



**KanCare Update**  
**August 3, 2023**



# KanCare Update August 2023

## **Janet Stanek, Secretary**

- Organizational Structure Change
- Update on home health agency regulations

## **Sarah Fertig, State Medicaid Director**

- KanCare Updates
  - Medicaid Births
  - KanCare Contract Reprocurement Update
  - Update on Medically Needy Program
  - Performance Metrics
  - MCO Financial Review

## **Christine Osterlund, Deputy Secretary for Agency Integration and Medicaid**

- KDHE Staffing Update
- Redetermination Overview & Timeline
- Redetermination Lessons Learned
- Unwinding Data
- Medicaid Eligibility Application Status Update
- Call Center Metrics

- Deputy Secretary, Agency Integration position filled 7/3/23
- Christine Osterlund, former Medicaid Director of Operations/Deputy Medicaid Director appointed
  - Joined KDHE in October 2022
  - More than 20 years of in-depth policy and operational knowledge of Medicaid and CHIP programs across several states and has served in various Senior level leadership positions with both Vendors and Medicaid programs
  - Primarily responsible for ensuring the integration and alignment of health-focused activities throughout the KDHE enterprise
  - Oversees all aspects of the Medicaid Program and the Children's Health Insurance Program (CHIP).
  - Sarah Fertig remains Medicaid Director; Reports to Christine



## Timeline

- In May 2022, the final Home Health Regulations tied to Kansas statute K.S.A. 65-5101 were adopted following a roughly 6-year lag between the original statutory revisions and approval process
- Immediate and concerning feedback from various stakeholder groups related to the new regulations and potential operational and cost implications
- An initial virtual stakeholder meeting was scheduled and hosted by KDHE's lead attorney and staff to hear concerns and recommended edits to the regulations.
- Follow-up virtual stakeholder meetings were held throughout the remainder of 2022, some with all stakeholders and some with just larger agencies.

## Notable Issues

- How to categorize HCBS providers?
- Licensing fees
- Who should have control over Home Health Aides?
- Operational and Financial implications for Home Health Provider agencies

## How to Solve

- Rewrite the Statute (K.S.A. 65-5101 et seq.)
  - This rewrite will be done in collaboration with key stakeholders and agency and other state agency staff.
  - Process would take into consideration all the feedback received to date, including a review Federal requirements.

## Thank you/Questions



## Update on KanCare MCO Contract Reprocurement

**Current MCO contracts expire December 31, 2024.**

### Update

- KDHE and KDADS hosted a series of input sessions in March and May including
- Five small-group discussions with legislators.
- Two facilitated sessions with providers, associations, advocates and self-advocates.
- Five virtual sessions open to the public.
- Videos of stakeholder meetings are available at: [kancare.ks.gov/about-kancare/kancare-2025-request-for-proposal-\(rfp\)](https://kancare.ks.gov/about-kancare/kancare-2025-request-for-proposal-(rfp)).

**Target RFP Release: Late September 2023**



## Update on KanCare MCO Contract Reprocurement

Some themes from stakeholder input:

- The state should improve the experience of providers that contract with MCOs, including standardizing processes across MCOs, streamlining provider credentialing and enrollment, and improving reimbursement rates.
- The state should do more to address health care workforce issues, including efforts to increase the number of direct support workers and dental and behavioral health providers.
- There is a lack of providers in rural areas, particularly specialty providers, which requires families to travel long distances for care.
- Transportation to and from appointments needs to be more reliable.
- MCOs should offer a wider variety of value-added benefits, such as life skills classes, pet care, lawn care and services to make the member's home safer (i.e., carpet cleaning for members with asthma).
- A copy of the WSU report summarizing the stakeholder meetings can be found at: [KanCare 2025 RFP Public Comment](#).

## Medically Needy Program Update

- The Medically Needy (MN) program provides eligibility to certain populations whose income exceeds state eligibility limits:
  - Pregnant women.
  - Children under age 19.
  - Seniors age 65+.
  - Individuals determined disabled by Social Security rules.
- For seniors and disabled individuals, there is a \$2,000 resource limit for an individual and \$3,000 for couples. For pregnant women and children, there is no resource test.
- How MN works:
  - Eligibility staff calculate a “spenddown” amount, which is the difference between the individual’s income and the MN income limit (\$475/month for one or two people and \$480 for three people). The spenddown is reset every six months.
  - Medicaid coverage will only kick in after the spenddown is met.
  - For example: A single senior receives \$795/month in Social Security income. Her monthly spenddown amount would be \$300 (\$795 - \$20 disregard - \$475 protected income). Her six-month spenddown would be \$1,800 (\$300 x 6). **Medicaid coverage would only start after she spends \$1,800 on medical bills during the six-month spenddown period**

## Medically Needy Program Update

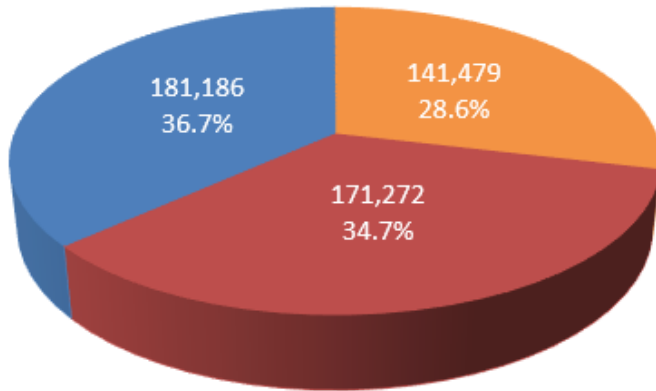
- The Kansas Medically Needy income limit (MNIL) has been frozen for many years. This is because federal law generally links the income limit to the July 16, 1996, Aid to Families and Dependent Children (AFDC) levels.
- KDHE has engaged CMS in discussions on what options exist to increase the MNIL. We have learned the following:
  - While the MNIL is generally still frozen at 1996 AFDC levels, states have the option to “disregard” types or amounts of income.
  - [Other states](#) have adopted MN income disregards:
    - VT, DC, IL, UT, WI, MA, RI, ND, NY, and MN have all used income disregards to set the MNIL at or above 75% of the Federal Poverty Limit.
    - Kansas is among the states with lower MNIL – currently 29% of the 2023 FPL for a household of two.
- KDHE is studying our Medically Needy population to determine possible options to adjust the MNIL. There would be a cost associated with increasing the MNIL, because it would enable more MN members to meet their spenddown and attain Medicaid coverage sooner.
  - Any costs would be subject to legislative approval via caseloads or the annual appropriations process.

## Medicaid Births

- The percentage of births in Kansas where the mother and newborn are covered by Medicaid is consistent. In 2019, 2020, and 2021, the mother was Medicaid-eligible in roughly **40%** of births. This includes cases where Medicaid was the primary payor and cases where the mother had other primary insurance.
- The percentage of births in Kansas where Medicaid is the primary payor is consistent at roughly **30%** of births.
- Based on KDHE Division of Public Health's most recent Natality Reports:
  - In 2019, Medicaid was the primary payor in 10,488 of 35,395 births (29.6%). See [2019-Kansas-Natality-Report-PDF \(ks.gov\)](#).
  - In 2020, Medicaid was the primary payor in 10,691 of 34,368 births (31.3%). See [Natality-Report by Racial and Ethnic Population Groups, Kansas, 2020 \(ks.gov\)](#).
  - In 2021, Medicaid was the primary payor in 10,508 of 34,697 births (30.3%). See [Natality-Report-by-Racial--Ethnic-Population-Groups-2021-PDF \(ks.gov\)](#).

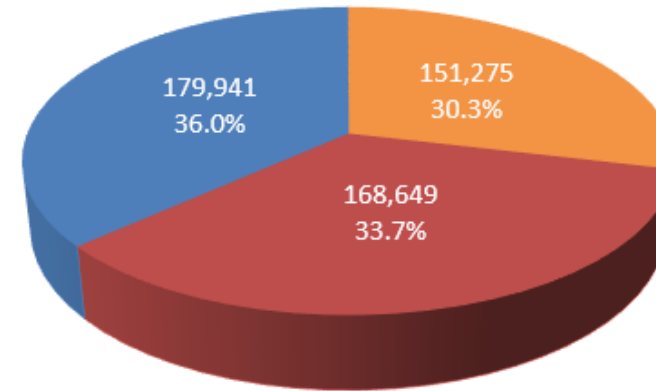
- The count of KanCare beneficiaries continues to increase.
  - As of May 2023, average monthly MCO-enrollment is 499,865 beneficiaries.
  - UHC maintains the highest MCO enrollment, with an average of 179,941 beneficiaries per month.
  - Sunflower’s beneficiaries account for 33.7% of MCO enrollment; Aetna’s account for 30.3% of MCO enrollment.

**2022 (January - May)**  
493,937 Beneficiaries



ABH SUN UHC

**2023 (January - May)**  
499,865 Beneficiaries



ABH SUN UHC



# KanCare Update August 2023

## Processed & Denied Claims (January-May 2023)

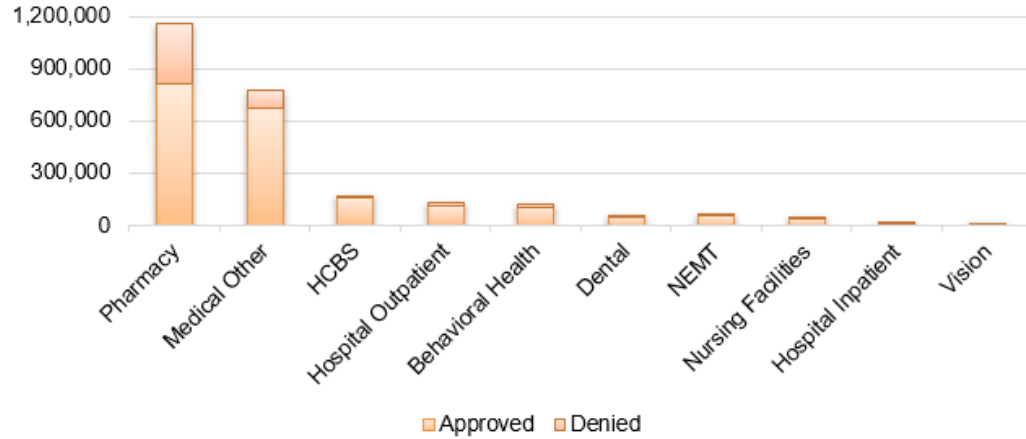
Service Type	Count of Processed Claims			% of Total Services by MCO		
	ABH	SUN	UHC	ABH	SUN	UHC
Pharmacy	1,164,181	896,995	917,581	46.14%	32.46%	32.97%
Medical Other	774,420	813,239	859,371	30.69%	29.43%	30.88%
HCBS	161,279	272,795	236,727	6.39%	9.87%	8.51%
Hospital Outpatient	131,566	159,533	174,343	5.21%	5.77%	6.26%
Behavioral Health	119,481	378,613	353,040	4.74%	13.70%	12.68%
Dental	58,569	81,877	83,806	2.32%	2.96%	3.01%
NEMT	57,118	46,450	59,175	2.26%	1.68%	2.13%
Nursing Facilities	40,421	42,860	48,987	1.60%	1.55%	1.76%
Hospital Inpatient	11,781	14,981	11,984	0.47%	0.54%	0.43%
Vision	4,174	56,285	38,291	0.17%	2.04%	1.38%
<b>Total</b>	<b>2,522,990</b>	<b>2,763,628</b>	<b>2,783,305</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Service Type	Count of Denied Claims			% of Total Denied Claims by Service Type		
	ABH	SUN	UHC	ABH	SUN	UHC
Pharmacy	349,559	223,914	208,305	69.11%	50.61%	42.79%
Medical Other	104,379	130,588	160,371	20.64%	29.52%	32.94%
Hospital Outpatient	22,678	16,405	43,970	4.48%	3.71%	9.03%
Dental	6,529	7,683	16,556	1.29%	1.74%	3.40%
HCBS	3,573	6,112	5,201	0.71%	1.38%	1.07%
Behavioral Health	12,276	45,511	37,259	2.43%	10.29%	7.65%
Nursing Facilities	3,825	3,479	7,773	0.76%	0.79%	1.60%
Hospital Inpatient	2,442	3,619	3,083	0.48%	0.82%	0.63%
Vision	403	4,613	3,658	0.08%	1.04%	0.75%
NEMT	149	488	687	0.03%	0.11%	0.14%
<b>Total</b>	<b>505,813</b>	<b>442,412</b>	<b>486,863</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



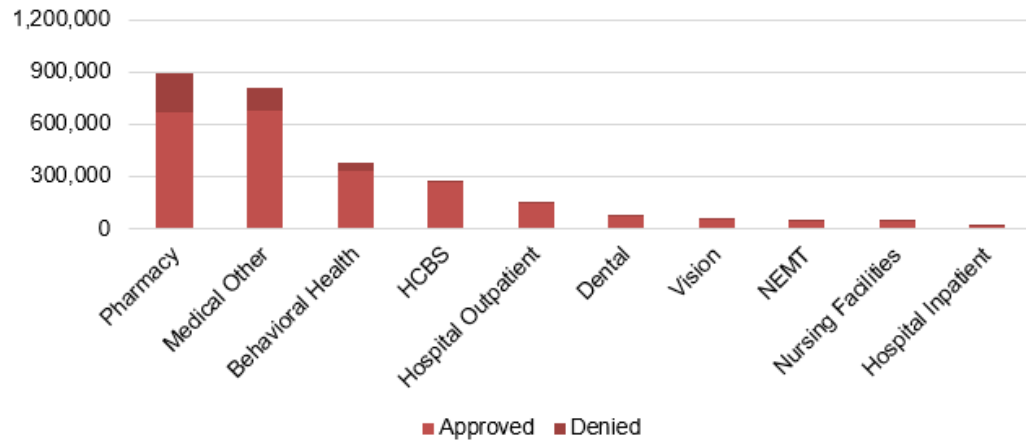
## Portion of Denied to Total Claims (January-May 2023)

Aetna

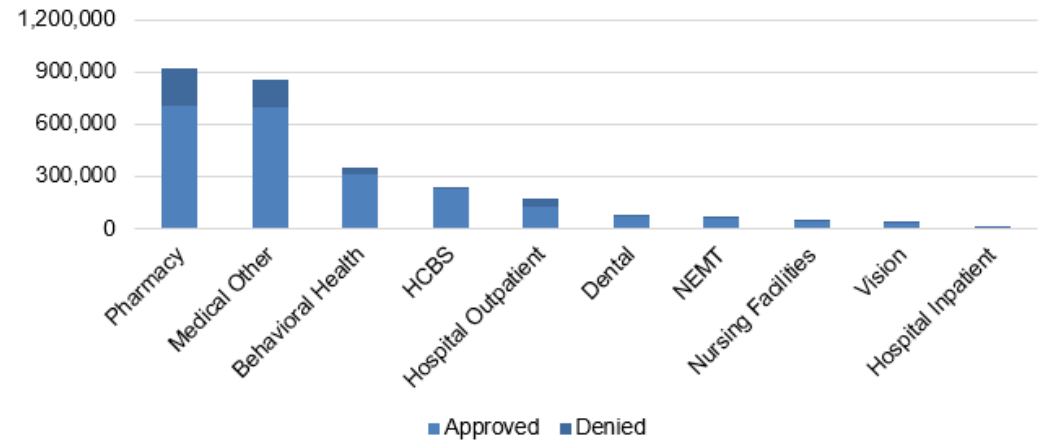


Pharmacy has the highest percentage of denied claims across the program because it is a point-of-sale service.

Sunflower



UnitedHealthcare

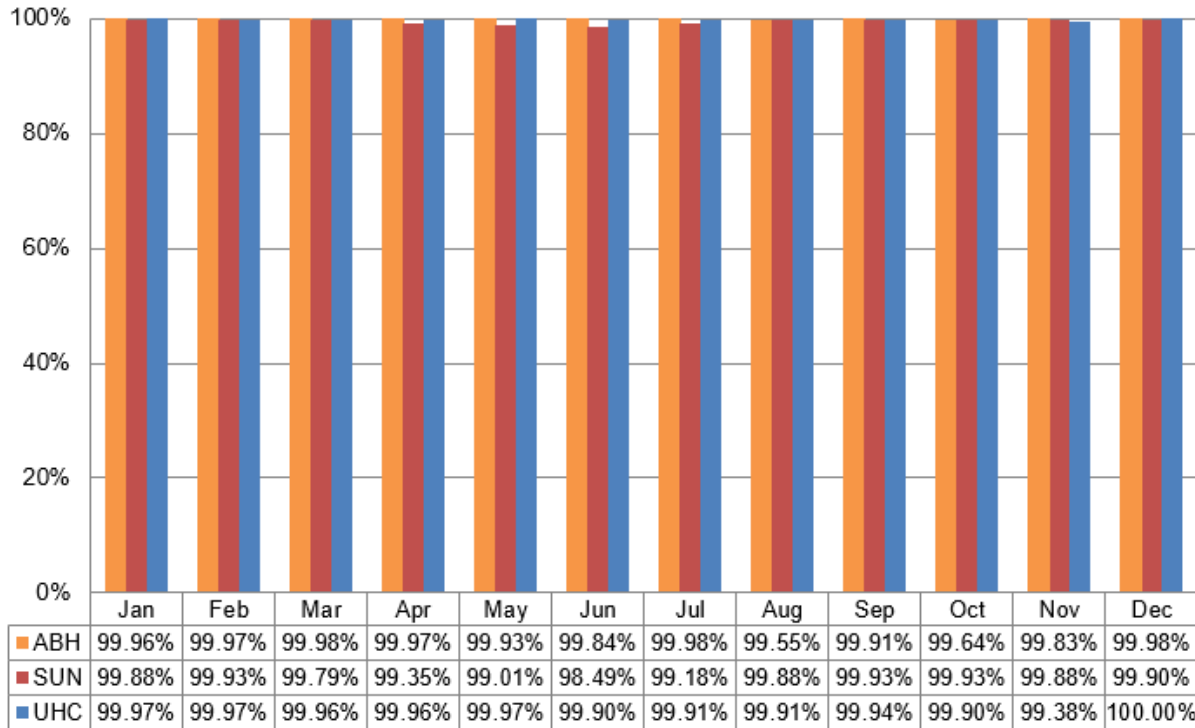




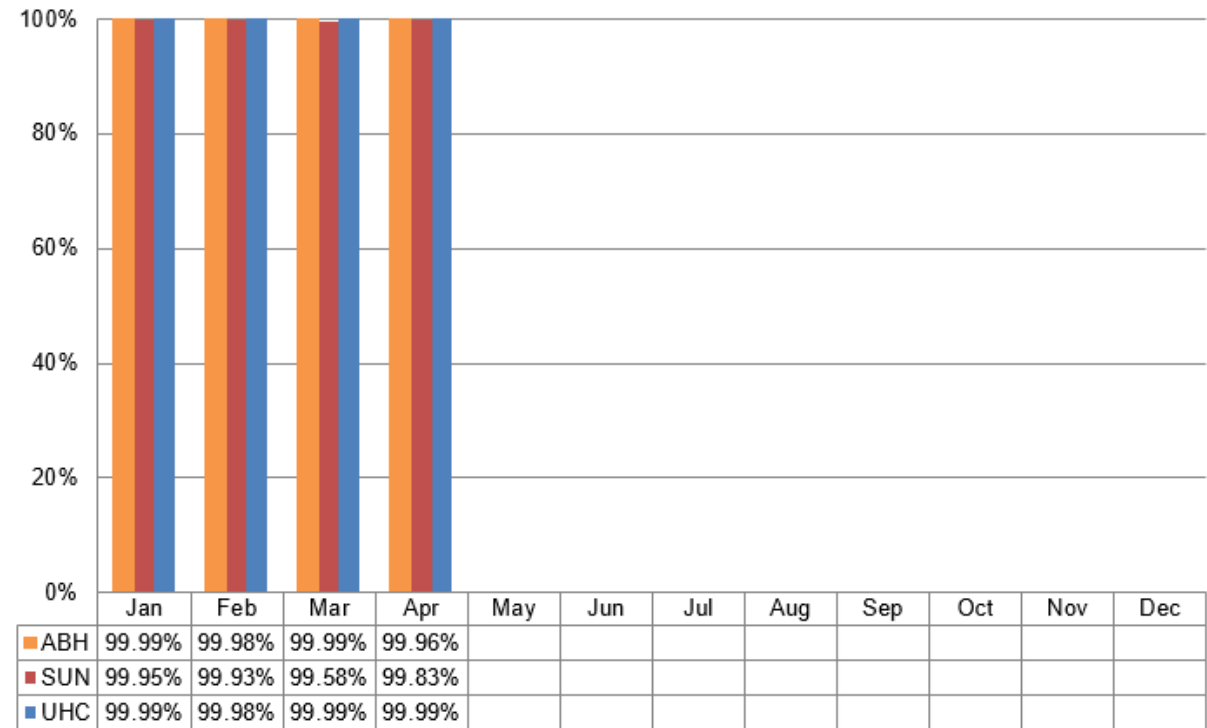
# KanCare Update August 2023

## Clean Claims Processed Within 30 Days Comparison

2022 Clean Claims



2023 Clean Claims



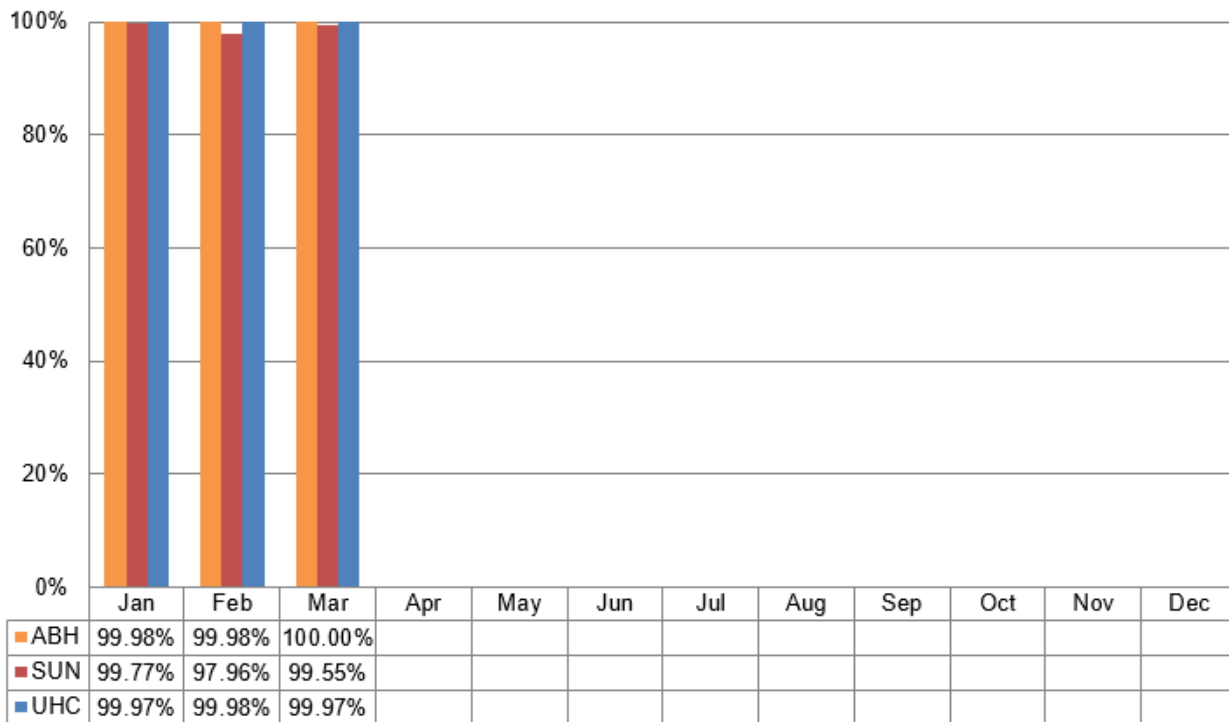
The contract standard is 100% of clean claims will be processed within 30 days. A clean claim is a claim that can be paid or denied with no additional intervention required. Clean claims do not include adjusted or corrected claims, claims that require documentation for processing (e.g., consent forms, medical records, etc.), claims from new out-of-network providers, or claims where a plan's updated policy changes were not received by the state at least 30 days before the effective date.



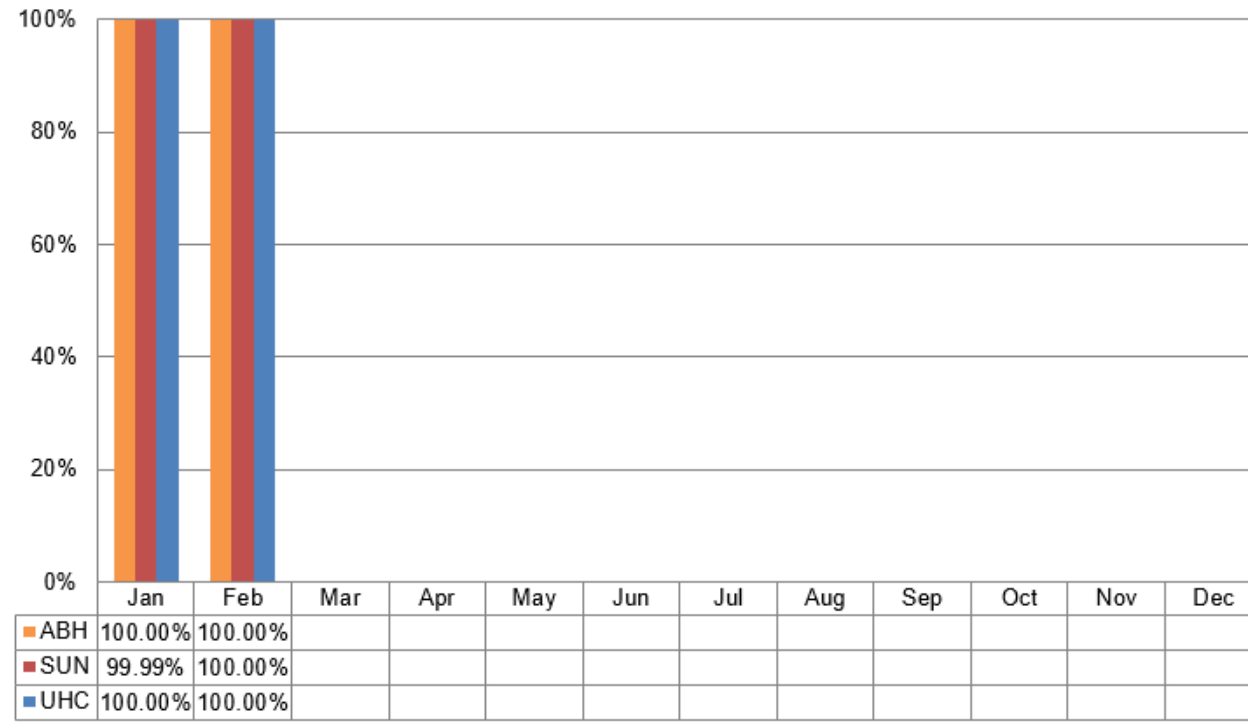
# KanCare Update August 2023

## Claims Processed Within 60 and 90 Calendar Days

2023 Processed in ≤ 60 Days



2023 Processed in ≤ 90 Days



The contract standard is 100% of clean claims will be processed within 30 days; 99% of non-clean claims will be processed within 60 calendar days; and 100% of non-clean claims will be processed within 90 calendar days.



# KanCare Update August 2023

## Aetna MCO Profit and Loss per NAIC Filings Q1 2023 - Q4 2023

	<u>Q1 2023</u>	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>
Total Revenues	\$404,420,083			
Total hospital and medical	\$369,708,479			
Claims adjustments, General Admin., Increase in reserves	\$49,304,687			
Net underwriting gain or (loss)	\$1,759,906			
<b>Net income or (loss) (after cap gains tax/before fed taxes)</b>	(\$13,448,513)			
Federal and foreign income tax/(benefit)	(\$2,457,394)			
Add Back Change to Reserves				
<b>Adjusted Net income (loss)</b>	(\$10,991,119)			
<b>GP before income tax</b>	<b>-3.3%</b>			

\*Per NAIC filings, which do not necessarily reflect how program is priced. **Quarterly reported financials, per NAIC statements, are reflective of full year-to-date results (i.e., Q2 2022 includes the cumulative results for Q1 and Q2).**



# KanCare Update August 2023

## Sunflower MCO Profit and Loss per NAIC Filings Q1 2023 - Q4 2023

	<u>Q1 2023</u>	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>
Total Revenues	\$450,583,338			
Total hospital and medical	\$359,065,584			
Claims adjustments, General Admin., Increase in reserves	\$90,468,447			
Net underwriting gain or (loss)	\$1,049,307			
<b>Net income or (loss) (after cap gains tax/before fed taxes)</b>	\$4,398,606			
Federal and foreign income tax/(benefit)	\$1,909,122			
Add Back Change to Reserves				
<b>Adjusted Net income (loss)</b>	\$2,489,484			
<b>GP before income tax</b>	<b>1.0%</b>			

\*Per NAIC filings, which do not necessarily reflect how program is priced. **Quarterly reported financials, per NAIC statements, are reflective of full year-to-date results (i.e., Q2 2022 includes the cumulative results for Q1 and Q2).**



# KanCare Update August 2023

**United**  
MCO Profit and Loss per NAIC Filings  
Q1 2023 - Q4 2023

	<u>Q1 2023</u>	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>
Total Revenues	\$410,744,831			
Total hospital and medical	\$351,315,752			
Claims adjustments, General Admin., Increase in reserves	\$47,773,366			
Net underwriting gain or (loss)	\$11,655,713			
<b>Net income or (loss) (after cap gains tax/before fed taxes)</b>	<b>\$11,655,713</b>			
Federal and foreign income tax/(benefit)	\$2,351,438			
Add Back Change to Reserves				
<b>Adjusted Net income (loss)</b>	<b>\$9,304,275</b>			
<b>GP before income tax</b>	<b>2.3%</b>			

\*Per NAIC filings, which do not necessarily reflect how program is priced. **Quarterly reported financials, per NAIC statements, are reflective of full year-to-date results (i.e., Q2 2022 includes the cumulative results for Q1 and Q2).**



## Eligibility Update

Christine Osterlund, Deputy Secretary of Agency Integration and Medicaid

- KDHE Staffing Update
- Redetermination Overview and Timeline
- Redetermination Lessons Learned
- Unwinding Data
- Medicaid Eligibility Application Status Update
- Call Center Metrics



# KanCare Update August 2023

## Staffing Update

- Continuing to recruit to fill vacant positions. KDHE is piloting a small program to recruit qualified staff from any location in the state. These staff members would work 100% remotely. We will monitor this pilot program for success in reducing vacancies.
- Operating at about 91% of staffing capacity.

Department	Number of Staff
KDHE Training & Quality	27 approved full-time employees (FTEs) 27 hired 0 vacancies
KDHE Eligibility Staff (Elderly & Disabled, Long Term Care Medical Programs)	253 approved FTEs 27 supervisors/managers hired 203 Eligibility staff hired 23 Eligibility staff vacancies 0 supervisor vacancies
KDHE Operations	30 approved FTEs 26 hired 4 vacancies
Total	310 staff 27 vacancies (about 9%)

## Redetermination Overview & Timeline

- Omnibus bill required states to start sending renewals (also referred to as Unwinding) in spring of 2023.
- Kansas started 12-month Unwinding with members who had an April renewal date.
- Renewals are being done in chronological order.
- Monthly renewal volumes fluctuate in volume; first four months were highest volumes of the 12-month Unwinding period.
- To date, Kansas has sent renewals to members with April, May, June and July renewal dates.
- Renewals submitted timely allow member to keep eligibility while renewal is being processed.
- If a renewal is not submitted timely, member will lose eligibility, but they have 90 days to submit the renewal and if determined eligible have eligibility backdated.
  - Example, if an April renewal was due April 15 but was received and eligibility approved in June, eligibility would be backdated to May 1.

## Redetermination Lessons Learned

- **Postal Service Delays**
  - Prior to PHE mail, timelines within Kansas were 2-3 days.
  - KDHE began receiving complaints in late April regarding renewals not being received by Clearinghouse timely.
  - KDHE began tracking and confirmed mail timelines were up to 10 days.
  - Immediate action was taken to reinstate anyone impacted by mail delays.
  - Timelines for future renewal cycles were increased to allow proper notice timelines.
- **Weekend Deadlines**
  - Cutoff date for timely reviews is the 15th of each month.
  - Initial plans did not account for 15th being on a weekend.
  - For members with April renewal date, the 15th was a Saturday.
  - A few hundred members initially were discontinued and had to be reinstated.
  - Increase in renewal cycle timelines addressed issue and this was not a concern past April.

## Redetermination Lessons Learned

- **Unsigned Renewal Notices**
  - Renewal must be signed to be considered received.
  - Number of unsigned renewals has increased compared to pre-PHE.
  - Involved stakeholders, providers and others to help educate members on need to sign reviews.
  - The increase in renewal timelines due to postal service delays helped Clearinghouse outreach to members to receive a signed review by deadline.
- **Call Volumes**
  - Estimates for Unwinding call volumes were based on backlog call volumes.
  - Actual call volume exceeded those volumes by thousands of calls.
  - Quickly added staff, changed work schedules, increased overtime and more to mitigate.
  - Average speed to answer has substantially improved:
    - 43 minutes in April.
    - 24 minutes in May.
    - 19 minutes in June.

## Redetermination Lessons Learned

- Mailroom
  - Mail arrival patterns were different than pre-PHE.
  - Increased unsigned renewal volumes increased manual work volume.
  - KDHE staff were reassigned to assist mailroom and KDHE purchased additional scanners to eliminate backlog.
- Ex Parte or Passive Renewals
  - During PHE, renewals were run every month.
  - Those who could not be renewed by system matches had their renewal date future dated; these are called passive renewals.
  - Each time PHE was extended, this population that could not be approved by system matches was pushed forward 4 months.
  - KDHE understood the first four months of Unwinding would result in very high volume of pre-populated renewals but could have communicated the information and impact to external stakeholders more overtly.
    - KDHE has since communicated this information to stakeholder groups and answered questions about passive and pre-populated renewals.
  - Passive rate now back to 55% and anticipate it will return to the pre-PHE rate of 65%.



## Redetermination Lessons Learned

- Processing Renewals
  - KDHE and vendor staff had not processed reviews in three years and some staff have never processed a review.
  - Early months had slower processing time and slightly higher error rate than historical for reviews.
  - Increased quality oversight and coaching has reduced error rate, which is now very close to pre-PHE levels.
- Data
  - CMS data is a point in time and easily misinterpreted.
  - State-to-state comparisons are typically not valid.
    - Expansion vs non-expansion states.
    - State-funded programs only.
    - States started discontinuances in different months; some as late as July 1.
  - KDHE has posted data along with explanations to help explain Unwinding data.

## Redetermination Lessons Learned

- PHE Became Normal
  - KDHE made no changes to renewal process or materials when Unwinding started but three-year gap resulted in confusion or concerns that the renewal process had changed; not doing renewals was the new normal.
  - The increase of the timeline to return reviews has allowed time for questions to be answered and renewals still to be submitted on time.
- Numbers Improved When Renewals Were Paused
  - During the PHE, processing timelines improved:
    - Over 45 volume decreased.
    - Timelines to respond to emails decreased to same day or 1 day.
    - Number of escalated cases decreased due to members not losing eligibility and processing timelines were shorter.
  - These timelines are no longer sustainable and have returned to pre-PHE levels.
  - KDHE could have consciously communicated the return to pre-PHE timelines more frequently to avoid confusion. KDHE is educating stakeholders on these timelines as appropriate.

## Redetermination Lessons Learned

- All Eligibility Processes Resume
  - Individuals who aged out, left foster care, passed postpartum period, were denied social security, automatically remained enrolled in Medicaid during PHE.
    - When Unwinding started members in these groups are not automatically remaining on roles and must submit a new application for consideration.
    - With so much focus on the start of renewals, education around these normal processes was minimal, resulting in confusion in first few months.
- Partnership Improvements
  - Increased communication and case escalation process with MCOs.
  - Improved partnerships with stakeholders and providers to handle escalated cases.
  - More effective outreach due to creation of Renewal Advisory Coalition and partnership with key stakeholders across the state.
  - Important to continue these partnerships and improve on them during and after Unwinding to benefit Medicaid members.

## Current Unwinding Data

As of July 18:

- 275,647 individuals sent a renewal notice.
- 29,012 individuals approved.
- 7,432 individuals discontinued (determined no longer eligible).
- 61,621 individuals in 90-Day window (did not submit a review timely but have 90 days to submit a review and have eligibility backdated).

## Renewal Volume Comparisons

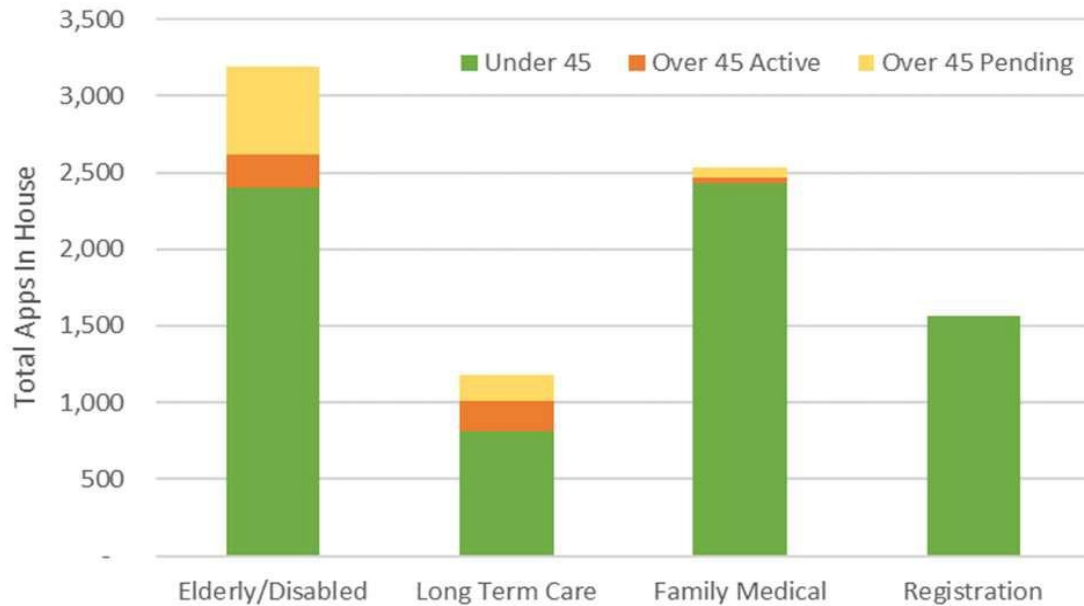
- Average volume of pre-populated renewals mailed (household data):
  - 2019 average monthly volumes: 10,042.
  - April-July Unwinding monthly volumes: 33,422.
  - Anticipated average monthly volume September-March: 18,556.
- Drivers for volume increase:
  - Medicaid enrollment increased from 410,000 to 540,000.
  - Spring review volumes have historically been high renewal months.
  - Pushing forward of renewal dates during PHE resulted in first four months of Unwinding having heaviest review volume.
  - First four months also had largest cohort of members who could not be passively reviewed.

## Over 45 Application Volume Comparisons

- Backlog
  - Volumes ranged from 2,600 to 5,100.
  - High end volumes were not temporary spikes but lasted longer than two months.
- Steady State
  - Over 45 fluctuated between 800 to just over 2,100.
  - High volumes were temporary (i.e., during open enrollment).
  - Just before PHE the Over 45 volume was just under 1,300.
- During PHE
  - Volumes were consistently between 250 and 500.
  - Reviews were not being processed so more workers could process applications each month.
- Post PHE
  - Over 45 at high end during July due to high renewal volumes.
  - By end of August will return to February 2020 volume.
  - Do not anticipate achieving low end of over 45 scale until the end of Unwinding due to increased renewal volumes.

## Slide from February 2020 Bethell Committee: Medicaid Eligibility Application Status

- 8,471 total applications in house.
- 1,258 applications over 45 days, 15% of total applications.
- 441 applications (5% of total) over 45 days in active status — ready to be processed.
- 814 applications (10% of total) over 45 days in pending status — waiting for more information from applicant/provider/financial institution.



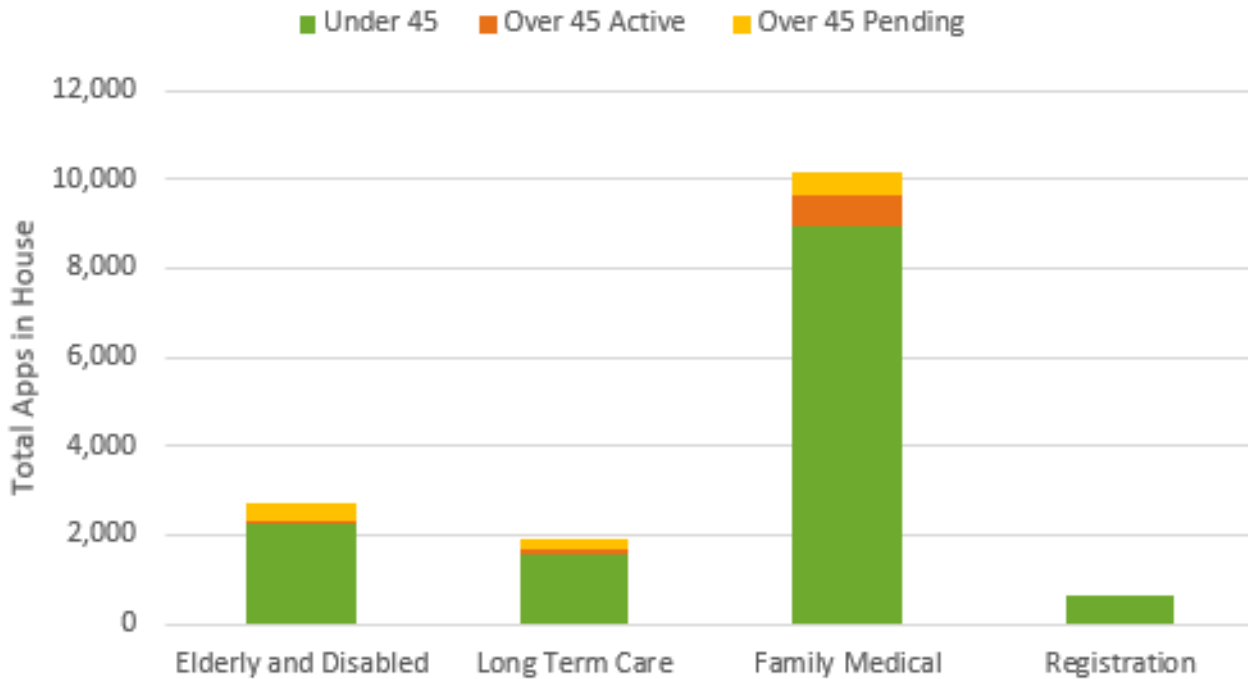
	Under 45	Over 45 Active	Over 45 Pending	Total
<b>Elderly/Disabled</b>	2,404	217	571	3,192
<b>Long Term Care</b>	817	192	173	1,182
<b>Family Medical</b>	2,434	32	70	2,536
<b>Registration</b>	1,561	-	-	1,561
<b>Total</b>	<b>7,216</b>	<b>441</b>	<b>814</b>	<b>8,471</b>

	Under 45	Over 45 Active	Over 45 Pending	Total
<b>Elderly/Disabled</b>	75.3%	6.8%	17.9%	100.0%
<b>Long Term Care</b>	69.1%	16.2%	14.6%	100.0%
<b>Family Medical</b>	96.0%	1.3%	2.8%	100.0%
<b>Registration</b>	100.0%	0.0%	0.0%	100.0%
<b>Total</b>	<b>85.2%</b>	<b>5.2%</b>	<b>9.6%</b>	<b>100.0%</b>



## Medicaid Eligibility Application Status

- 15,457 total applications in house.
  - 2,045 applications over 45 days (13% of total applications); 883 applications (6% of total) over 45 days in active status — ready to be processed.
  - 1,162 applications (7% of total) over 45 days in pending status — waiting for more information from applicant/provider/financial institution.



	Under 45	Over 45 Active	Over 45 Pending	Total
<b>Elderly and Disabled</b>	2,265	73	400	2,738
<b>Long Term Care</b>	1,588	71	245	1,904
<b>Family Medical</b>	8,923	739	517	10,179
<b>Registration</b>	636	0	0	636
<b>Total</b>	<b>13,412</b>	<b>883</b>	<b>1,162</b>	<b>15,457</b>

	Under 45	Over 45 Active	Over 45 Pending	Total
<b>Elderly and Disabled</b>	82.7%	2.7%	14.6%	100.0%
<b>Long Term Care</b>	83.4%	3.7%	12.9%	100.0%
<b>Family Medical</b>	87.7%	7.3%	5.1%	100.0%
<b>Registration</b>	100.0%	0.0%	0.0%	100.0%
<b>Total</b>	<b>86.8%</b>	<b>5.7%</b>	<b>7.5%</b>	<b>100.0%</b>

## Call Center Metrics

- April data is not a full month but reflective of when call volumes dramatically escalated
- July data is month to date as of July 21

Date	# of Calls Received	Abandon Percentage	Average Speed to Answer (minutes)
July 2023 (July 1 – July 21)	25,355	16%	12
June 2023	38,115	19.15%	14
May 2023	37,533	29.83%	24
April 2023 (April 21 – April 30)	19,785	53%	43

## Thank you/Questions

