

MINUTES

ROBERT G. (BOB) BETHELL JOINT COMMITTEE ON HOME AND COMMUNITY BASED SERVICES AND KANCARE OVERSIGHT

February 16, 2018
Room 346-S—Statehouse
All Day Session

Members Present

Representative Dan Hawkins, Chairperson
Senator Vicki Schmidt, Vice-chairperson
Senator Laura Kelly, Ranking Minority Member
Senator Barbara Bollier
Senator Bud Estes
Senator Richard Hilderbrand
Representative Barbara Ballard
Representative Susan Concannon
Representative John Eplee
Representative Jim Ward
Representative Chuck Weber

Staff Present

Erica Haas, Kansas Legislative Research Department
Iraida Orr, Kansas Legislative Research Department
David Fye, Kansas Legislative Research Department
Jennifer Ouellette, Kansas Legislative Research Department
Scott Abbott, Office of Revisor of Statutes
Eileen Ma, Office of Revisor of Statutes
Gary Deeter, Committee Assistant

Conferees

Erik Krisle, Leavitt Partners
Haely Ordoyne, Co-chairperson, Legislative Committee, Kansas Adult Care Executives
Janis DeBoer, Executive Director, Kansas Association of Area Agencies on Aging and
Disabilities
Lou Ann Kibbee, Systems Advocacy Manager, Southeast Kansas Independent Living
Resource Center
Tara Wallace, Licensed Specialist Clinical Social Worker
Mitzi McFatrigh, Executive Director, Kansas Advocates for Better Care
Joe Cheray, Private Citizen
Mike Oxford, Executive Director for Policy and Advocacy, Topeka Independent Living
Resource Center
Stuart Little, President, Behavioral Health Association of Kansas
Christie Appelhanz, Executive Director, Children's Alliance of Kansas
Christi Nance, Policy Director, Oral Health Kansas

Denise Cyzman, Executive Director, Kansas Association for the Medically Underserved
Mike Burgess, Director of Policy and Outreach, Disability Rights Center of Kansas
Sean Gatewood, Co-administrator, KanCare Advocates Network
Jeff Andersen, Acting Secretary of Health and Environment
Jonathan Hamdorf, Medicaid Director, Director of Health Care Finance, Kansas Department of Health and Environment (KDHE)
Dr. Greg Lakin, Medicaid Medical Director, State Health Officer, KDHE
Tim Keck, Secretary for Aging and Disability Services
Brad Ridley, Commissioner of Financial and Information Services, Kansas Department for Aging and Disability Services (KDADS)
Amy Penrod, Commissioner of Community Services and Programs, KDADS
Codi Thurness, Commissioner of Survey, Certification, and Credentialing, KDADS
Chris Coffey, Plan President and Chief Executive Officer (CEO), Sunflower Health Plan
Kevin Sparks, CEO, UnitedHealthcare Community Plan
Dr. John Esslinger, Chief Medical Officer, UnitedHealthcare Community Plan
Katie Huffman, Associate Director of Case Management, UnitedHealthcare Community Plan
Frank Clepper, CEO, Amerigroup Kansas Plan

Others Attending

See [Attached List](#).

Friday, February 16

Welcome

The Chairperson called the meeting to order at 8:00 a.m. and welcomed Committee members, conferees, and guests.

Report on Medicaid Managed Care Study

Erik Krisle, Leavitt Partners, reported on the second phase of the Medicaid Managed Care Study ([Attachment 1](#)). He reviewed the three phases: cost and utilization patterns, which was presented to the Committee on November 28; measures of quality and access, presented at this meeting; and a future report on performance improvement projects and other activities undertaken by the managed care organizations (MCOs), scheduled for release on February 20, 2018. Mr. Krisle noted the study was not based on primary research by Leavitt Partners, rather Leavitt Partners relied primarily on data from the Kansas Foundation for Medical Care, the State's External Quality Review Organization and 1115 Demonstration evaluator; data from the National Committee for Quality Assurance; and quarterly reports from the Kansas Department of Health and Environment (KDHE). He compared this data with national statistics and commented on the MCOs plans for performance improvements. He provided electronic copies and the links to the full reports for members' perusal after his presentation.

Mr. Krisle responded to members' questions:

- The Kansas Association of Medicaid Health Plans paid for the study;
- The full report for each phase is available on the Leavitt Partners' website; and

- The data does not yield to cause and effect conclusions.

Many members expressed skepticism about exclusive use of in-house information. Members commented they had expected more third-party assessments.

Presentations on KanCare from Individuals, Providers, and Organizations

Haely Ordoyne, Co-chairperson, Kansas Adult Care Executives, reported that applicants' experience of communicating with the Clearinghouse continues to be a significant barrier, especially if additional documents are requested before an applicant is approved. She stated such delays create significant problems for ancillary service providers and become a financial burden on nursing facilities ([Attachment 2](#)).

Janis DeBoer, Executive Director, Kansas Association of Area Agencies on Aging and Disabilities, made extensive comparisons showing how her clients fared better before KanCare was implemented; she recommended going back to the Targeted Case Management (TCM) system ([Attachment 3](#)).

Lou Ann Kibbee, Systems Advocacy Manager, Southeast Kansas Independent Living Resource Center, commented on specific problems her clients have had in resolving financial claims and renewal applications. She noted the Protected Income Level (PIL) to receive Home and Community Based Services (HCBS) allows a client to keep \$747 per month, with income beyond that paid as the client obligation ([Attachment 4](#)). She recommended eliminating the PIL or at least putting in place a long range plan to gradually increase the PIL until it is eliminated.

Tara Wallace, Licensed Specialist Clinical Social Worker, reported the length of her credentialing process was excessive, and she related the many problems she experienced in receiving payment for claims because of system errors. She also noted the frequency of clients experiencing termination of coverage because of missing documentation, after receipt of letters indicating "no further action was necessary" if they did not want to change MCOs ([Attachment 5](#)).

Mitzi McFatrigh, Executive Director, Kansas Advocates for Better Care, referenced the Committee's November 28 meeting where long-term care facilities claimed the surveyors were being overly punitive, and the Committee recommended giving surveyors more latitude in interpreting deficiencies. She recommended the Committee reconsider its recommendation and not return to an earlier policy allowing nursing homes to self-police. She also addressed the issues of "immediate jeopardy" and the overuse of anti-psychotic drugs for dementia patients ([Attachment 6](#)).

Joe Cheray, private citizen, related her experiences in caring for her son, Anthony Tankersley. She expressed gratitude for her son being on the Intellectual/Developmental Disability (I/DD) Waiver, but commented KanCare has not provided the kind of care for her son she had anticipated ([Attachment 7](#)).

Mike Oxford, Executive Director for Policy and Advocacy, Topeka Independent Living Resource Center (TILRC), commented on the inadequacies of the care coordination approach and recommended returning to TCM for the Physical Disability, Frail Elderly, and Traumatic

Brain Injury Waivers or putting more emphasis on self-directed care. He also recommended the PIL be raised or eliminated and discussed the impact of the proposed cut in state funding that would affect all centers for independent living except TILRC ([Attachment 8](#)).

Stuart Little, President, Behavioral Health Association of Kansas, urged members to expand the availability of behavioral health services; he said the current system does not use all the tools available to address the behavioral health crisis. He offered to work with legislative leaders and the Administration to develop a more equitable system ([Attachment 9](#)).

Christie Appelhanz, Executive Director, Children's Alliance of Kansas, noting the increase in the number of children in foster care and the decrease in the number of licensed beds in youth psychiatric residential treatment facilities and shorter lengths of stay, stated the Governor's Behavioral Health Services Planning Council's Children's Continuum of Care Task Force Report and Recommendations offers solutions for policymakers ([Attachment 10](#)).

Denise Cyzman, Executive Director, Kansas Association for the Medically Underserved, testified with gratitude for her experience working with KDHE to rescind a policy that would have disallowed federally qualified health centers from dispensing discounted drugs to managed care enrolled patients ([Attachment 11](#)).

Christi Nance, Policy Director, Oral Health Kansas, expressed gratitude for including recommendations for comprehensive dental benefits for adults in the proposed changes in KanCare, known as KanCare 2.0 ([Attachment 12](#)).

Mike Burgess, Director of Policy and Outreach, Disability Rights Center of Kansas, reported his appreciation for the change in policy that allows a HCBS waiver recipient to automatically continue to receive services while going through the grievance and appeals process ([Attachment 13](#)).

Sean Gatewood, Co-administrator, KanCare Advocates Network, expressed gratitude that the KanCare 2.0 application process was stopped; however, he noted the application is still pending. He then requested that TCM be offered as an option for all waiver populations. He also recommended an independent ombudsman program to provide legally based assistance and direct oversight of KanCare by the Legislature ([Attachment 14](#)).

Written-only testimony was provided by the following individuals:

- Linda MowBray, Vice President, Kansas Health Care Association and Kansas Center for Assisted Living ([Attachment 15](#));
- Timothy Graham, Associate Director, InterHab, Inc. ([Attachment 16](#)); and
- Marje Cochren, private citizen ([Attachment 17](#)).

Conferees responded to members' questions:

- Application process time varies from one MCO to another (Ms. Wallace);
- A receipt notification goes automatically to applications sent by fax but not to applications sent by U.S. Postal Service mail (Mr. Hamdorf);

- The present KanCare Ombudsman program is not large enough to meet the needs of clients and is not legally based (Mr. Gatewood). The Chairperson noted SB 160, which addresses the KanCare Ombudsman program, will be heard during the 2018 Legislative Session; and
- TCM would be complementary to the care coordination program (Ms. DeBoer).

KanCare Update

Jeff Andersen, Acting Secretary of Health and Environment, commented on the challenges of providing effective health care to rural areas of the state; he noted telemedicine will assist in serving some of these areas. He also noted having 99.0 percent of Medicaid claims processed within 90 days and handling claims in 30 days are both achievable, but clarified handling claims does not mean the claim is paid.

Jonathan Hamdorf, Medicaid Director, Director of Health Care Finance, KDHE, stated his intention to change the culture of the agency to be more positive in responding to the challenges of administering KanCare. He said he meets quarterly with stakeholders, and he will do whatever it takes to make health care delivery more effective. He cited recent successes and listed working items ([Attachment 18](#)).

Responding to questions, Mr. Hamdorf replied the KanCare 2.0 application to the Centers for Medicare and Medicaid Services (CMS) is on hold, the work requirement will affect about 9,000 individuals, a government study shows a positive relationship between working and good health, and the software upgrade costs will be met within the current budget.

Mr. Hamdorf noted the 1115 Waiver (KanCare 2.0) has been accepted by CMS and the Children's Health Insurance Program (CHIP) has been reauthorized. He traced updates on 2017 Senate Sub. for HB 2026 and preliminary results of the Working Healthy program. Regarding KanCare utilization data, KDHE has signed an agreement with the Kansas Health Institute to process data and is building a partnership with the University of Kansas School of Medicine for more accurate data. He wants a data analytics stakeholder group by October 2018 to work on providing more accurate statistics. The Chairperson requested one member from both the House Committee on Health and Human Services and the Senate Committee on Public Health and Welfare be on the data analytics stakeholder group and asked that Representative Eplee represent the House Committee. Mr. Hamdorf stated corrective action plan tasks are 92.0 percent completed. He discussed the metrics built into the contract with Maximus. He also noted, if Maximus has not resolved issues with the Clearinghouse by June 1, 2018, liquidated damages for contract noncompliance will be retroactive to January 30, 2018.

Dr. Greg Lakin, Medicaid Medical Director and State Health Officer, KDHE, reviewed Medicaid opioid policies. He noted a new Opioid Use for Pain Management prior authorization was approved by the Drug Utilization Review (DUR) Board in January 2018 and will be implemented by May 1, 2018. Dr. Lakin also discussed the goal of reducing the use of anti-psychotic drugs in patients with dementia. He stated a prior authorization draft was proposed to the Mental Health Medicaid Advisory Committee on February 13, 2018, and once approved will be proposed to the DUR Board for final approval.

Mr. Hamdorf provided two other documents: the 2018 schedule for KDHE meeting with associations and advocacy groups ([Attachment 19](#)) and an application monitor ([Attachment 20](#)).

In response to a member's question regarding reports on claims processing being skewed by the large number of pharmacy claims that are processed instantaneously, Mr. Hamdorf indicated he would provide a template of reporting to the member to confirm the type of data to be reported.

A KDHE KanCare Executive Summary was also provided to the Committee ([Attachment 22](#)).

Update on Osawatomie State Hospital; Update on Larned State Hospital; KanCare Update; KDADS Update

Tim Keck, Secretary for Aging and Disability Services, provided an outline for the agency's presentation ([Attachment 21](#)).

Amy Penrod, Commissioner of Community Services and Programs, Kansas Department for Aging and Disability Services (KDADS), reported on current efforts to address the HCBS waiver waiting list; she provided details on each of the waivers. Ms. Penrod said a working group of autism stakeholders, along with the Autism Advisory Council, will attempt to improve autism services. She also compared self-directed services with agency-directed services; summarized waiver costs; provided updates on Program of All-inclusive Care for the Elderly; and reviewed caseloads and census data for HCBS, state institutions, and long-term care facilities.

Brad Ridley, Commissioner of Financial and Information Services, KDADS, provided an update on the Kansas University School of Social Welfare Medicaid contract. He indicated the University self-reported the overpayment of federal Medicaid funds and had conducted due diligence in ensuring the audit was performed accurately.

Codi Thurness, Commissioner of Survey, Certification, and Credentialing, KDADS, reviewed the long-term care survey information, especially noting the need for more surveyors. She commented on the fines for non-compliance and the number of "immediate jeopardy" findings of surveyors, as well as noting the increase in criminal background checks as a result of a new law. In response to questions, she indicated the increase in penalties in 2016 was due to the inflation of civil penalties for the first time since 1990.

Secretary Keck reported on Larned State Hospital (LSH) and Osawatomie State Hospital (OSH) (starting on page 23 of Attachment 21). He announced OSH has been reaccredited, with a follow-up survey by The Joint Commission and another by KDHE. He reviewed the staff vacancy and overtime rates at LSH and OSH. Secretary Keck then outlined pending decisions regarding the lack of structural integrity of many of the buildings at OSH. He commented on two provisos in 2017 Senate Sub. for HB 2002. Proviso 1 focused on the structural integrity of all the buildings and Proviso 2 determined the cost of a 100-bed stand-alone facility. He identified the buildings that should be razed and those that could be renovated, and a sequential time line for the work. He then provided estimates for a 100-bed hospital (\$40.2 million to \$52.3 million) and a 200-bed facility (\$58.3 million to \$75.7 million).

Secretary Keck responded to members' questions, stating that if CorrectCare would be the vendor to operate OSH if the hospital were privatized, then the Legislature's approval would be required before a contract could be signed. He stated two requests for proposal (RFPs) were submitted for privatization, and regional hospitals might be considered rather than moving LSH to a new location. Secretary Keck also addressed the certification of the units at LSH, whether any facility repairs were still required, and how incidents of abuse and neglect that were not reported were being addressed.

The Committee took a brief break.

Update: KanCare Ombudsman

Kerrie Bacon, KanCare Ombudsman, provided a written-only update on ombudsman services ([Attachment 23](#)).

Marketplace Update

Julie Holmes, Director of Health and Life Division, Kansas Insurance Department, provided a written-only marketplace update ([Attachment 24](#)).

MCO Presentations: Program Update; Home Visits Assessing Healthcare Effectiveness Data and Information Set Measures

Kevin Sparks, Chief Executive Officer (CEO), UnitedHealthcare Community Plan of Kansas, introduced Katie Huffman, Clinical Services Director, who used the story of a client to illustrate the difference between care coordination and TCM. She explained care coordination is person-centered, promotes independence and quality of life, closes gaps in service, and integrates medical, behavioral, and long-term services. She also noted the value-added benefits of personal care ([Attachment 25](#)).

Dr. John Esslinger, Chief Medical Officer, commented on the Healthcare Effectiveness Data and Information Set (HEDIS) measures.

Mr. Sparks stated UnitedHealthcare is working on a dashboard to provide up-to-date information for the Committee, and a presentation would be made at the April Committee meeting.

Chris Coffey, Plan President and CEO, Sunflower Health Plan, reviewed HEDIS data, noted value-added benefits of Sunflower's plan, and noted HCBS and extra services, all designed to enhance the members' experience. He illustrated caregiver collaborations with a Vela Pilot Program that connects service providers with clients through a dedicated phone system. He concluded his testimony with a video illustrating community-based collaboration ([Attachment 26](#)).

Frank Clepper, CEO, Amerigroup Kansas Plan, highlighted operational performance, provider and consumer engagement, and quality of service. He illustrated community relations by discussing a \$60,000 grant to the Iroquois Center for Human Development in Greensburg,

Kansas, that allows the agency to expand and improve housing for special-needs adults. He commented on outcomes for the I/DD population and noted HEDIS improvements ([Attachment 27](#)).

The Chairperson acknowledged written information provided to the Committee:

- Follow-up information from Cody Gwaltney, KDADS, regarding direct support worker provider applications ([Attachment 28](#));
- Follow-up information regarding nursing home deficiencies ([Attachment 29](#));
- Follow-up information regarding civil monetary penalty information ([Attachment 30](#));
- “Integrating Care Coordination for the Neuropsychiatric Symptoms of Dementia into Managed Medicaid,” Alzheimer’s Association, Kansas Chapters ([Attachment 31](#)); and
- Senate Sub. for HB 2026 (2017) crosswalk provided by KDHE ([Attachment 32](#)).

Approval of November 28-29, 2017, Minutes; Next Meeting April 23, 2018

By motion of Representative Eplee, seconded by Representative Ward, and unanimous vote of the Committee, the Committee minutes for November 28, 2017, were approved.

Adjourn

The Committee adjourned at 1:20 p.m. The next scheduled meeting is April 23, 2018.

Prepared by Gary Deeter
Edited by Iraida Orr

Approved by the Committee on:

April 23, 2018
(Date)