

LEGISLATIVE BUDGET COMMITTEE
Kansas Department of Health and Environment (KDHE)
Summary of Issues

Ms. Mariani

LCC Assigned Topic for KDHE

- An update on KanCare, including information on the new program and the impact on Home and Community Based Services waivers.

KanCare Update

The Committee received an overview of the KanCare from an updated time line covering the initial contractual award to the readiness review of the three contractors beginning September 5 through September 21. The second round of educational tours began the third week in September 2012. KanCare MCOs are required to have 90 percent of their provider networks in place by October 12, 2012 and 100 percent by November 16, 2012. A "Go/No go" decision of October 19th was established for the January 1, 2013 KanCare implementation. The agency continues readiness activities.

The agencies reported that when the contractual agreements were signed, the original estimate of greater than \$800 million in savings over 5 years was revised to \$1 billion over 5 years. The projected reduction in Medicaid growth increases the State General Fund by approximately \$430 million. Further, it was noted that rather than the term "savings," the more appropriate term would be "reduction in Medicaid growth," which will be achieved through better coordination of services, fewer hospital admissions and re-admissions, and improved integration of benefits.

The Committee heard from representatives of all three MCOs contracted for KanCare: Amerigroup, Sunflower State Health Plan and United Healthcare Community Plan. Representatives presented testimony related to their organizational structure, key dates for the KanCare implementation, the readiness review concerning eligibility and enrollment, integration, functional areas, and value-added services. The agency has indicated that all MCOs are "on track" to meet to meet deadlines.

KDHE representatives added that weekly stakeholder calls and weekly meetings with MCOs continue. The agency noted one call with 190 participants of which the majority were providers.

The following issues were identified as current concerns with the KanCare implementation:

- Aggressive time line for implementation coupled with the lack of an approved Section 1115 waiver from CMS to allow implementation to begin January 2013;
- Lack of operational details such as contacts, MCO provider manuals, filling procedures and billing, policy manuals, care coordination, record-keeping requirements, quality measure tracking, etc.;
- Beneficiary enrollment process;
- Expansion of the payment processing window to 20 days, from the previous policy, which was a 10 day window;
- How projected savings would be used and in contrast, if savings are not realized, what the State's plan would be;
- Impact of KanCare on various segments of the healthcare system;

- Need for an oversight body for KanCare;
- Need to create an expedited hearing process for beneficiaries who appeal MCO decisions;
- Permanent exclusion of Developmental Disabilities (DD) long-term care services and supports from KanCare; and
- Safeguards to ensure Medicaid services will be provided on January 1, 2013 if a Section 1115 waiver has not been approved.