



To: Senator Mary Pilcher-Cook, Chair, Representative David Crum, Vice-Chair and Members of the Robert G. (Bob) Bethel Joint Committee on Home and Community Based Services and KanCare Oversight
From: Rachel Monger, Director of Government Affairs
Date: November 25, 2013

KanCare: A Long Term Care Update

Thank you, Madam Chair, Mr. Vice-Chair and Members of the Committee. I am Rachel Monger, Director of Government Affairs for LeadingAge Kansas. We have 160 members across Kansas, which include not-for-profit nursing homes, retirement communities, hospital long-term care units, assisted living and residential health care residences, homes plus, low income housing, home health agencies, home and community based service programs, PACE and Meals on Wheels. Our members serve more than 25,000 elders each day.

At the October 7, 2013 meeting of the Oversight Committee, we presented testimony about the some of the challenges our members have faced in the first year of KanCare. Those challenges were summarized as:

Delayed payments at inaccurate rates, causing uneven cash flow, service challenges and a large administrative burden in seeking solutions.

After the Committee meeting, we met with KDADS and the three MCOs to further discuss our challenges, and try to find answers as to how to best address them. They are receptive to our concerns, and trying to be responsive. The problems we described with untimely and inaccurate payments have not vanished. And new problems have arisen.

Untimely and Inaccurate Payment

As of last week, nursing home members were reporting continued problems with:

- Slow and inaccurate payments
- The complicated and delayed process of claim corrections
- Slow and seemingly complicated process of rate adjustments
- Confusion over payment denials for certain diagnoses that were reimbursable in the past
- MCOs rejecting claims and asking provider to bill private insurance – when no private insurance exists
- Difficulties with prior authorization requirements for nursing home admission

HCBS Claim Payment

There has been a recent increase in difficulties with HCBS payments for our assisted living members. Our members are struggling with what they see as a lack of uniformity with each MCO in the interpretation of how HCBS billing works and the number of units and time that are reimbursable. Assisted living providers are struggling to keep up with what seem to be new interpretations of HCBS reimburseables and sorting out why claims are being denied.

It has resulted in significant payment delays for assisted living providers.

Administrative Burden

The administrative burden that comes with the challenge of working with three insurance companies with three different sets of rules and procedures has not lessened. We anticipate that it will continue throughout the life of KanCare, and we do not want the hidden administrative costs of this new system to fall to the wayside in the managed care discussion.

The burden being borne by providers is significant, and adds to the cost of care for persons on Medicaid. Costs with which Medicaid reimbursement has never been able to keep pace.

The increased administrative costs for our members make their service to vulnerable elders harder to sustain. It is a danger to the quality and capacity of the Medicaid system. We hope that as KanCare continues to develop, we can pursue opportunities to lessen this burden.

Until then, we are committed to working with the State and MCOs to find solutions to reimbursement problems, and to ensure the best care possible for our Kansas elders.

We thank this Oversight Committee for allowing us to provide an update on our concerns. We are happy to meet with members of the Committee at any time to answer questions and to further discuss our experiences with KanCare.