



To: Chairwoman Concannon, and Members, House Children and Seniors Committee
From: Rachel Monger, Vice President of Government Affairs
Date: February 13, 2019

Testimony in Support of House Bill 2149

Thank you, Chairman Concannon, and Members of the Committee. I am Rachel Monger, Vice President of Government Affairs for LeadingAge Kansas, the state association for not-for-profit and faith-based aging services. We have 160 member organizations across Kansas, which include not-for-profit nursing homes, retirement communities, hospital long-term care units, assisted living, homes plus, senior housing, low-income housing, home health agencies, home and community based service programs, PACE and Meals on Wheels. Our members serve more than 25,000 older Kansans each day, and employ more than 20,000 people across the state.

On February 6, 2019 this Committee held an informational hearing on KanCare eligibility issues, and heard from ten different senior care providers about the constant delays and frustrations with the current system for processing Medicaid applications. These ten providers hailed from all over the state of Kansas, and shared their stories as representatives of hundreds of other providers with the same experiences. Committee members have also learned about the well-functioning Medicaid application processing system in Kansas prior to three years ago, and the disastrous hand-off to a private contractor on January 1, 2016. The problems and delays in our Medicaid eligibility system have stretched on for three years, and HB 2149 will provide the incentives to avoid any more years of problems from a private contractor assigned to Medicaid application processing for nursing home residents.

HB 2149 establishes a requirement for a state contractor processing Medicaid applications to meet the performance standards already established in Federal regulation. Specifically, that a Medicaid applicant receive an eligibility decision with 45 days. If the application is pending for more than 45 days, the contractor will pay a penalty to any nursing home awaiting an eligibility determination for one of its residents.

If the application is delayed due to the contractor waiting on an action from the applicant, or any unusual circumstance (seemingly) outside of the contractor's control, the contractor will pay a penalty equal to 1% of the involved nursing home's daily Medicaid reimbursement rate. The penalty will be assessed for every day the application is pending past the 45 day deadline. If the application is delayed for any reason not listed above, the financial penalty triples.

In the end, the contractor will pay some level of financial penalty for any Medicaid eligibility decision past 45 days. Even when the delay occurs for a reason that is supposedly beyond the contractor's

control. On the surface that may seem unfair. However, we believe it is the only incentive that will be effective in correcting the deeply flawed system run by this contractor.

A 1-3% financial penalty is not enough to encourage a family or nursing home to intentionally delay the processing of an application. But it is enough money to encourage the current contractor to re-think the fatal flaws in their system operations. The delays that a contractor may claim is out of their control, or “not their fault”, are actually delays that are a direct result of a system rife with confusion, miscommunication, mislaid paperwork, poorly trained staff, an impersonal call center, and inefficient processes. Prior to January 1, 2016 Kansas had a Medicaid eligibility processing system in which any application stretching beyond 45 days was an exception, not the rule. With the proper financial incentive, we believe Kansas can return to that kind of effective and efficient system.

House Bill 2149 brings public accountability to the operation of an essential government program, relied on by the most vulnerable people in Kansas. We encourage the members of this committee to support HB 2149, and help the people of Kansas hold contractors responsible for the failed promises and bad behavior that have victimized so many seniors and their care providers.