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

FROM: Jane Kelly, Executive Director, Kansas Home Care Association

Follow-up Issues with KanCare for Home Care and Hospice Providers

November 18, 2014

On behalf of the Kansas Home Care Association, I appreciate this opportunity to give you some updates on issues with the Medicaid Managed Care (KanCare), for the Home Care and Hospice providers of our association.

Kansas Home Care Association is the state-wide trade association, representing home care and hospice providers. Our agencies provide skilled nursing, therapy and aide services to patients in their home.

After almost two years on the Medicaid Managed Care system, relatively little has changed. A year ago in testifying to this committee, we said that the move to Managed Care for Medicaid has had a devastating effect on the agencies and their clients. Today, a year later, the same is still true.

After the KanCare Oversight hearings last Fall, we were able to make contact with the representatives of all three Managed Care Companies and arrange conference phone calls with our association member agencies. We forwarded a list of ongoing issues and each MCO had numerous representatives from their company on each of the calls. We held calls monthly with each of the companies for some time, however one company gave us a time slot at 4:30 p.m. when almost none of our agencies could be on a call, due to end of the day duties and people going home. After several attempts at trying to change this time, most of our agencies gave up and just did not participate in these calls. Likewise with the other agencies, time and again representatives of the MCO's would promise to get with the agency directly on specific issues – most time this did not materialize. Our agencies either couldn't get the same person on the phone directly or was referred to someone else. This only multiplied the time spent by our agencies to try and get prior authorization for patients or to follow-up on a claim that was rejected or had not been paid.

A direct quote from a hospital based home health agency director, "As a provider, we are financially at risk for every KanCare patient we serve. Even though the rules can be different for each MCO, it doesn't mean we will g

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dealing with these companies is huge. Even if you are successful in getting the claim paid, it doesn't mean it's paid correctly. Our hospital is providing bookkeeping service for the MCO's with both overpayments and underpayments. This adds to our administrative burden."

Echoed by numerous agencies: "We wait forever to get paid. If the claim has been paid incorrectly by the MCO, we wait another 30 days to have the claim reprocessed." Some agencies have said that if their KanCare population were larger, they would not be able to withstand the slow cash flow.

The support the home health and hospice agencies are getting is fair with one company to nonexistent with another. Examples: One of our agencies in Abilene cites that they have not had a provider rep with Sunflower in their area for many months. They did not have a case manager for many months either. Some of their HCBS clients did not have an annual evaluation for many months after it was due and the agency cannot confirm that they are up to date yet. This agency states also that the only contact they have for complaints or issues has refused to neither take their calls nor answer emails.

Many of our agencies still cite denials that make no sense to anyone – particularly with Therapy codes. No one at Sunflower or Cenpatico still doesn't seem to understand the home health therapy codes. One agency stated they have spent endless hours on one patient with the authorization process to claims and four months later it still has not been paid correctly. From January of 2013, Sunflower has yet to correctly deduct the client co-pay from their HCBS payments. Likewise with both United and Amerigroup, we have agencies that still have old payments issues that are not resolved.

From Nemaha County – they are seeing the elderly safety net disappear. Local agencies that provided personal care, homemaking and personal emergency response have all left the business. They can't find employees willing to work for what HCBS is willing to pay. Consequently the local Area Agency on Aging also pulled their contracts from local providers in hopes of getting a better price through a multi-county provider. Right now, seniors in this area who qualify for Medicaid are self-directed, which is often paid for, but not provided. Private pay options are also disappearing.

Kansas Home Care Association suspects that the example from Nemaha County is happening in many areas of the state as well. This cannot continue. Providers are operating, in many cases, at a negative margin with their Medicare clients. They cannot afford to continue to accept KanCare clients when in many instances they are never receiving payment for services and on top of which their billing staff spends hours upon hours trying to sort out the mess.

Although I've only cited examples from a couple of agencies in different areas of the state, I assure you that the issues are the same across the board. When surveyed, there was not one member agency that indicated they were not having issues with the MCO's and their KanCare clients. Most agencies, I fear, have given up the fight and will give up accepting these clients. What the bottom line then is for Kansans is the choice of the most cost-effective care setting (the patient's home) will continue to dwell. Access to care is already a problem and will get worse.

I would respectfully urge the committee to pledge support for the most vulnerable citizens of Kansas and their health care by requiring specific data from the MCO's as to payments owed to agencies; require consistent prior-authorization rules from all three of the Managed Care Organizations; and require the state departments overseeing the MCO's to survey Kansas counties as to gaps in service.

The KanCare program was cited as a way to save the state of Kansas millions of dollars in Medicaid costs – I sincerely doubt the outcome was to be saving money by reducing care options for those patients in the Medicaid program and forcing them into more costly institutional settings or worse, let their health deteriorate to the point of death.

Kansas Home Care Association and its member agencies would be open to working with the state and the MCO's to find ways to provide better and more consistent care for patients and ways in which the agencies can get paid in a more timely and efficient process. Thank you.

Respectfully submitted,

Jane Kelly, Executive Director