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Bethell Joint Committee on HCBS and KanCare Oversight
October 7, 2013

Madam Chairwoman and members of the Committee

Kansas Health Care Association and Kansas Center for Assisted Living, a trade association with a membership of over centers 200 providing care in skilled nursing settings, assisted living, residential health care, home plus, nursing homes for mental health and HCBS providers. Thank you for the opportunity to testify.

As you can imagine, KHCA was very interested in presenting testimony today for a KanCare update from our providers.

We would like to remind you that KHCA/KCAL providers were willing participants as KanCare was rolled out across the state. Providers attended meetings and trainings to understand a very different and involved system. We worked with the state and the insurance companies to have a smooth roll out. Well, now at the tenth month of KanCare we have deep concerns about the progress or lack of progress of the new insurance program.

There has been a huge administrative price to pay with the new systems. These are dollars and resources not being used for patient care not going into the quality of care for our residents.

Our providers are caregivers so dealing with three different insurance companies has challenged them. Hence, three different documentation systems, coding issues to name several changes...

The major issue continues to be systems within all three companies.

Wrong rates being paid. July 1, rates are still not being paid.

Patient cost share reported incorrectly and taken twice by the insurance companies. Do they not understand the process?

Payments to providers just show up in their accounts without the reconciliation required to help the bookkeepers track the claims. They have to wait until they receive remittance advice comes in the SNAIL MAIL.

The insurance companies have put in new edits in the system not knowing the result would be a new provider problem.

No rhyme or reason to how or when the providers will be paid.

And when the insurance companies say they are paying daily...they might be paying daily but not sequentially. When a provider is shorted \$2 a day that can quickly become \$10,000 before everything is paid correctly.

Providers used the word "deployable" when asked about their customer service with the insurance companies. One of my providers said, "everything promised...did not happen!"

Some providers say they have not heard from their provider representatives. The companies have had significant turnover in their employees.

Doing the research for this report I called several centers, one in Topeka and another in Johnson County. Both of the of them told me they had residents who were ready to move back to their home or less restrictive setting and the insurance companies had huge delays in getting the folks moved. Several of these folks have not moved and they are stilling waiting on word to move back home. This certainly is a concern and all efforts must be made to assist the residents in these transitions. The companies do not understand the money follows the person program.

Robert G. (Bob) Bethell Joint
Committee on Home and Community
Based Services and KanCare Oversight
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Attachment: 5

Independent and small providers who have had accounts receivable reach the \$200,000 plus range will not be able to sustain a viable business very long. This happened to one member, they were owed more than \$150,000 by one insurance company and it did not get resolved until Dave Halferty and Joe Ewert intervened and then the center was paid two months after the initial inquiry.

In the already underserved rural areas, this will push an already fragile system to the brink. There has been a huge administrative price to pay with the new systems. These are dollars and resources not being used for patient care.

In the previous system, providers were paid weekly. With the new systems in place, it has taken and is taking 60-90 for payments. The unfortunate thing is this does not guarantee proper payments. Providers cannot predict cash flow because it comes in bits and pieces with no sequential information.

When we asked the Legislative Budget committee in September 2012 to slow down implementation we did that for the very reason to avoid such system breakdowns. These system breakdowns are fixable but we all need to work on some solutions with all parties.

KHCA promises you we will continue to work on behalf of the elders, the most important work we do!

Thanks for your consideration.

Cindy Luxem
CEO, Kansas Health Care Association