



Tom Bell
President and CEO

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

FROM: Chad Austin
Senior Vice President, Government Relations

Tish Hollingsworth
Senior Director of Reimbursement

DATE: November 18, 2014

RE: Status of KanCare Implementation on Kansas Hospitals

The Kansas Hospital Association appreciates the opportunity to share our recent experiences with the KanCare program to the Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services and KanCare Oversight.

As we have shared in previous meetings, KHA has formed within its membership a KanCare Implementation Technical Advisory Group (TAG) to assist us in our efforts in identifying and resolving issues relating to the KanCare program. As part of this TAG, KHA has invited representatives from the Kansas Department of Health and Environment (KDHE) and the Medicaid managed care organizations (MCOs). The TAG has met four times this year, with the latest occurring last month.

In 2014, the top priority for the TAG was the continuation of our collaborative work with the MCOs and KDHE to review and address lingering reimbursement issues encountered since the roll out of the KanCare program. One of the top concerns raised by Kansas hospitals continues to be the significant amount of patient accounts receivable over 90 days old attributable to KanCare. Prolonged delays in account receivables (A/R) cause cash flow problems as well as increase the administrative burden on hospital staff to monitor and track unpaid or incorrectly paid claims. As part of the 2014 Kansas Legislative Session, the legislature passed House Bill 2552. This legislation is supposed to provide additional protections to Kansas health care providers under the KanCare program by subjecting the KanCare managed care organizations to prompt payment requirements. While we are grateful for this legislation, KHA is still awaiting to see the regulations that will outline how the law will be implemented.

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Further, KHA has periodically surveyed our members regarding KanCare implementation issues and concerns with provider reimbursement. The results of the most recent survey for the period ending June 30, 2014, indicate that the amount KanCare A/R over 90 days slightly decreased from the previous reporting period of March 31, 2014. KHA staff met with the leadership of each of the MCOs as well as KDHE to review the results of the survey and to help identify specific hospitals with high A/R over 90 days. This analysis has been helpful to connect the hospitals with specific MCOs to identify claims and payment issues as well as to identify educational opportunities.

The TAG plans to continue their work with KDHE and the MCOs in 2015 to address consistency in credentialing requirements, additional review of prior authorization requirements, and educational needs. Thank you for your consideration of our comments.