

KanCare Update

Presentation to the
Senate Ways and Means Committee

January 17, 2012
Lt. Governor Jeff Colyer, M.D.



Our vision is to serve Kansans in need with a transformed, fiscally sustainable Medicaid program that provides high-quality, holistic care and promotes personal responsibility.

The Challenge

- Improve Outcomes
- Manage Costs

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How We Got Here

- Long-run trends in Medicaid are driven by widespread increases in enrollment and spending per person.
- It is not "just the economy" – Kansas is in the midst of a sustained period of accelerated growth as baby boomers reach age of acquired disability.
- Enhanced federal match rate partially – and temporarily – disguised the scale of the deficit.

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Senate Ways and Means
 Date: 01-17-2012
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Emerging, Cross-Cutting Themes from Stakeholders

Preserving independence/creating a path to independence:

- Removing barriers to work
- Aligning incentives among providers and beneficiaries
- Delaying or preventing institutionalization

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Emerging, Cross-Cutting Themes from Stakeholders

Alternative access models:

- Utilizing technology and nontraditional settings
- Thinking creatively about who can deliver care

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Medicaid Transformation Principle: Holistic Care focused on Outcomes

A Surgeon's Perspective: Care for the Whole Person focused on Outcomes

- Quality results improve lives
- Need to look at ALL programs, agencies, tax policy, jobs, lifestyle of the person
- Respect and account for the connection between physical and mental health. Kansans do not live in silos.

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Implementing the Solution:

KanCare

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Background

On Nov. 8, Governor Sam Brownback announced the plan to reform Medicaid in Kansas. The plan calls for the implementation of an integrated care system called KanCare.

- Improve health outcomes
- Bend the cost curve down over time
- No eligibility or provider cuts

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Global Waiver

Kansas will seek a global waiver from the federal government to maximize flexibility in administering the Medicaid program for the benefit of all Kansans.

The waiver request will mirror the broad flexibility sought by many other states facing challenges similar to Kansas.

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Person-Centered Care Coordination

- The state will leverage private sector innovation to achieve public goals by issuing a Request for Proposal (RFP) targeting three statewide KanCare contracts.
- Population-specific and statewide outcomes measures will be integral to the contracts and will be paired with meaningful financial incentives.
- The reforms explicitly call for creation of health homes, with an initial focus on individuals with a mental illness, diabetes, or both.

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Person-Centered Care Coordination

- The KanCare RFP encourages contractors to use established community partners, including hospitals, physicians, community mental health centers (CMHCs), primary care and safety net clinics, centers for independent living (CILs), area agencies on aging (AAAs), and community developmental disability organizations (CDDOs).
- Safeguards for provider reimbursement and quality are included.

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Person-Centered Care Coordination

- The state will create a contractual obligation to maintain existing services and beneficiary protections.
- Services for individuals residing in state ICF-MR facilities will continue to be provided outside these contracts.

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Home and Community Based Services

- Kansas currently has the sixth highest percentage of seniors living in nursing homes in the country.
- Includes long-range changes to the delivery system by aiding the transition away from institutional care and toward services that can be provided in individuals' homes and communities.
- Including institutional and long-term care in person-centered care coordination means KanCare contractors will take on the risk and responsibility for ensuring that individuals are receiving services in the most appropriate setting.
- Outcome measures will include lessening reliance on institutional care.
- The reforms also include helping nursing facilities build alternative HCBS capacity.

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Inclusiveness

- Services for Kansans with developmental disabilities will continue to utilize the statutory role of CDDOs, but their inclusion in KanCare means the benefits of care coordination will be available to them.
- Contractors will be accountable for functional as well as physical and behavioral health outcomes.
- The medical model of care will not be placed on top of the long term care system for the DD population. DD Reform Act will continue to govern DD service provision.
- Providing Kansans with developmental disabilities enhanced care coordination will improve access to health services and continue to reduce disparities in life expectancy while preserving services that improve quality of life.

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Consumer Voice

- Because these reforms were driven by Kansans, the Administration also proposes to form an advisory group of persons with disabilities, seniors, advocates, providers and other interested Kansans to provide ongoing counsel on implementation of KanCare.
- Additionally, managed care organizations will be required to:
 - create member advisory committee to receive regular feedback,
 - include stakeholders on the required Quality Assessment and Performance Improvement Committee, and
 - have member advocates to assist other members who have complaints or grievances.

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
Strategic Realignment

To better coordinate services in the updated landscape of KanCare, the Administration has proposed a realignment of the state's health and human services agencies.

Agencies Impacted:

- Kansas Department on Aging (DOA),
- Department of Health and Environment (KDHE)
- Department of Social and Rehabilitation Services (SRS)


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Key Points

- The goal is to align and sustain programs.
- The realignment addresses inefficiencies.
- This realignment will decrease the number of agencies dealing with Medicaid, thus increasing administrative coordination and streamlining Kansans' interaction with state government.
- This purpose is not to reduce staff or funding.
- The reorganization will foster an environment in which each agency can more clearly focus on its mission and improve coordination across services and programs.

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Realignment Proposal: Aging and Disability Services

The reorganization plan proposes that the Department on Aging add disability services to its mission. This reorganized agency will gain oversight of all Medicaid waivers and be responsible for mental health, substance abuse and state hospitals.

Programs slated to move from SRS to this new agency:

- Medicaid Waivers
- Mental Health and Substance Abuse
- State Hospitals/Institutions

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**Realignment Proposal:
Department for Children and Families**

- With waiver services moving to the Department for Aging and Disability Services, the plan calls for a reorganized SRS to transform into an agency focus solely on services for children and family issues.
- The Kansas Department of Social and Rehabilitation Services will be reorganized renamed the Department for Children and Families.

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**Realignment Proposal:
Health Care Finance**

- KDHE's Division of Health Care Finance has been charged with KanCare finance and oversight.
- Core public health and environmental regulatory functions will remain at KDHE.

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**Realignment Proposal:
EROs**

The Administration continues to work on the details of the reorganization, and agency leaders will be coordinating efforts through the new state fiscal year. We will keep this a transparent process and will work with our employees and community partners to make all programs a continued success.

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