Testimony before the Joint Committee on HCBS and KanCare Oversight
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Good Morning. My name is Jon Scott and I am the CEO/Administrator of Meadowbrook Rehabilitation Hospital, a 96-bed acute rehabilitation hospital and nursing facility located in Gardner, Kansas that, in addition to acute rehabilitation and skilled nursing, serves a large number of patients suffering from Traumatic Brain Injury or TBI. I want to thank you for this opportunity to speak with you to briefly update you on the challenges we are facing in receiving accurate and timely reimbursement for care provided to Medicaid patients through the new managed care organization arrangement.

As you may know, Meadowbrook Rehabilitation Hospital is the only facility in Kansas that is recognized under the HCBS waiver program for Traumatic Brain Injury services. As such, we have always maintained a close working relationship with KDADS and other agencies to ensure that our patients receive timely care and intensive therapies specifically tailored to their unique conditions with the goal of returning patients back to a community setting. Until the change over to the managed care companies (MCOs), Meadowbrook Rehabilitation Hospital was always reimbursed quickly and accurately by Kansas Medicaid for TBI services. This, however, has not been the case under the new arrangement.

There seems to be some ongoing confusion on the part of the MCOs as to what type of facility Meadowbrook is when it comes to reimbursement. Despite the fact that each of our separate and distinct units have separate and unique NPI numbers, we rarely receive the correct contracted reimbursement rate for patients treated on our TBI unit.

Currently, our per diem contracted rate for the care and treatment of TBI patients in our Rehabilitation Hospital is $750.00. The current rate we are reimbursed for patients on our Skilled Nursing Unit is $196.28 per diem. Each of these programs is billed under its unique NPI number, however, reimbursement from the MCOs for TBI services is regularly reimbursed at the $196.28 skilled rate (not the contracted $750 TBI rate) and, on occasion, we incorrectly receive $750 per diem reimbursement for Skilled Nursing care instead of the correct rate of $196.28. Our business office manager at Meadowbrook quickly identifies these discrepancies and notifies the MCOs of the reimbursement errors. However, it takes a considerable amount of time for the correct payment to be remitted, causing our receivables to balloon.

As of Friday morning, November 22, 2013, Meadowbrook Rehabilitation Hospital had an outstanding accounts receivable balance of **$892,616.01** specific to Kansas Medicaid reimbursement for TBI.

We have been in contact with several representatives from each of the MCOs, including Managers of Network Contracting, Vice Presidents of Health Plan Operations, Managers of Provider Relations, and each has a good understanding of our situation and has

pledged to assist in correcting the problem quickly -- however, reimbursement continues to be incorrect. Additionally, when correct payment is finally remitted, the MCO then issues a notice to reclaim the funds it paid in error – but, reclaims at the $750 per diem rate – putting us back to square one again.

It doesn't seem like this should be that difficult of a fix – and, in fact, one of the MCOs, AmeriGroup, has greatly improved. However, despite several meetings and telephone conversations with representatives of the MCOs and correspondences sent to claims departments, our accounts receivable continue to increase to an unacceptable amount.

Therefore, I am here today to ask for assistance from this committee to please look into improving the accuracy and timeliness of Medicaid reimbursement to facilities like Meadowbrook Rehabilitation Hospital who are serving the specialized needs of their members.

Thank you.