



KanCare Update: Robert G. (Bob) Bethell KanCare Oversight
November 8-9, 2018

► AGENDA

- Updates from the Secretary
 - Eligibility
 - Information Technology
- Updates from the State Health Officer
 - Substance Use Disorder Task Force Recommendations
 - Central Authority
 - Anti-Psychotic Drug Use
 - Medicaid Opioid Strategy
 - Step Therapy

▶ AGENDA

- KanCare 2019 Status
 - 1115 Waiver Extension
 - Readiness Review
 - Provider and Member Communications
- 2018 Legislative-funded Program Updates
- KanCare Program Updates

► UPDATE FROM THE SECRETARY

Jeff Andersen

- **Phase I:** KDHE Division of Health Care Finance to take responsibility for Training and Quality functions on January 1, 2019
 - 27 employees
 - Subleasing space at 1430 Topeka Blvd. (Kansas Workforce Center)
 - Reduced training class sizes, increased duration of training, and more 1:1 engagement of new staff trainees
 - One key goal of the transition is to build on the performance improvement gains experienced in 2018.

► UPDATE FROM THE SECRETARY

Jeff Andersen

- **Phase II:** KDHE Division of Health Care Finance recommends taking responsibility for Elderly and Disabled and Long-term Care Medicaid determinations on July 1, 2019, with State employee start dates of April 1, 2019.
 - State will employ an additional 241 employees
 - Effective July 1, 2019, MAXIMUS would focus on Family Medical and CHIP processing
 - State will need to lease an additional facility to house the additional staff necessary for this phase



► UPDATE FROM THE SECRETARY

Adam Proffitt, Director of Finance and Informatics

- Information Technology/Analytics Update
- Partnership with DXC/Cerner
 - Quarterly strategic meetings with executive leadership
 - Weekly tactical meetings to ensure hitting operational milestones
 - KMMS EDW Update
- Defining and Monitoring Strategic Goals
 - Analytical
 - Operational
 - Public Health



► UPDATE FROM THE SECRETARY

Adam Proffitt, Director of Finance and Informatics

- Analytical Goals
 - Become center of excellence for analysis
 - Increased level of interaction between Data Team and Program/Policy staff; reduce silos within Division
 - Measurement of program performance
 - Evaluate and inform policy by identifying program needs
 - Fiscal impact analysis, and evaluation of accuracy (post mortem)
- Medicaid population analysis
- Data accuracy and credibility

▶ **UPDATES FROM THE STATE HEALTH OFFICER**



Dr. Greg Lakin

- **Substance Use Disorder Task Force**
- **Central Authority**
- **Anti-Psychotic Drug Use**
- **Medicaid Opioid Strategy**
- **Step Therapy**

▶ SUBSTANCE USE DISORDER TASK FORCE



- Implementation of Recommendations
- 34 high-priority recommendations include:
 - Central Authority
 - Provider Training
 - K-TRACS Education/Utilization/Registration/Funding
 - Safety Promotion/Awareness/Community Collaboration
 - Disposal Sites
 - Treatment and Recovery



▶ CENTRAL AUTHORITY

- In the process of developing goals, objectives and process
 - Will include:
 - State Cabinet-level partners and other State boards
 - Substance Use Disorder task forces and committees
- Looking at:
 - Funding
 - Data
 - Training
 - State Plans
 - Prevention and Treatment



▶ CENTRAL AUTHORITY

- Website:
 - Resources
 - Newsletter
 - Success stories/blogs
 - Contacts
 - Legislation watch
 - Annual awards – to recognize those doing outstanding work on this issue in the state
 - Annual report to the Governor on progress

► Medicaid Goal for Reduction of Anti-Psychotic Drug Use in Patients with Dementia



Phase One – Part One:

Reduction of Off-Label Use of Antipsychotics in the Medicaid Long Term Care (LTC) population for Non-Dual Eligibility Group Ages \geq 65yr.

Action Steps:

- Prior authorization criteria for antipsychotic drug use in the LTC, non-dual eligible population over 65 were approved by the Mental Health Medication Advisory Committee and subsequent approval by the Drug Utilization Review Board.
- These prior authorization criteria became effective Sept. 17, 2018.

An analysis of patients with similar criteria, but not in the LTC setting is being performed.



► Medicaid Opioid Strategy

Medicaid Opioid Policy

Opioid policy and prior authorization criteria were implemented June 1, 2018.

- Further revisions have been made since June 1, 2018, based upon provider communications and the availability of newer opioid products.

Opioid Products Indicated for Pain Management PA **criteria**:

http://www.kdheks.gov/hcf/pharmacy/PA_Criteria/Opioid_PA_Criteria.pdf

Action Steps:

- A prior authorization form corresponding to the Opioid Products Indicated for Pain Management PA criteria was made available in a fillable format for provider convenience.

Opioid Products Indicated for Pain Management PA **form**:

http://www.kdheks.gov/hcf/pharmacy/pdl_authorization_forms/Opioid_PA_FORM.pdf



▶ Step Therapy – Cost Conscience Quality Health care

Kansas Medicaid Step Therapy Example: Botox®- Migraine Prevention Use:

Patient must try and fail, have intolerance to, or have contraindication to 2 or more preventive therapies after titration to maximum tolerated doses. Preventive therapies include, but are not limited to, **beta-blockers**, calcium channel blockers, anticonvulsants, and antidepressants (Drug choice supported by the American Academy of Neurology and the American Headache Society guidelines. <https://emedicine.medscape.com/article/1142556-guidelines>)

Drug Cost Comparison:

Annual drug cost for Botox®: **\$5,205**

Annual drug cost for Propranolol: **\$327**

Annual Drug Cost Avoidance per Patient: \$4,832

**Total Step Therapy Cost Avoidance for All Implemented Step Therapies from Sept. 2016 - Sept.2018:
\$7,085,665**

► UPDATES FROM MEDICAID DIRECTOR

Jon Hamdorf

- KanCare 2019 Status
 - 1115 Waiver Extension
 - Readiness Review
- 2018 Legislative-funded Program Updates
- Eligibility Updates
- KanCare Program Updates

▶ 1115 WAIVER EXTENSION

- November Approval
 - Budget Neutrality Worksheet
 - Expecting Final STCs
 - IMD Exclusion for SUD
 - All other programs with July 1, 2019, or later date

► READINESS REVIEW

- Go-live date: January 1, 2019
- Finishing readiness review reports for CMS
- Continuity of Care Policy
 - 90-day plan of care hold
 - Provider payments without contract for new MCOs
 - Prior Authorization suspension (limited time/services)
- Post go-live phone support in January
- Prior authorizations and single provider credentialing form (HB 2026)

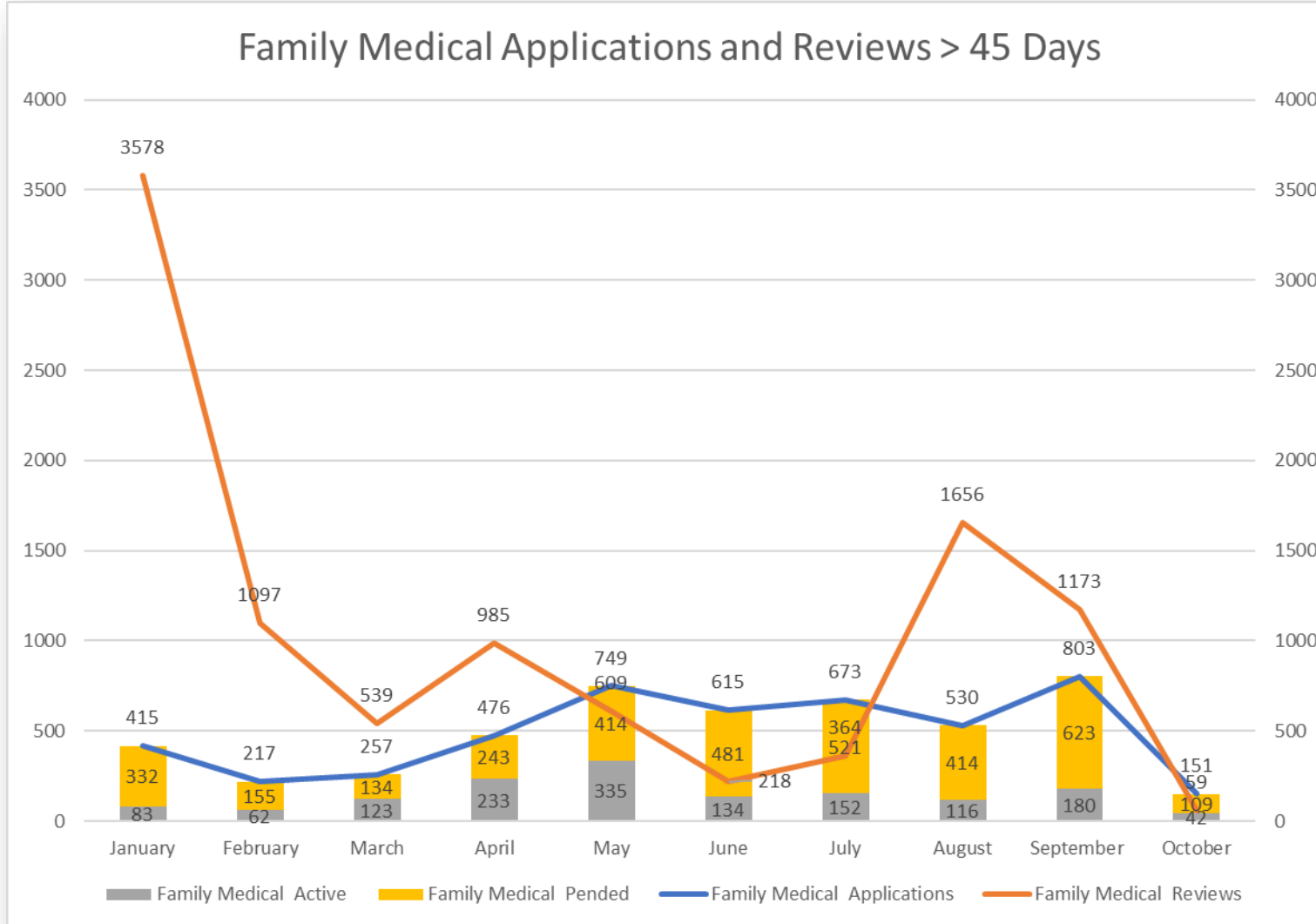
▶ LEGISLATIVE-FUNDED PROGRAMS

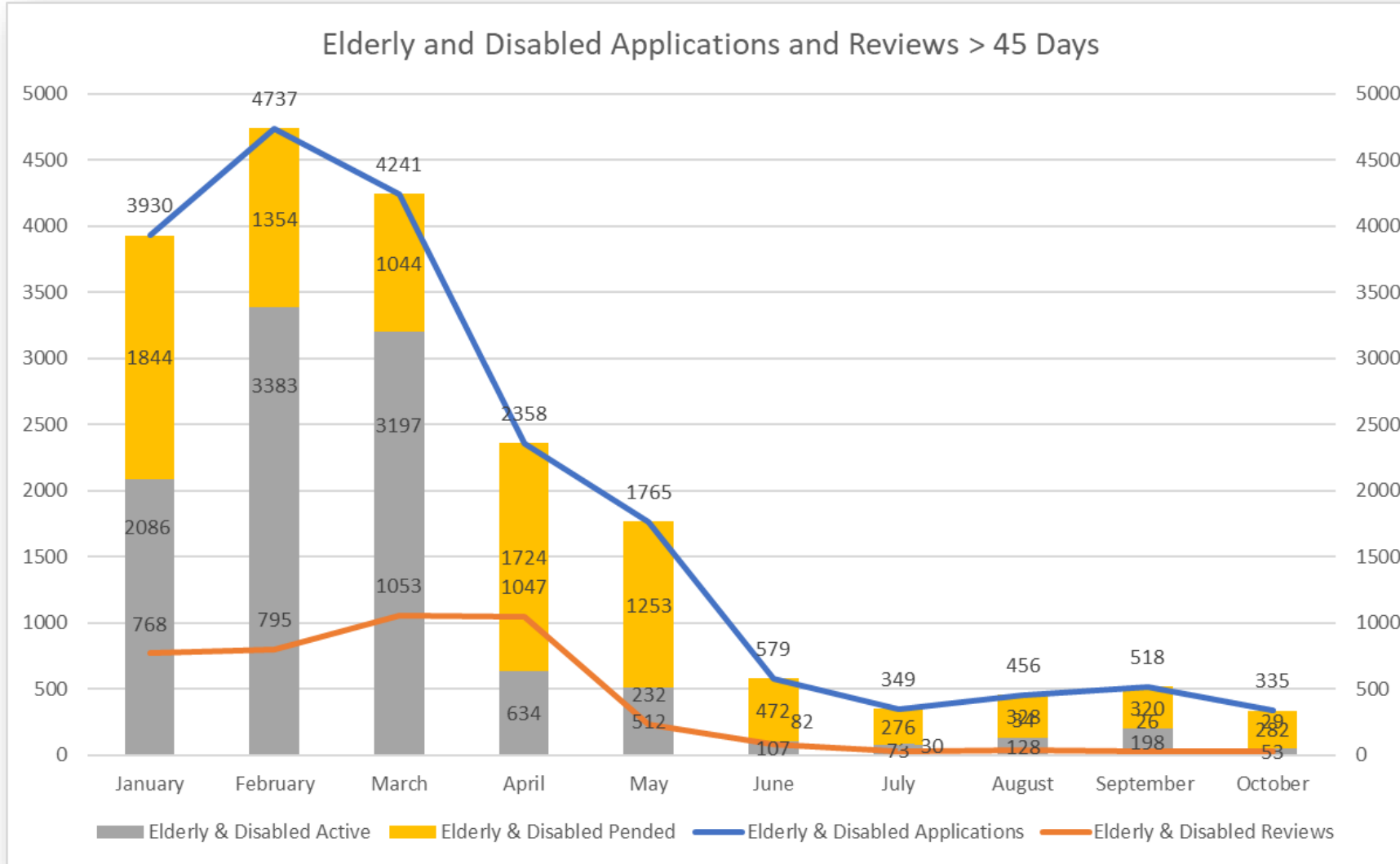
Program	Status	Engagement With Stakeholders/Associations	Risks	ETA
OneCare Kansas (Health Homes)	Draft Policy to review with Steering Committee. Systems estimate for MMIS	Steering committee meeting November 15	Systems / Data Development Timing (Quarter)	TBD
Reinstatement post incarceration	Positions hired. Contract completed with Appriss	Coordination with DOC	HIPAA security audit in spring 2019	January 2019
Mid Year Rate Adjustment	Completed	Completed	None	Completed
Juvenile Crisis Centers	Working with DCF on RFI / RFP	tbd	Medicaid payments Medical Necessity	Spring / Summer 2019

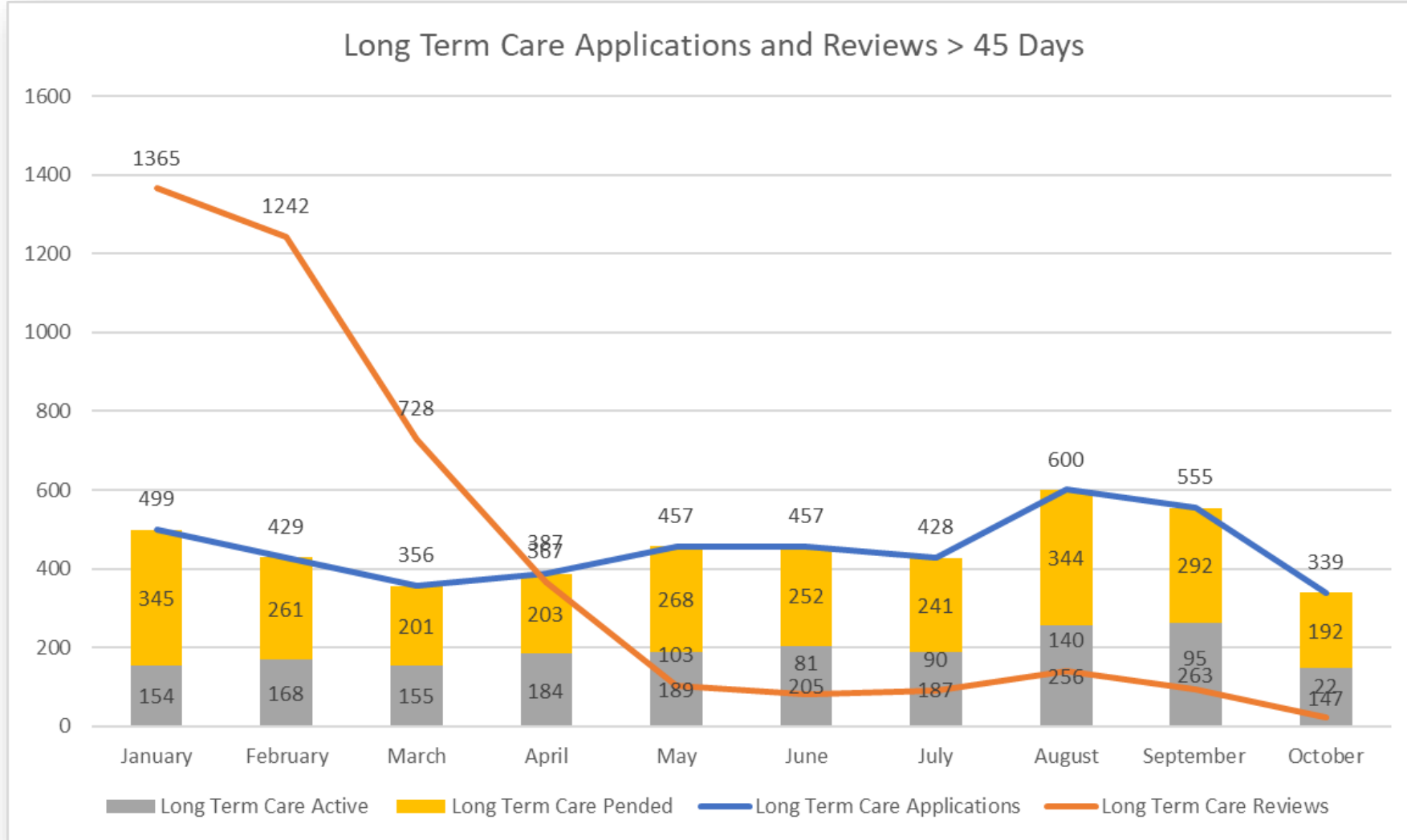
► LEGISLATIVE-FUNDED PROGRAMS

Issues/Challenges

- Telehealth Bill
 - All providers/services?
 - Follow CMS guidance for now
- Juvenile Crisis Center Bill
 - Payment for covered and medically necessary services (use of federal matching funds and SGF)
 - Discharge, recidivism, transient population
 - Non-Medicaid population







► Liquidated Damages

LD Daily Calculation

Year-Month	Evaluation Date	SLA 1 - ED<C App LD Amt	SLA 2 - Await Dis LD Amt	SLA 3 - FM App LD Amt	SLA 4 - PW 7 Day LD Amt	SLA 5 - PW 30 Day LD Amt	SLA 6 - Reviews LD Amt	SLA 7-CM LD Amt	All SLA LD Amt
2018-10	10/18/2018	\$7,900	\$0	\$6,350	\$3,700	\$350	\$13,750	\$300	\$32,350
	10/19/2018	\$5,750	\$0	\$4,850	\$1,150	\$50	\$11,900	\$300	\$24,000
	10/23/2018	\$8,650	\$0	\$8,900	\$1,400	\$50	\$7,750	\$300	\$27,050
	10/24/2018	\$6,800	\$0	\$3,600	\$1,300	\$0	\$4,500	\$300	\$16,500
	10/25/2018	\$5,650	\$0	\$1,450	\$1,650	\$50	\$3,500	\$300	\$12,600
	10/26/2018	\$5,500	\$0	\$1,300	\$400	\$50	\$3,400	\$300	\$10,950
	10/30/2018	\$4,500	\$0	\$50	\$100	\$50	\$0	\$0	\$4,700
	10/31/2018	\$1,950	\$0	\$0	\$0	\$0	\$0	\$0	\$1,950

▶ KANCARE PROGRAM UPDATES

KanCare Utilization

- Members are more likely to attend their appointments; Transportation up 60% compared to pre-KanCare levels
- Costly inpatient hospital stays have been reduced by 19%
- Emergency Room use down by 8%
- All metrics use number of claims as basis of measurement, with exception of Inpatient (Days) and Pharmacy (prescriptions)

KanCare Utilization		
Types of Service	KanCare (2017) vs. Pre-KanCare (2012)	2017 vs. 2016
Primary Care Physician	3%	3%
Transportation NEMT	60%	3%
Outpatient Non-ER	-8%	6%
Inpatient	-19%	4%
Outpatient ER	-8%	6%
Dental	-1%	-6%
Pharmacy	3%	5%
Long Term Care	2%	2%
Vision	13%	-1%
HCBS Services	2%	0%

▶ KANCARE PROGRAM UPDATES

KanCare Utilization

- Primary Care utilization is up by 21% vs. 2012, up 1% to previous year
- Inpatient hospital stays have decreased by 12% compared to 2012
- ER visits have decreased by 21%
- Dental services have increased by 34%
- All metrics use units as measurement

HCBS Waiver Utilization

Type of Service	KanCare (2017) vs. Pre-KanCare (2012)	2017 vs. 2016
Primary Care Physician	21%	1%
Transportation NEMT	113%	1%
Outpatient Non-ER	-12%	2%
Inpatient	-12%	3%
Outpatient ER	-21%	3%
Dental	34%	-6%
Pharmacy	10%	5%
Vision	21%	1%
HCBS Services	2%	0%



MCO Financial Update

MCOs owe HIPF in 2018

- Fee is based on 2017 revenues, payable in 2018
- Statutory reporting expenses the entire annual fee in Q1 of 2018
- GP rates have been restated by the State by allocating HIPF proportionately



KanCare MCO Profit and Loss per NAIC Filings June 30, 2018 Compared to June 30, 2017

	<u>Amerigroup</u>	<u>Sunflower</u>	<u>United</u>	<u>Total</u>
Total Revenues	\$534,051,202	\$675,305,514	\$554,542,315	\$1,763,899,031
Total hospital and medical	\$468,333,186	\$551,480,552	\$455,766,541	\$1,475,580,279
Claims adjustments, General Admin., Increase in reserves	<u>\$82,739,070</u>	<u>\$117,066,487</u>	<u>\$88,117,997</u>	<u>\$287,923,554</u>
Net underwriting gain or (loss)	(\$17,021,054)	\$6,758,475	\$10,657,777	395,198
Net income or (loss) after capital gains tax and before all other federal income taxes	(\$15,273,900)	\$7,937,673	\$10,657,777	3,321,550
Federal and foreign income tax/(benefit)	\$183,636	\$4,497,639	\$8,210,752	\$12,892,027
Add Back Change to Reserves	\$0	\$0	\$0	\$0
Adjusted Net income (loss) - Through June 30, 2018	<u>(\$15,457,536)</u>	<u>\$3,440,034</u>	<u>\$2,447,025</u>	<u>(\$9,570,477)</u>
GP before income tax	-2.9%	1.2%	1.9%	0.2%
HIPF (Q3-Q4 booked in Q1)	7,669,000	4,116,162	4,783,868	16,569,030
Adj'd net income before income tax	<u>(7,604,900)</u>	<u>12,053,835</u>	<u>15,441,645</u>	<u>19,890,580</u>
GP before income tax and wo extra HIPF	-1.42%	1.78%	2.78%	1.13%

▶ CORRECTIVE ACTION PLAN - MLTSS

CAP PROGRESS BY TASK AREA	
Task Area	% of Tasks Complete
Administrative Authority	100%
Person-Centered Planning	100%
Provider Access and Network Adequacy	100%
Participant Protections	100%
Support for Beneficiaries	100%
Stakeholder Engagement Process Development	100%
Overall % of CAP Tasks Complete	100%

Corrective Action Plan Completed October 2018

▶ THANK YOU/QUESTIONS

