



**Kansas Hospital
ASSOCIATION**

TO: Robert G. (Bob) Bethell Joint Committee on Home and Community-Based Services and KanCare Oversight

FROM: Audrey Dunkel, Vice President of Government Relations
Tish Hollingsworth, Vice President of Reimbursement

DATE: September 28, 2020

RE: Hospital Update

On behalf of our 123 member hospitals, the Kansas Hospital Association (KHA) appreciates the opportunity to share with the Robert G. (Bob) Bethell Joint Committee on Home and Community-Based Services and KanCare Oversight Committee our recent experiences related to the KanCare program. Our member hospitals represent a wide variety of health care services, including inpatient and outpatient hospital services, employed physicians, rural health clinics, skilled nursing, and home health, to name a few.

Update on Accounts Receivable Survey

Prior to the beginning of the transition to KanCare, KHA released a survey to our membership requesting information on their hospital accounts receivable attributable to the Medicaid program. The purpose of the survey was to create a benchmark of the percentage of gross Medicaid accounts receivable that was over 90 days from date of discharge. For comparative purposes, data was also requested on hospital accounts receivable for the Medicare program as well as the hospital's highest commercial payer. The purpose of the survey was to use the results to monitor trends in payments from the KanCare managed care organizations (MCOs) over periods of time to identify potential payment bottlenecks or systemic issues. Over the course of the past 8 years, this survey has also been used to provide a vehicle to connect the MCOs with the hospital staff when reported dollars over 90 days are higher than 32.1% benchmark or if there is a significant increase from one reporting period to the next.

There were 109 hospitals that completed the June 30, 2020, KanCare accounts receivable survey. The results of the survey indicate that all three of the MCOs are below the 32.1% benchmark established pre-KanCare. Because of the discussion during the June Bethell Committee, KHA also requested information on survey concerning the hospital outstanding dollars due from Amerigroup, whose contract with the state ended on December 31, 2018. Hospitals reported around \$2.5 million due from outstanding claims with Amerigroup. At this point in time, unless a previous claim was re-

opened by Amerigroup, the appeals timelines for adjudicating these claims has been exhausted, which means the hospitals must write off the balances.

Public Health Emergency Temporary Waivers

In response to the COVID-19 public health emergency, Centers for Medicare and Medicaid Services (CMS) approved waivers or modifications of federal Medicaid requirements to ensure that sufficient health care services are available to beneficiaries, to ensure reimbursement to providers for healthcare services, and to preserve appeal and fair hearing rights. The waivers and modifications affect prior authorization requirements for health care services, MCO appeal timelines, and state fair hearing timelines. KHA requests KDHE continue the protections of the waivers to ensure that hospitals and other health care providers can continue to provide care to Medicaid beneficiaries and other patients during this pandemic.

Alternative Payment Design

KHA is pleased to be part of KDHE's Alternative Payment Design Council, which has convened to provide input on a new program to replace Delivery System Reform Incentive Payment (DSRIP). KHA supports new models of care that encourage value-based incentives for hospitals.

Thank you for the opportunity to provide testimony.