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Heather Braum, Health Policy Advisor
Kansas Action for Children
Public Comment

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

Chairperson Gossage, Vice-Chairperson Landwehr, and members of the Committee:

Thank you for the opportunity to provide public comment about the KanCare program. Kansas Action for Children is a nonprofit advocacy organization working to make Kansas a place where every child has the opportunity to grow up healthy and thrive. We work across the political spectrum to improve the lives of Kansas children through bipartisan advocacy, partnership, and information-sharing on key issues, including early learning and education, health, and economic security for families.

We periodically weigh in on KanCare-related issues, as 77 percent of KanCare enrollees are children and their parents/caregivers. According to the Kansas Department of Health and Environment (KDHE) through KanCare enrollment data presented at the August 2023 oversight meeting, 61.8 percent of KanCare's enrollees are children and another 15.2 percent are parents or caretakers of children. This population accounts for only 34.6 percent of expenditures.¹

As we all believe, every child deserves the opportunity to grow up with the affordable and accessible care they need to stay healthy, see a doctor when needed, and recover when they are sick. Nobody should have to choose between treating their child's illness and paying to keep a roof over their heads. Kansas children need routine, dependable care to stay healthy through regular doctor checkups, screenings, immunizations, and dental services.

For several hundred thousand Kansas children, KanCare is how they have access to health care.

Briefly, we want to share two items in this public comment opportunity. The first is about the **Children's Health Insurance Program (CHIP) eligibility threshold percentage**, and the second is continuing to share our alarm that **thousands of Kansas kids are losing their KanCare coverage**

¹ KDHE. (August 2023). *KanCare Executive Summary CY 2023 YTD*.

http://kslegislature.org/li/b2023_24/committees/ctte_it_robert_g_bob_bethell_joint_committee_1/documents/testimony/20230803_04.pdf

yet remaining eligible for that coverage as the state unwinds the continuous eligibility enrollment provisions.

1. CHIP Eligibility Threshold Percentage

Several of the most important ways for kids to stay healthy are through regular doctor checkups, screenings, immunizations, and dental services. Health insurance coverage is critical to ensuring families can afford these services. Some working Kansas families who struggle to afford health insurance for their children can qualify for CHIP coverage in Kansas.

Unfortunately, an error in the CHIP eligibility income guidelines is holding back hundreds of kids who should qualify for CHIP. Kansas kids can qualify for CHIP if their family's income is less than 250% of the federal poverty income guidelines. **But in 2008, the Legislature accidentally tied eligibility to the 2008 poverty level.² The 2008-year reference was never updated or removed.** Further research uncovered that no other state references a specific year for their CHIP eligibility percentage, and no other place in Kansas law that references federal poverty income guidelines references a specific year. It turns out that this "2008" year language in Kansas statute is an outlier.

In both 2022 and 2023, bills³ have been introduced to permanently remove the year-specific language for the federal poverty income guidelines so Kansas families are on an even playing field with every other state in the country. Last November, this committee included resolving this issue in their recommendations to the 2023 Legislature.⁴ Hearings and briefings have been held, but these bills have yet to pass out of either chamber of the Legislature.

Fortunately, this issue has been temporarily resolved twice through budget provisos in the FY 2023⁵ and FY 2024⁶ budget bills, temporarily ignoring the "2008" year reference in Kansas law. We are appreciative of the Legislature's support of this temporary measure. However, this issue needs permanent resolution through legislation. **We ask that when the Committee makes recommendations, you request again that the 2024 Kansas Legislature permanently fix this error that has reduced eligibility for the CHIP program for more than 15 years.**

Before the temporary fixes were implemented in 2022 and 2023 (because the 2008 reference is included in law), Kansas had to annually convert and reduce the CHIP eligibility threshold as the

² When you review the March 10, 2008, Senate Health Care Strategies meeting notes, SB 541 that passed the Senate in 2008, and the final conference committee report for House Sub. for SB 81 (2008), you can trace the origin of how this error happened. The original intent of the Senate Health Care Strategies committee was to not include this year-specific language after 2010.

³ SB 407 (2022); SB 45 and HB 2050 (2023).

⁴ KLRD. (2023). *Committee Reports to the 2023 Kansas Legislature: Supplement*. <https://klrd.org/wp-content/uploads/2023/05/2022CRto2023Leg-Supp.pdf>

⁵ SB 267 (2022).

⁶ HB 2184 (2023).

current federal poverty income guidelines change each year. Due to this difference between federal and state eligibility levels, the Kansas Medicaid program had to annually submit a State Plan Amendment (SPA) to the Centers for Medicare and Medicaid Services (CMS) showing this converted percentage. In 2021, Kansas CHIP eligibility at 250% of the 2008 federal poverty income guidelines converted to 225%.⁷

As you can see in the table below, the conversion rates drastically changed across the last decade, with the 2013 percentage at 245% vs. the 2021 percentage at 225%. With high inflation, it is expected that the conversion rate would have dramatically changed even more.

Eroding Kansas CHIP Eligibility Levels Since 2013

Year (Beginning April 1)	Upper Income Standard in Current Year FPL
2013	245%
2014	242%
2015	239%
2016	238%
2017	236%
2018	235%
2019	230%
2020	227%
2021	225%

Source: CMS. 2021. Kansas State Plan Amendment SPA-21-003.

The budget proviso in the FY 2024 budget temporarily fixed the issue through June 30, 2024, but this unintended error still needs to be permanently fixed in statute. If this issue is not resolved by the end of FY 2024, more kids will lose their CHIP coverage – even if their family income doesn’t change – as any future percentage conversions will continue to decline.

2. Public Health Emergency Unwinding and Impact on Kids

The state is several months into the unwinding, and we remain **alarmed that thousands of Kansas kids are losing coverage, even if they may remain eligible for that coverage.** As we have shared with this Committee several times over the past year, research shows that when large numbers of eligibility redeterminations occur, “churn rates” (defined as “the temporary

⁷ According to KHI’s *Kansas Medicaid: A 2022 Primer* (p. 13), eligibility levels reflect Modified Adjusted Gross Income (MAGI) rules, including a 5% income disregard that may be applied on an individual basis. Therefore, many documents reference the (converted) CHIP eligibility as 230%. Kansas Health Institute. (2022). *Kansas Medicaid: A 2022 Primer*. https://www.khi.org/assets/uploads/news/15252/2022_medicaid_primer_web.pdf.

loss of Medicaid coverage in which enrollees disenroll and then re-enroll within a short period of time”⁸) increase, especially for children.

We knew going into this period of “unwinding” the continuous eligibility provision that **Kansas kids were at a significantly higher risk⁹ of losing their KanCare coverage during this process, even if they remain eligible for coverage.** In fact, children are more likely to remain eligible for KanCare even if their parents are no longer eligible.

According to data tracking through August 31, 2023, almost 36,000 children ages 0-18 had their coverage discontinued for procedural reasons¹⁰. If the state hadn’t repeatedly delayed discontinuances (for reasons you heard about at August’s Oversight meeting and reasons you’ll hear about later in this meeting) that number would be significantly higher.

Additionally, in a newly discovered situation, up to 12,000 Kansas kids have been identified as having mistakenly lost their coverage because of incorrectly configured computer systems¹¹. Kansas is one of dozens of states that has identified this issue and is working with CMS to address it. While we are thankful this glitch has been uncovered and coverage will be re-instated for these individuals, we remain deeply concerned that numerous other issues – outside the control of parents and caretakers of children – are causing too many Kansas kids to lose their KanCare coverage.

Advocates have asked for more detailed information about why kids are losing coverage due to procedural reasons, but have learned that the state’s IT systems for KanCare doesn’t appear to currently store these details or it’s impossible to currently obtain through reporting. In fact, several situations have arisen over the last several months that keep pointing back to woefully outdated information systems.

What we do know is that kids lose their coverage for procedural reasons when the state doesn’t receive information about them to verify eligibility; this may occur due to system failures and breakdowns, including in the mail system. Parents may never receive a renewal notice even when their contact information is updated with the state, information they send to the state may never be successfully received, or they can’t get through to a call center to address issues.

⁸ Corallo, B., Garfield, R., Tolbert, J., and Rudowitz, R. (2021). *Medicaid enrollment churn and implications continuous coverage policies*. <https://www.kff.org/medicaid/issue-brief/medicaid-enrollment-churn-and-implications-forcontinuous-coverage-policies/>

⁹ Alker, J., & Osorio, A. (2023). *Child Uninsured Rate Could Rise Sharply if States Don’t Proceed with Caution*. <https://ccf.georgetown.edu/2023/02/01/child-uninsured-rate-could-rise-sharply-if-states-dont-take-care/>

¹⁰ KanCare. (August 31, 2023). *Individuals in the Reinstatement Window by Age and County*. <https://kancare.ks.gov/docs/default-source/about-kancare/kancare-eligibility-renewals-2023/90day-age-and-county.pdf>

¹¹ Carpenter, T. (September 27, 2023). *Estimated 12,000 Kansans mistakenly kicked off Medicaid due to eligibility processing glitch*. <https://kansasreflector.com/2023/09/27/estimated-12000-kansans-mistakenly-kicked-off-medicaid-due-to-eligibility-processing-glitch/>

We recognize that the state continues to listen to and act on advocates' concerns, and that they continue to work with CMS at the federal level to identify issues, take advantage of flexibilities, and implement solutions.

Looking at the monthly data releases, we acknowledge that the state has significantly improved call waiting times. We also want to note that the state is one of only 17 states¹² to be actively disaggregating their unwinding data, so we know exactly how many kids have had their coverage renewed, have been declared ineligible, or have lost coverage for procedural reasons. Having this disaggregated data helps advocates continue to draw attention to the concerning number of kids losing coverage. This also helps with targeted outreach, as the data is broken out by county.

Large-scale technical issues point to needing long-term fiscal investments to improve or even overhaul the KanCare information systems. We also urge the Committee to investigate how KanCare enrollees are experiencing this renewal process to determine what long-term policies and procedures should be changed so that kids, in particular, aren't losing their coverage because of system breakdowns. This could be information systems improvements, multi-year continuous eligibility for children, or simplifying the information needed to be submitted for initial enrollment and renewals.

Your oversight of the KanCare program, along with the detailed attention of our Medicaid agency, will help mitigate the impact of these changes already underway. We will continue to share details about the effects on Kansas kids as this process continues for several months.

Thank you for the opportunity to participate in this public comment period, and please do not hesitate to contact me at heather@kac.org if you have any questions.

¹² KFF. (September 26, 2023). *Medicaid Enrollment and Unwinding Tracker*. <https://www.kff.org/report-section/medicaid-enrollment-and-unwinding-tracker-overview/#children-disenrollments>