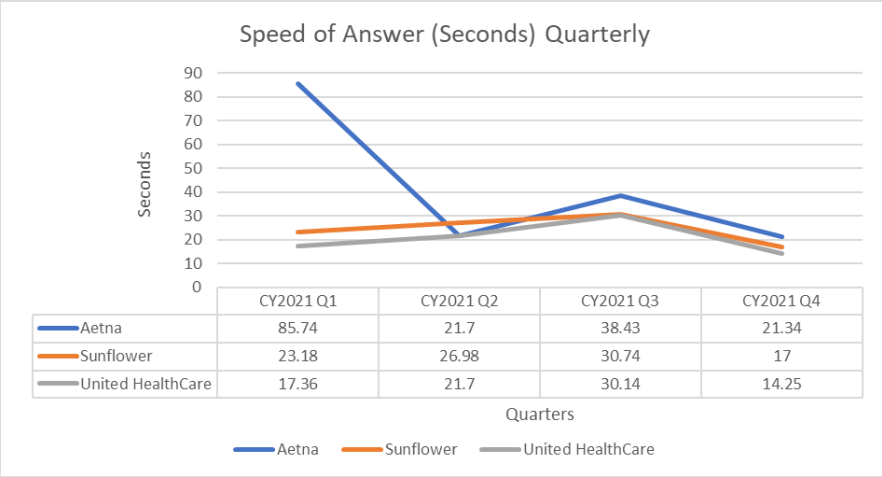
Resolved Within 60 Calendar Days 2021 (Compliance is 100%)



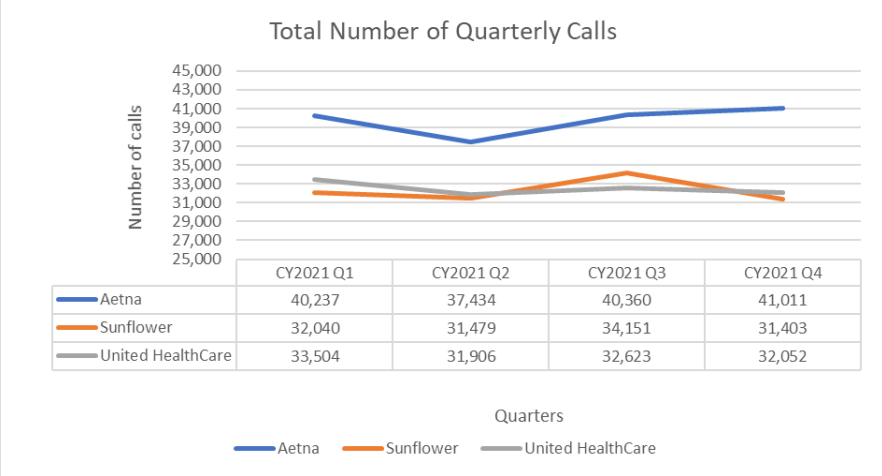
2021 4th Qtr. Provider Appeals Top 5

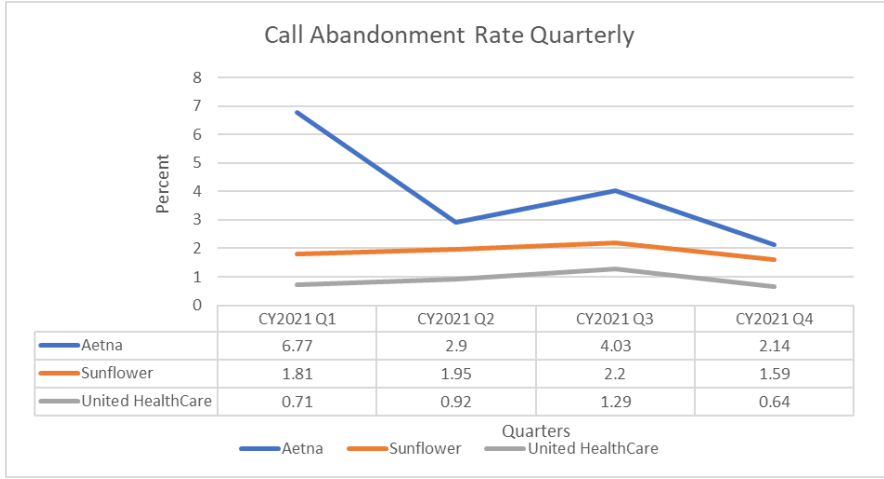
Aetna		Sunflower		United	
Total # of Resolved Provider Appeals	483	**Total # of Resolved Provider Appeals**	653	**Total # of Resolved Provider Appeals**	1,242
1: Claim Payment Denied – Medical (Physical Health not Otherwise Specified)	37%	1: Claim Payment Denied – Medical (Physical Health not Otherwise Specified)	21%	1: Claim Payment Denied – Hospital Inpatient (Non-Behavioral Health)	27%
2: Claim Payment Denied – Hospital Inpatient (Non-Behavioral Health)	14%	2: Criteria Not Met – Pharmacy	20%	2: Claim Payment Denied – Medical (Physical Health not Otherwise Specified)	16%
3: Claim Payment Denied – Laboratory	9%	3: Claim Payment Denied – Hospital Inpatient (Non-Behavioral Health)	9%	3: Claim Payment Denied – Pharmacy	13%
4: Claim Payment Denied – Hospice	9%	4: Claim Payment Denied – Behavioral Health Outpatient and Physician	9%	4: Claim Payment Denied – Hospital Outpatient (Non-Behavioral Health)	10%
5: Claim Payment Denied – Durable Medical Equipment	6%	5: Claim Payment Denied – Radiology	6%	5: Claim Payment Denied – Laboratory	9%

Customer Service Center – Members

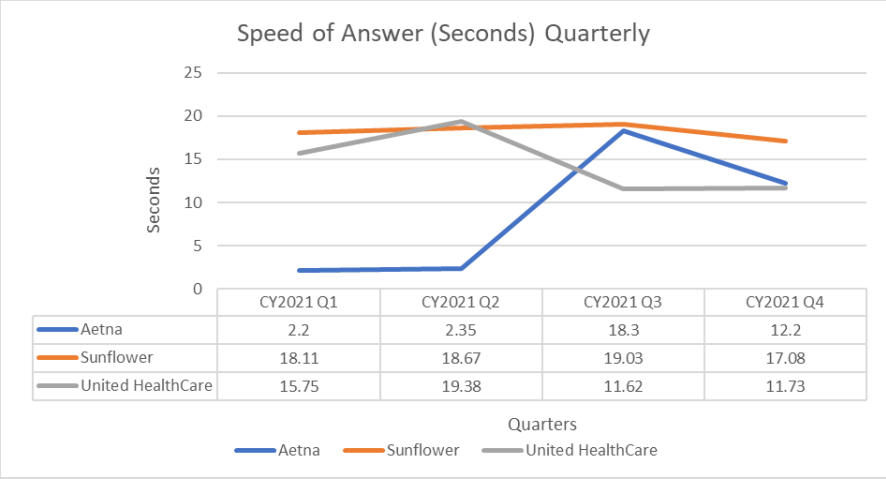


	LAST FOUR QUARTERS AVERAGES		
	Avg Speed of Answer (Seconds)	Avg Call Abandonment Rate	Avg # of Total Calls per Quarter
Aetna	42.1	3.97%	39,761
Sunflower	24.6	1.88%	32,268
United HealthCare	20.9	0.89%	32,521
Total			104,550

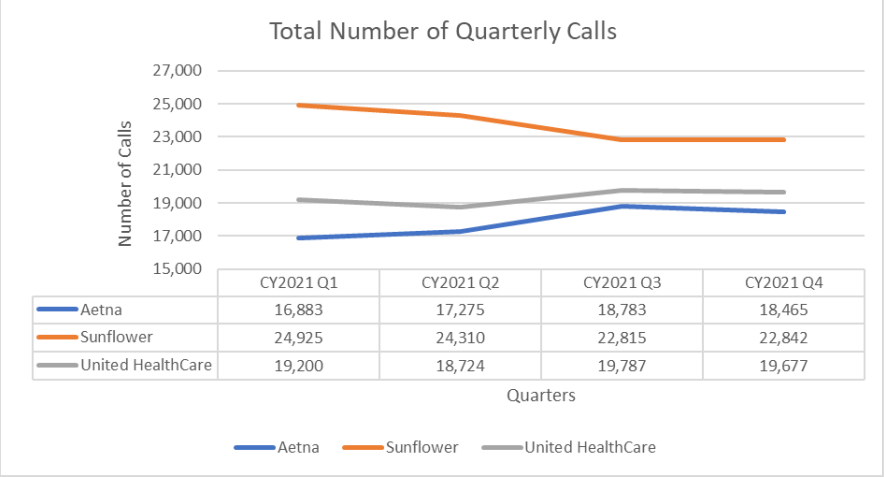


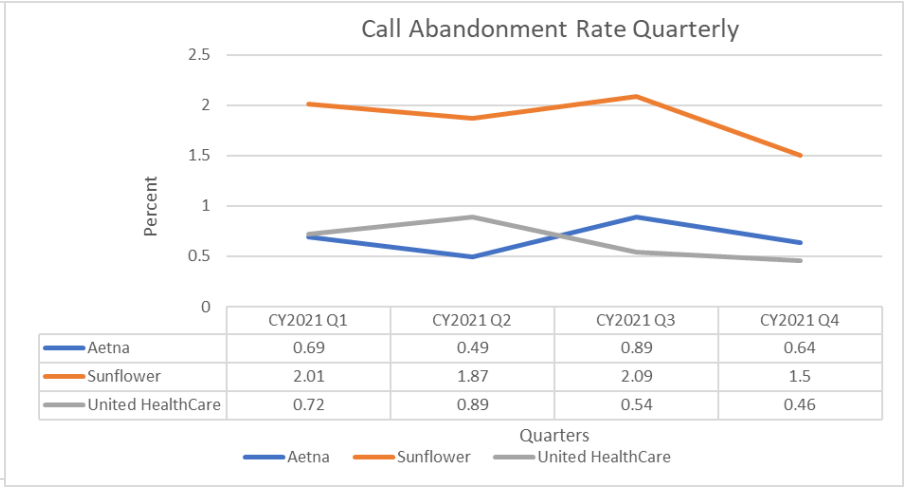


Customer Service Center – Providers



	LAST FOUR QUARTERS AVERAGES		
	Avg Speed of Answer (Seconds)	Avg Call Abandonment Rate	Avg # of Total Calls per Quarter
Aetna	9.06	0.74%	17,852
Sunflower	18.23	1.87%	23,723
United HealthCare	14.55	0.65%	19,347
Total			60,922





KanCare Update April 2022

KanCare

MCO Profit and Loss per NAIC Filings

For the Quarter Ended December 31, 2021

	Aetna	Sunflower	United	Total
Total Revenues	$1,133,121,973	$1,809,045,622	$1,484,271,131	$4,426,438,726
Total hospital and medical	$941,139,226	$1,473,082,621	$1,251,103,796	$3,665,325,643
Claims adjustments, General Admin., Increase in reserves	$152,102,726	$288,328,396	$174,153,955	$614,585,077
Net underwriting gain or (loss)	$39,880,021	$47,634,605	$59,013,380	$146,528,006
				$0
Net income or (loss) after capital gains tax and before all other federal income taxes	$45,769,454	$49,771,347	$59,013,380	$154,554,181
Federal and foreign income tax/(benefit)	$7,485,291	$9,917,302	$10,633,558	$28,036,151
Add Back Change to Reserves				$0
Adjusted Net income (loss)	$38,284,163	$39,854,045	$48,379,822	$126,518,030
GP before income tax	**4.0%**	**2.8%**	**4.0%**	**3.5%**

*Per NAIC filings, which do not necessarily reflect how program is priced

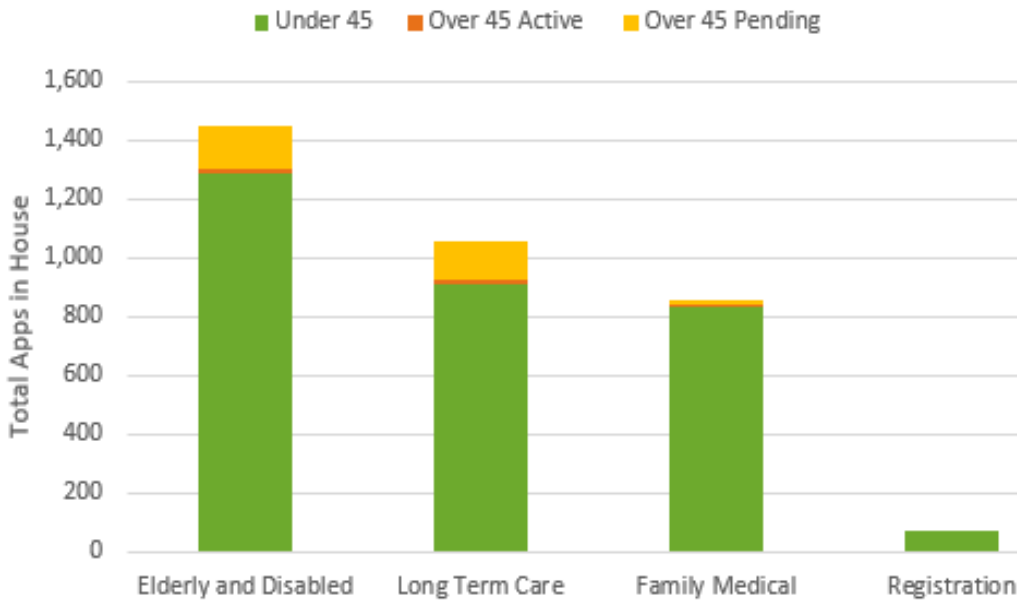
Eligibility Update

LaTonya Palmer, Director of Eligibility

- Medicaid Eligibility Applications Update
- Transition of Medicaid Application Eligibility Processing
  - KDHE Staffing Update
- Preparation for the eventual end of the PHE

Medicaid Eligibility Application Status

- 3,416 total applications in house
  - 320 applications over 45 days, 9% of total applications; 36 applications (1% of total) over 45 days in active status – ready to be processed
  - 284 applications (8% 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	1,288	16	142	1,446
Long Term Care	911	10	132	1,053
Family Medical	831	10	10	851
Registration	66	0	0	66
Total	3,096	36	284	3,416

	Under 45	Over 45 Active	Over 45 Pending	Total
Elderly and Disabled	89.1%	1.1%	9.8%	100.0%
Long Term Care	86.5%	0.9%	12.5%	100.0%
Family Medical	97.6%	1.2%	1.2%	100.0%
Registration	100.0%	0.0%	0.0%	100.0%
Total	90.6%	1.1%	8.3%	100.0%

KDHE Clearinghouse Staffing

- 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 would work 100% remotely. We will monitor this pilot program for success in reducing vacancies.
- Continue to operate at about 77% of capacity.

Department	Number of Staff
KDHE Training & Quality	27 – ongoing 26 – hired 1 – vacancy
KDHE Eligibility Staff (Elderly & Disabled, Long Term Care Medical Programs)	253 - ongoing 20 Supervisors hired 160 Eligibility staff hired 66 Eligibility staff vacancies 4 Supervisor vacancies
KDHE Operations	30 - ongoing 29 - hired 1 vacancy
Total	310 staff Vacancies: 72 (about 23%)

Preparation for the eventual end of the PHE

Eligibility staff continue planning for the eventual end of the federal public health emergency (PHE) and transition back to normal operations:

- Mitigation/management of increased workload: Due to the continuous enrollment requirement under section 6008 of the FFCRA, we will be faced with a large number of eligibility and enrollment actions including resumption of processing renewals that have accumulated since March 2020. CMS continues to provide guidance to support States as they return to normal eligibility and enrollment operations. Kansas closely monitors the guidance provided by CMS and attends the weekly technical assistance webinars CMS offers.
- Review of COVID-19 related eligibility policies and assess for retention or discontinuance.
- Conducting refresher trainings for staff on processing renewals.
- Messaging through the KDHE side, social media, and the Clearinghouse IVR encouraging members to provide updated contact information and respond to eligibility requests for information. Collaboration with Associations, MCOs and providers to assist in reaching the beneficiaries.

Kansas Modular Medicaid System (KMMS) Update

Elizabeth Wolff, Enterprise Systems Director

KMMS is the state's new Medicaid Management Information System (MMIS).

What is an MMIS?

Medicaid Management Information System or MMIS is an industry term that refers to a mechanized claims processing and information retrieval system that State Medicaid programs must have to be eligible for federal funding. Every state's MMIS includes:

- Automated claims processing
- Program Integrity activities (ex: provider screening, utilization reviews)
- Administrative program and cost control
- Beneficiary and provider inquiries services
- Management reporting for planning and control
- Other components as needed based on the state's program

The Centers for Medicare and Medicaid Services (CMS) validates and certifies each state's MMIS to ensure regulatory requirements and CMS directives are met.

KanCare Update April 2022

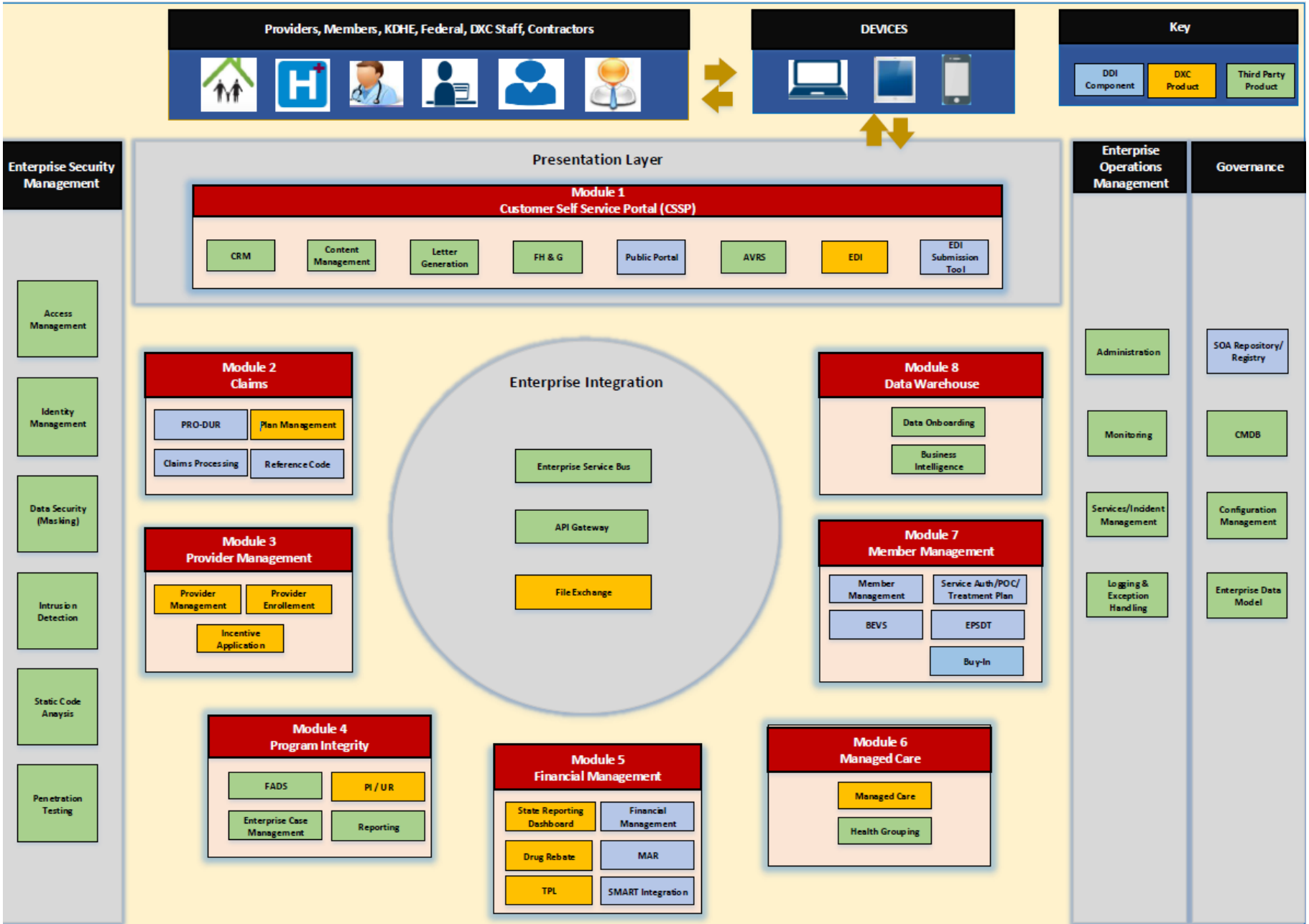
KMMS project timeline:

- Contract awarded in September 2015
  - Gainwell Technologies (GWT) won the bids for each of the module components.
  - Data Warehouse was subcontracted to Cerner and Program Integrity was subcontracted to SAS.

- Project was implemented in two stages
  - Stage 1 – March 2018
  - Stage 2 – April 2022

- CMS Certification
  - Stage 1 completed July 2019
  - Stage 2 planned for October 2022

KanCare Update April 2022



Thank You/Questions