

KanCare Update: Robert G. (Bob) Bethell KanCare Oversight Committee June 24, 2024



Agenda

Janet Stanek, Secretary

Christine Osterlund, Deputy Secretary for Agency Integration and State Medicaid Director

- KanCare Updates
 - KDHE Rate Study
 - Medically Needy
 - Performance Metrics
 - MCO Financial Review
 - Program Enhancement Focus Areas
- Unwinding Recap
 - Capitation Payments
 - HCBS Waiver Eligibility
 - Enrollment/Disenrollment as of May 31
- Eligibility Updates
 - Medicaid Eligibility Application Status Update
 - Call Center Metrics



KDHE Rate Study

- KDHE contracted with Optumas to conduct a comprehensive rate study that will do the following:
 - Compare rates to Medicare benchmarks.
 - Compare rates to other state Medicaid programs.
 - Identify rates that are above 100% and 85% thresholds for benchmarks.
 - Identify rates below 20% thresholds for benchmarks.
 - Rate study will include HCBS rates
- The study will allow KDHE to provide legislators and stakeholders with critical data to make informed decisions around rate increases or adjustments.
- Optumas has begun working and results will be available in the fall before the next legislative session begins.

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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 or older.
 - Individuals determined disabled by Social Security rules.
- The MN population on average falls within the following age bands:

Age Range	MN Member Count
0-10	12
11-20	38
21-30	245
31-40	490
41-50	919
51-60	2,211
61-70	3,545
71-80	1,503
80+	687



Medically Needy Program Update

- The Kansas Medically Needy income limit (MNIL) has been frozen at \$475 for a household of one or two 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 engaged with CMS in the spring and learned that states have the option to • "disregard" types or amounts of income that are used to determine the protected income limit.
 - Kansas is among the states with lower MNIL currently 29% of the 2023 FPL for a household of two.
- KDHE has identified options to improve the MN program. ٠
- Option 1 would be to tie the current MNIL to 100% of SSI. Additional benefit is SSI ٠ thresholds are adjusted annually.
 - There would be a cost to this change as a result of more MN members meeting their spenddown and gaining Medicaid coverage sooner.
 - Costs would be subject to legislative approval via caseloads or the budget process. •
 - Preliminary estimate is that setting the MNIL at 100% of SSI would cost **\$1.8 million** all • funds, including \$940,000 SGF.



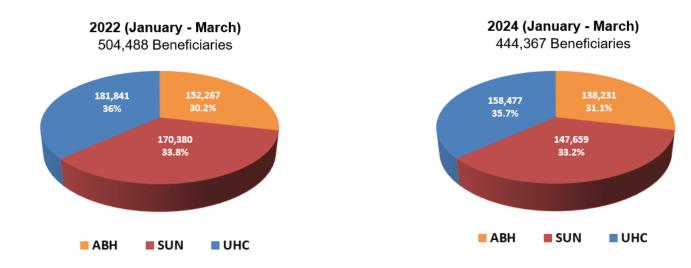
Medically Needy Program Update

- Option 2 is to eliminate the spenddown.
 - States can operate the Medically Needy program without a spenddown amount by using an income disregard.
 - If Kansas chose this option, any child, pregnant woman, or aged and disabled applicant who fails the Medicaid or CHIP limits would be covered at no cost share.
 - This option creates disparity in the long-term care (LTC) population as it does not eliminate income disregard for all LTC populations.



The count of KanCare beneficiaries continues decreasing.

- As of March 2024, average MCO-enrollment for the calendar year is 444,367 beneficiaries per month.
- UHC maintains the highest average MCO-enrollment per month, with 158,477 beneficiaries per month.
- Sunflower's beneficiaries account for 33.2% of MCO enrollment; Aetna's account for 31.1% of MCO enrollment.





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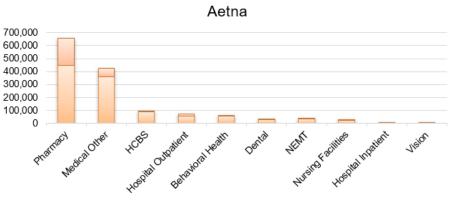
Processed & Denied Claims (January – March 2024)

Samiaa Tuna	Co	ount of Processed Clair	ns	% of Total Services by MCO			
Service Type	ABH	SUN	UHC	ABH	SUN	UHC	
Pharmacy	655,690	516,394	526,348	46.11%	33.74%	33.11%	
Medical Other	426,877	445,150	480,126	30.02%	29.09%	30.20%	
HCBS	96,330	158,033	146,884	6.77%	10.33%	9.24%	
Hospital Outpatient	75,630	85,349	96,657	5.32%	5.58%	6.08%	
Behavioral Health	62,041	199,842	199,106	4.36%	13.06%	12.53%	
Dental	33,200	47,144	46,794	2.33%	3.08%	2.94%	
NEMT	35,720	27,572	38,755	2.51%	1.80%	2.44%	
Nursing Facilities	27,777	26,771	31,445	1.95%	1.75%	1.98%	
Hospital Inpatient	6,640	8,156	7,063	0.47%	0.53%	0.44%	
Vision	2,064	16,058	16,391	0.15%	1.05%	1.03%	
Total	1,421,969	1,530,469	1,589,569	100%	100%	100%	

Consider Trans		Count of Denied Claim	IS	% of Total Denied Claims by Service Type			
Service Type	ABH	SUN	UHC	ABH	SUN	UHC	
Pharmacy	208,364	183,230	151,200	67.01%	59.82%	47.44%	
Medical Other	66,092	75,880	101,548	21.26%	24.77%	31.86%	
Hospital Outpatient	16,557	9,640	25,000	5.32%	3.15%	7.84%	
Dental	3,815	5,842	7,483	1.23%	1.91%	2.35%	
HCBS	3,622	4,723	4,567	1.16%	1.54%	1.43%	
Behavioral Health	5,235	20,178	19,579	1.68%	6.59%	6.14%	
Nursing Facilities	4,981	2,942	5,615	1.60%	0.96%	1.76%	
Hospital Inpatient	1,913	2,040	1,719	0.62%	0.67%	0.54%	
Vision	234	1,644	1,766	0.08%	0.54%	0.55%	
NEMT	119	198	230	0.04%	0.06%	0.07%	
Total	310,932	306,317	318,707	100%	100%	100%	

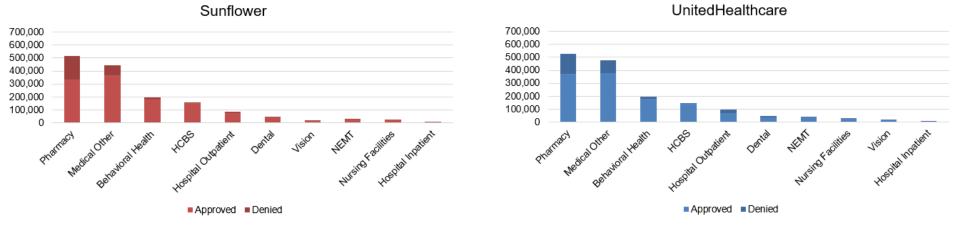


Portion of Denied to Total Claims (January – March 2024)



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

Approved Denied

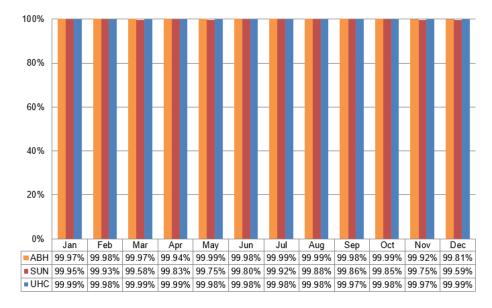




Clean Claims Processed Within 30 Days Comparison

100% 80% 60% 40% 20% 0% Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec ABH 99.96% 99.97% 99.98% 99.97% 99.93% 99.93% 99.84% 99.98% 99.55% 99.91% 99.64% 99.83% 99.98% SUN 99.88% 99.93% 99.79% 99.35% 99.01% 98.49% 99.18% 99.88% 99.93% 99.93% 99.88% 99.90% UHC 99.97% 99.97% 99.96% 99.96% 99.97% 99.90% 99.91% 99.91% 99.94% 99.90% 99.38% 100.00%

2022 Clean Claims



2023 Clean Claims

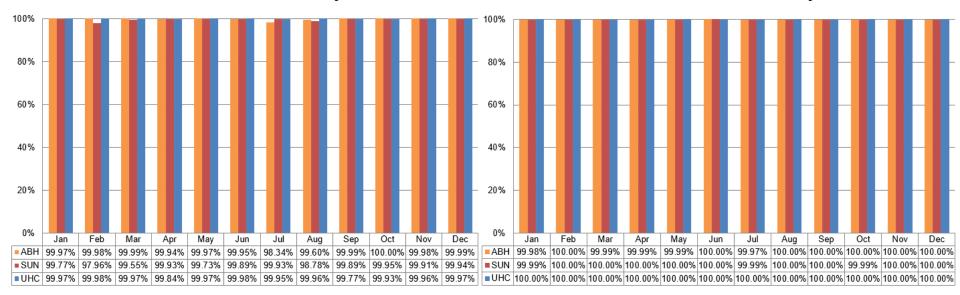
The contract standard is 100% of clean claims will be processed within 30 days. A clean claim is a claim that can be paid or denied with no additional intervention required. Clean claims do not include adjusted or corrected claims, claims that require documentation for processing (e.g., consent forms, 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.



Claims Processed Within 60 & 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.



Aetna MCO Profit and Loss per NAIC Filings Q2 2023 – Q1 2024									
<u>Q2 2023</u> <u>Q3 2023</u> <u>Q4 2023</u> <u>Q1 2024</u>									
Total Revenues	\$798,195,497	\$1,140,177,102	\$1,558,366,351	\$437,496,917					
Total hospital and medical	\$712,264,058	\$1,024,763,647	\$1,395,362,665	\$373,559,427					
Claims adjustments, General Admin., Increase in reserves	\$93,145,099	\$137,476,863	\$190,156,066	\$51,614,137					
Net underwriting gain or (loss)	(\$7,213,660)	(\$22,063,408)	(\$27,152,380)	\$12,323,353					
Net income or (loss) (after cap gains tax/before fed taxes)	(\$3,726,217)	(\$16,677,161)	(\$20,078,873)	\$15,844,937					
Federal and foreign income tax/(benefit) Add Back Change to Reserves	(\$764,503)	(\$3,882,476)	(\$5,704,517)	\$2,710,980					
Adjusted Net income (loss)	(\$2,961,714)	(\$12,794,685)	(\$14,374,356)	\$13,133,957					
GP before income tax	-0.5%	-1.5%	-1.3	3.6%					

*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 2023 includes the cumulative results for Q1 and Q2).



Sunflower MCO Profit and Loss per NAIC Filings Q2 2023 – Q1 2024									
<u>Q2 2023</u> <u>Q3 2023</u> <u>Q4 2023</u> <u>Q1 2024</u>									
Total Revenues	\$895,287,676	\$1,255,222,575	\$1,673,971,845	\$424,824,268					
Total hospital and medical	\$715,750,905	\$1,084,005,123	\$1,448,407,926	\$382,851,947					
Claims adjustments, General Admin., Increase in reserves	\$180,028,270	\$165,671,999	\$225,027,095	\$52,500,824					
Net underwriting gain or (loss)	(\$491,499)	\$5,545,453	\$536,824	(\$10,528,503)					
Net income or (loss) (after cap gains tax/before fed taxes)	\$6,538,212	\$15,854,572	\$13,972,817	(\$7,369,659)					
Federal and foreign income tax/(benefit)	\$1,574,761	\$3,714,835	\$3,989,261	(\$1,996,053)					
Add Back Change to Reserves Adjusted Net income (loss)	\$4,963,451	\$12,139,737	\$9,983,556	(\$5,373,606)					
GP before income tax	0.7%	1.3%	0.8%	-1.7%					

*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 2023 includes the cumulative results for Q1 and Q2).

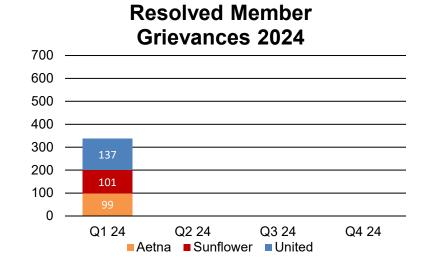


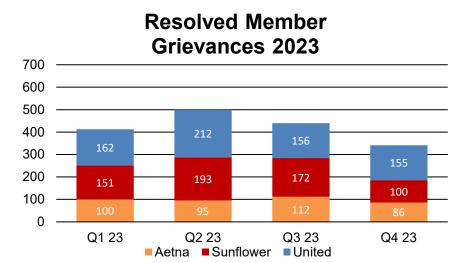
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United MCO Profit and Loss per NAIC Filings Q2 2023 – Q1 2024									
<u>Q2 2023</u> <u>Q3 2023</u> <u>Q4 2023</u> <u>Q1 2024</u>									
Total Revenues	\$812,060,333	\$1,241,112,203	\$1,664,050,241	\$429,370,501					
Total hospital and medical	\$703,210,780	\$1,062,809,186	\$1,409,681,805	\$362,139,056					
Claims adjustments, General Admin., Increase in reserves	\$94,204,221	\$143,786,871	\$187,340,095	\$48,105,240					
Net underwriting gain or (loss)	\$14,645,332	\$34,516,146	\$67,028,341	\$19,126,205					
Net income or (loss) (after cap gains tax/before fed taxes)	\$14,645,332	\$34,516,146	\$67,028,341	\$19,126,205					
Federal and foreign income tax/(benefit)	\$2,326,808	\$6,059,200	\$12,258,225	\$3,489,855					
Add Back Change to Reserves Adjusted Net income (loss)	\$12,318,524	\$28,456,946	\$54,770,116	\$15,636,350					
GP before income tax	1.8%	2.8%	4.0%	4.5%					

*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 2023 includes the cumulative results for Q1 and Q2).







2024 1st Qtr. Member Grievance Top 5 Trends

Aetna	Aetna			United		
Total # of Resolved Grievances	99	Total # of Resolved Grievances	101	Total # of Resolved Grievances	137	
Trend 1: Customer Service	20%	Trend 1: Transportation – Other	22%	Trend 1: Billing and Financial Issues (non- transportation)	24%	
Trend 2: Quality of Care (non HCBS Provider)	15%	Trend 2: Access to Service or Care	15%	Trend 2: Transportation – No Show	13%	
Trend 3: Billing and Financial Issues (non- transportation)	14%	Trend 3: Transportation Issues – Billing and Reimbursement	12%	Trend 3: Customer Service	12%	
Trend 4: Access to Service or Care	12%	Trend 4: Transportation – No Show	11%	Trend 4: Transportation Issues – Billing and Reimbursement	10%	
Trend 5: Transportation – Other	8%	Trend 5: Billing and Financial Issues (non- transportation) and/or Quality of Care (non HCBS Provider)	10%	Trend 5: Quality of Care (non HCBS Provider)	10%	

700 700 250 600 600 171 222 500 500 400 400 223 223 217 188 180 300 300 200 200 100 100 0 0 Q1 24 Q2 24 Q3 24 Q4 24 Q1 23 Q2 23 Q3 23 Q4 23 Aetna Sunflower United Aetna Sunflower United

Resolved Member Appeals 2024

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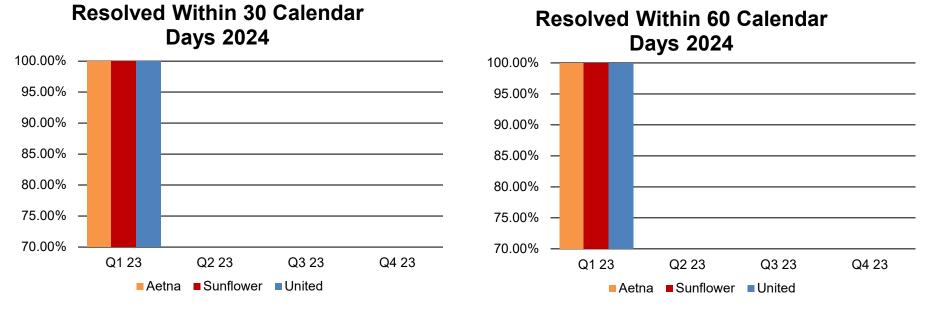
2024 1st Qtr. Member Appeals Top 5 Trends

Aetna		Sunflower	-	United		
Total # of Resolved Member Appeals	285	Total # of Resolved Member Appeals	Total # of Resolved Member Appeals 223		250	
Trend 1: Criteria Not Met – Pharmacy	58%	Trend 1: Criteria Not Met – Pharmacy	30%	Trend 1: Criteria Not Met – Pharmacy	60%	
Trend 2: Criteria Not Met – Medical Procedure	12%	Trend 2: Criteria Not Met – Durable Medical Equipment	20%	Trend 2: Noncovered Service – Pharmacy	10%	
Trend 3: Criteria Not Met – Radiology	11%	Trend 3: Criteria Not Met – Radiology	13%	Trend 3: Criteria Not Met – Durable Medical Equipment	9%	
Trend 4: Criteria Not Met – Behavioral Health Outpatient Services and Testing	8%	Trend 4: Criteria Not Met – Inpatient Behavioral Health	10%	Trend 4: Criteria Not Met – Inpatient Admissions (Non-Behavioral Health)	4%	
Trend 5: Criteria Not Met – Durable Medical Equipment	6%	Trend 5: Criteria Not Met – PT/OT/ST	8%	Trend 5: Criteria Not Met – Other	3%	

Resolved Member Appeals 2023



Provider Appeals



2024 1st Qtr. Provider Appeals Top 5 Trends

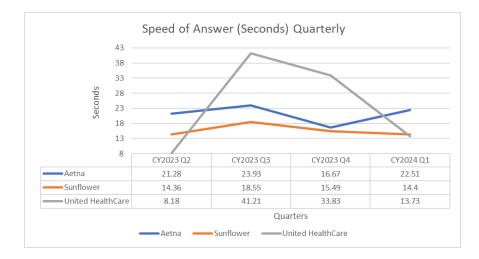
Aetna Sunflower		United			
Total # of Resolved Provider Appeals	679	Total # of Resolved Provider Appeals	1,039	Total # of Resolved Provider Appeals	1,959
Trend 1: PA - CPD - Medical (Physical Health		Trend 1: PA - CPD - Medical (Physical Health		Trend 1: PA - CPD - Medical (Physical Health	
not Otherwise Specified)	29%	not Otherwise Specified)	22%	not Otherwise Specified)	18%
Trend 2: PA - CPD - Hospital Inpatient (Non-					
Behavioral Health)	21%	Trend 2: PA - CNM - Pharmacy	14%	Trend 2: PA - CPD - Nursing Facilities - Total	17%
		Trend 3: PA - CPD - Hospital Inpatient (Non-		Trend 3: PA - CPD - Hospital Inpatient (Non-	
Trend 3: PA - CPD - Laboratory	18%	Behavioral Health)	13%	Behavioral Health)	15%
Trend 4: PA - CPD - Hospital Outpatient (Non-					
Behavioral Health)	12%	Trend 4: PA - CPD - Laboratory	13%	Trend 4: PA - CPD - Pharmacy	10%
Trend 5: PA - CPD - Durable Medical		Trend 5: PA - CPD - Hospital Outpatient (Non-			
Equipment	11%	Behavioral Health)	7%	Trend 5: PA - CPD - Home Health	10%

Protect and improve the health and environment of all Kansans

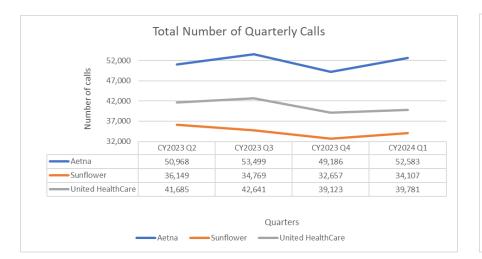


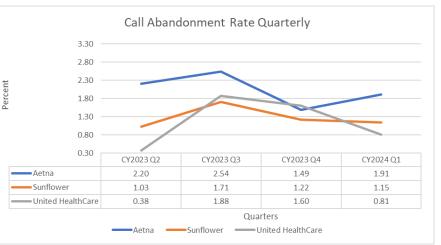
KanCare Update March 2024 – Quarter 1

Customer Service Center – Members



	LAST FOUR QUARTERS AVERAGES					
	Avg Speed of	Avg Call	Avg # of Total			
	Answer	Abandonment	Calls per			
	(Seconds)	Rate	Quarter			
Aetna	21.2	0.52%	51,559			
Sunflower	15.7	0.78%	34,421			
United HealthCare	United HealthCare 24.3		40,808			
Total			126,787.000			

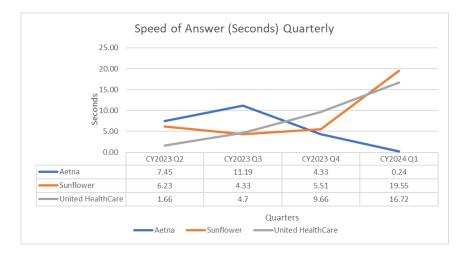




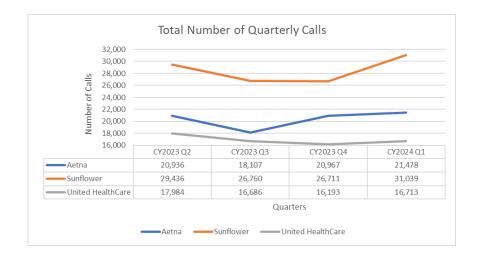


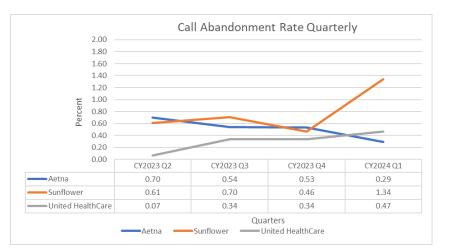
KanCare Update March 2024 – Quarter 1

Customer Service Center – Providers



	LAST FOUR QUARTERS AVERAGES					
	Avg Speed of Avg Call Avg # of Tota					
	Answer	Abandonment	Calls per			
	(Seconds)	Rate	Quarter			
Aetna	5.58	0.51%	20,372			
Sunflower	9.24	0.80%	28,487			
United HealthCare	8.05	0.30%	16,894			
Total			65,753			







Unwinding Update

- Capitation Payments
- HCBS Waiver Eligibility
- Enrollment/Disenrollment as of May 31



Capitation Payments for Increased Unwinding Enrollment

- Since KDHE did not complete renewals from April 2020 to March 2024 due to the Public Health Emergency (PHE), there is no data to determine when individuals enrolled during the PHE no longer met Medicaid eligibility thresholds.
 - To proxy how many individuals may not have been eligible during the PHE months, we compared historical enrollment rates by rate cell compared to PHE enrollment and the difference was used to calculate potential individuals that were enrolled but not eligible.
- The number of potential individuals enrolled but not eligible was then used to calculate potential capitation payments made to individuals no longer eligible.
- Total capitation amount was then compared to enhanced FMAP received by Kansas during the PHE to determine impact to state general funds.



Capitation Payments for Increased Unwinding Enrollment

- Kansas spent between \$641,800,000 and \$784,400,000 in all funds during the PHE on capitation payments for individuals potentially not eligible
- Kansas received over \$1 billion in enhanced FMAP during that same time period.

Estimated Impact of PHE Continuous Enrollment Policy

Based on <u>potential</u> additional membership that was covered that may not have otherwise been in the absence of the PHE Primarily driven by TANF children and adults, as well as M-CHIP and Medically Needy

All Funds	2020	2021	2022	2023	2024	Total
Low	\$ 20,200),000 \$ 131,500,000	\$ 257,800,000	\$ 214,600,000	\$ 17,600,000	\$ 641,800,000
Mid	\$ 22,400),000 \$ 146,200,000	\$ 286,500,000	\$ 238,500,000	\$ 19,500,000	\$ 713,100,000
High	\$ 24,700),000 \$ 160,800,000	\$ 315,100,000	\$ 262,300,000	\$ 21,500,000	\$ 784,400,000

6.20% Enhanced FMAP

Total Capitation for April 2020 to March 2024 (including both eligible

\$ 16,970,720,016 and potentially ineligible)

\$ 1,052,184,641 Impact of enhanced FMAP

HCBS Disenrollment

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- HCBS enrollment fluctuates monthly.
- Common reasons for HCBS member losing eligibility:
 - No longer eligible for Medicaid due to income, resources or program requirements.
 - Death.
 - Voluntary withdrawal.
 - Relocation to another state.

HCBS CASES CLOSED: CUMMULATIVE DURING UNWINDING				
Waiver Category	No Longer Eligible*	Other Closure Reason**		
Frail Elderly	271	825		
Physical Disabled	142	255		
Intellectual and Developmental Disability	116	138		
Technology Assisted	12	24		
Brain Injury	33	23		
Serious Emotional Disturbance	207	15		
Autism	1	0		
Total	782	1280	2062	

*No Longer Eligible: These are members who lost coverage due to eligibility factors such as income, resources, program requirements, etc.

**Other Closure Reason: These are members who were closed due to death, duplicate applications, or voluntary withdrawal.



Current Unwinding Data

- Medicaid enrollment was just over 540,000 members when Unwinding began in April 2023.
- KDHE estimated that between 100,000 and 125,000 individuals would lose eligibility during the Unwinding.
- As of May 31, 2024:
 - 75,532 individuals discontinued (determined no longer eligible) during the Unwinding.
 - 425,641 individuals are currently enrolled in Medicaid and CHIP.
 - Reduction of just under 114,000 individuals enrolled in the program.



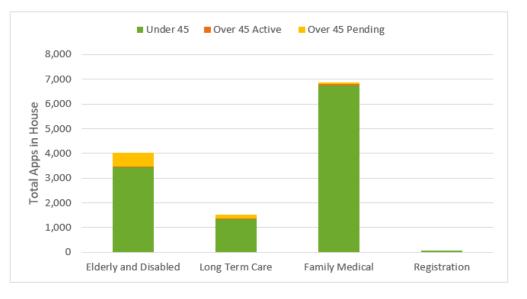
Eligibility Update

- Medicaid Eligibility Application Status Update
- Call Center Metrics

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Medicaid Eligibility Application Status

- 12,525 total applications in house.
 - 908 applications over 45 days (7% of total applications); 96 applications (1% of total) over 45 days in active status ready to be processed.
 - 812 applications (6.5% of total) over 45 days in pending status waiting for more information from applicant/provider/financial institution.



	Under 45		Over 45 Pending	Total
Elderly and Disabled	3,433	25	582	4,040
Long Term Care	1,352	20	156	1,528
Family Medical	6,761	51	74	6,886
Registration	71	0	0	71
Total	11,617	96	812	12,525

	Under 45		Over 45 Pending	Total
Elderly and Disabled	85.0%	0.6%	14.4%	100.0%
Long Term Care	88.5%	1.3%	10.2%	100.0%
Family Medical	98.2%	0.7%	1.1%	100.0%
Registration	100.0%	0.0%	0.0%	100.0%
Total	92.8%	0.8%	6.5%	100.0%



Call Center Metrics

• April 2023 data is not a full month but is reflective of when call volumes dramatically escalated.

Date	Number of Calls Received	Abandon Percentage	Average Speed to Answer (minutes)
May-24	34,558	0.52%	0:25
Apr-24	34,681	0.53%	0:29
Mar-24	31,128	0.43%	0:21
Feb-24	33,265	0.96%	0:44
Jan-24	37,283	3.23%	2:36
Dec-23	32,336	1.50%	1:16
Nov-23	35,006	9.26%	5:46
Oct-23	34,031	1.96%	1:26
Sep-23	31,299	1.18%	0:49
Aug-23	37,350	3%	2:00
Jul-23	37,150	15%	11:00
Jun-23	38,115	19.15%	14:00
May-23	37,533	29.83%	24:00
Apr-23 (April 21 – April 30)	10 785	53%	43:00

Eligibility Improvements

- Renewal form
 - The signature page was moved to page three on renewals in May 2024.
- Fax solution automation scheduled for August 2024.
 - Eliminates the need to print and scan faxes.
 - Reduces lost fax documents.
 - Creates reporting for balancing faxes received/processed.
- Unwinding flexibilities made permanent:
 - Resource compatibility attested comparison in June 2024.
 - Compare attested resource values with electronic interfaces to determine if they may be considered verified without requesting information.
 - Simplifies eligibility processing and reduces consumer burden.
 - Pursuit of potential resources no longer a condition of eligibility in June 2024.
 - Applicants/recipients no longer required to pursue potential resources as a condition of Medicaid eligibility. Potential include Social Security benefits, retirement pensions, Veterans benefits, unemployment compensation, etc. The exception to this rule is Medicare and pursuing the return of transferred property.
 - Simplifies eligibility processing and reduces consumer burden.

KanCare KanCare Update June 2024

Eligibility Improvements

- Proactive communications tool is scheduled for release in July 2024 for renewals.
 - Allows KanCare to call, text or email members who opted in.
 - Interactions in the journey may include:
 - Update contact information Confirmation that the state has received members review paperwork along with processing next steps and upcoming review date.
 - Upcoming Review Lets the member know that their review submission is coming up on a set date and/or the SSN is missing and needs to be updated.
 - Review Reminder Review submission received and/or review submission hasn't been completed and send a reminder.
 - Missing Signature Customer form has been returned because of a missing signature and provide instructions to sign.
 - Review Decision Review submission received and decision has been made on benefits continuation.
 - **Survey Feedback** Ability for consumers to provide feedback to KanCare.



KanCare KanCare Update June 2024

KanCare 3.0 Contract Program Enhancement **Focus Areas**



Care Coordination

- Care coordination
- Community-based care ٠ coordination for HCBS waiver populations
- Coordination between entities providing care coordination
- Provision of services in person-centered service plan

Access to Services/ Workforce

- Direct care workforce for behavioral health and LTSS
- Non-emergency medical transportation
- Accessing durable medical equipment (DME)
- Provider directory
- Emergency management plan

Social Determinants of

Health (SDOH)

Identification of SDOH

Health screening

SDOH resource

development, and

Tracking member

referrals to SDOH

identification.

investment

resources

needs

Provider Experience

- Credentialing timeliness
- Centralized credentialing
- Prior authorization processes
- Reducing administrative burden
- Peer-to-peer consultation
- Claims assistance

Ensure Quality of Health and Health Care Across All Populations

- Quality improvement and population health
- Identification and remediation of health disparities
- Improvement of access to interpretation services

Maternal and Infant Health

- Maternity care ٠ coordination
- Value-added benefits • for pregnant and postpartum women
- Dashboard reporting of ٠ prenatal and postpartum measures

Protect and improve the health and environment of all Kansans

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Thank You and Questions

