SUMMARIES OF INDIVIDUAL PROGRAM REVIEWS AND KHPA STAFF RECOMMENDATIONS FOR MEDICAID TRANSFORMATION

REVIEW AND RECOMMENDATIONS FOR SPECIFIC HEALTH CARE SERVICES

NOTE: EXPENDITURES FOR SPECIFIC HEALTH CARE SERVICES INCLUDE THOSE ATTRIBUTABLE TO THE REGULAR, OR FEE-FOR-SERVICE (FFS) PROGRAM, WHICH INCLUDES THE HEALTH CARE SERVICES PROVIDED TO MEMBERS OF THE HEALTHCONNECT PROGRAM, WHICH IS A PRIMARY CARE CASE MANAGEMENT HEALTH CARE DELIVERY SYSTEM.

Dental Services

Description. Kansas Medicaid and State Children’s Health Insurance Program (SCHIP) provide a comprehensive dental benefit package for children, some developmentally disabled adults, and adults receiving services through Home and Community-Based Services (HCBS) waivers. In state fiscal year (FY) 2007, approximately 24,000 SCHIP beneficiaries received dental services totaling $7,330,140 with an average payment per beneficiary of $305.42. Approximately 70,500 Medicaid beneficiaries received dental services in FY 2007 totaling $27,115,769 with an average payment per beneficiary of $384.20.

Key Points

- As a result of health reforms included in Senate Bill 81, a comprehensive dental benefit will be offered to pregnant women beginning May 2009, pending confirmation of full funding through the consensus caseload appropriations process. However, other non-disabled adults on Medicaid (e.g., parents) continue to have access only to emergency dental services.

- Kansas, like most other states, is facing a significant dental provider shortage and ranks 29th in the nation in the number of dentists per capita. Kansas has a dentist to population ratio of 1 to 2,127 compared to the national average of 1 to 1,888 residents. Reimbursement rates and administrative simplification are commonly thought to be critical factors in attracting and retaining Medicaid-participating dentists.

- Kansas providers receive just over 60% of the average private reimbursement for our region. Participating dentists frequently raise the issue of reimbursement as a potential barrier to continuing to serve Medicaid and SCHIP beneficiaries.

- Although in May 2008 the number of dental providers actively billing Medicaid increased, access remains a significant concern. In light of the declining supply of practicing dentists, the impact of increasing payment rates is unclear.

KHPA Staff Recommendation.

- Expand more comprehensive dental coverage to adults enrolled in Medicaid. Non-emergent preventive and restorative care is not available under the current policy, creating more serious health issues and lower oral health status for poverty-level Kansans.
• Engage medical practitioners in oral health status of poverty-level Kansans.
• Explore potential options to expand the dental work force.
  o Recruit dentists to Kansas.
  o Promote changes to increase the dental work force with hygienists, mid-level practitioners and/or graduating dentists.
  o Continue support of dental hub model.

Additional Option Identified by KHPA Staff.

• Increase dental reimbursement from the current level of 60% of usual and customary reimbursement to help increase dental service access for existing beneficiaries.

Home Health Services

Description. Home health services include skilled nursing care, home health aide service, and other therapeutic skilled services. Home health services are provided at a patient’s place of residence. An average of 145 agencies provide home health services to approximately 5,000 Kansas Medicaid beneficiaries. Due to increased program scrutiny and management since 2004, the number of consumers receiving home health services has declined. Expenditures also have decreased through FY 2007, and preliminary data for FY 2008 indicates further declines in total home health spending. Analysis of expenditures for FY 2005 to FY 2007, based on the top 10 diagnoses for home health services, indicates that unspecified essential hypertension was the most frequently billed diagnosis with expenditures exceeding $4 million. During FY 2005 to FY 2007 Medicaid paid home health agencies a little over $14 million for diabetic management services. During that same period, expenditures for beneficiaries with diagnoses related to mental health were almost $9 million.

Key Points.

• In an effort to improve efficiency many states have established limits on the number of visits a beneficiary may receive in a year. Many states allow only 50 to 100 visits per year, compared to limits of at least 730 visits per year in Kansas. Currently, prior authorization for home health services is only required for individuals receiving services through waivers and beneficiaries requiring multiple visits per day.
• A number of concerns regarding home health services were identified in this year’s comprehensive program review:
  o Provision of multiple skilled nursing visits per day for oral medications administered for beneficiaries with psychiatric conditions that could receive this service through the community mental health centers
  o Extended duration of services with a lack of evidence of attempts to promote beneficiary/family independence
  o Providers billing Medicaid for daily home health aide visits that may include services like housekeeping that are not considered to be home health care for purposes of Medicaid reimbursement.
• Given the high-level of routine interaction between providers and patients, there may be significant opportunities to implement core elements of a medical home in the context of home health services.
(A1) - KHPA Staff Recommendations.

- In light of the recent launch by Kansas Department of Health and Environment (KDHE) of a five-year state diabetes plan, consider sponsoring a forum to address home health diabetic services, and consider applying the medical home concept by developing a tool for Medicaid home health providers to address best practices in the care of other chronic disease processes.
- Limit home health aide visits to two per week, with additional visits through prior authorization to demonstrate medical necessity.
- Develop separate acute and long-term home health care benefits with differential rates that reflect the changing intensity of services over time.
- Increase some acute home health reimbursement rates for skilled nursing visits to reflect increasing costs.
- Work with SRS to improve coordination of services with community mental health centers.

Projected fiscal impact:

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**Review and Recommendations for Specific Populations**

**Medical Services for the Aged and Disabled**

*Description.* The aged and disabled population in Kansas accounts for 33% of the Medicaid population, but 67% of total Medicaid spending. Almost half (47%) of the growth in Medicaid from FY 2007 to FY 2009 can be attributed to the aged and disabled; 39% attributed to the disabled and 6% to the aged. The top Medicaid cost drivers for the aged and disabled include: inpatient services, pharmacy, outpatient services, mental health services, hospice and Medicare premiums and co-pays. Inpatient services represent the highest costs among the Supplemental Security Income disabled category, accounting for 71% of the $183.83 million of inpatient costs. Pharmacy is the second highest cost driver for the disabled.
Key Points.

- Medical expenditures for the aged and disabled population are projected to show steady increases in 2008 and 2009.

- Using funds from a Center for Medicare and Medicaid Services (CMS) transformation grant awarded to KHPA, we looked at whether we could improve preventive care to the aged and disabled. Our analysis showed:
  
  o Preventive care opportunities are being missed for beneficiaries struggling with diabetes, depression, coronary artery disease, hypertension, congestive heart failure, and asthma.
  
  o Preventive care opportunities are also being missed for cancer screenings, cardiac event prevention, osteoporosis screening, and pain management.

- The overall trends in expenditures and the implications of chronic health conditions that plague the aged and disabled population suggest the need to more effectively manage and support the needs of this population. KHPA is currently conducting two pilot projects that aim to improve health outcomes for people with disabilities:
  
  o The “Health Promotion for Kansans with Disabilities” pilot project, the CMS Transformation Grant program to identify and improve primary care needs among the chronically ill, and
  
  o The “Enhanced Care Management” pilot program targeting high-cost Medicaid beneficiaries in Sedgwick County for intensive care management.
• Given the high incidence of chronic illness and the high level of interaction with the medical system, the need to implement a medical home model of care is significant for the aged and disabled. Goals for improving care in this population mirror closely the established goals of a patient-centered medical home.

(NS) - KHPA Staff Recommendation.

• Develop and utilize a medical home model of care for the aged and disabled population. The development of a medical home model for Kansas is currently underway with the passage of Senate Bill 81 during the 2008 legislative session. A large group of stakeholders will design over the next year a care management model based on existing evidence and the needs of our state. The recommendations will be brought to the KHPA Board in 2009 for consideration in development of the FY 2011 budget.

REVIEW AND RECOMMENDATIONS FOR ELIGIBILITY

Description. The core purpose of this review is to evaluate eligibility policy and operations and to develop recommendations in both areas for the KHPA Board. This review describes and assesses Medicaid eligibility rules, eligibility policies, as well as the critical components of the eligibility determination process: Operations, Automated Systems and Program Integrity. Since the Medicaid program targets low-income populations, the report also includes information that describes poverty in Kansas, and state and federal minimum wage levels (Appendix C and D). Future reviews will focus on enrollment, with an evaluation of historic changes in enrollment and performance and outcomes for the Medicaid enrollment process.

To participate in the Kansas Health Policy Authority’s (KHPA) public health insurance programs, a person must be determined to be eligible. Staff at the KHPA or Department of Social and Rehabilitation Services (SRS) review a consumer’s application for medical coverage and decide if the person is eligible based on certain criteria. Public health insurance coverage is available through three primary programs; Medicaid, SCHIP (or HealthWave 21) and MediKan, as well as several smaller targeted programs. These programs provide a payment source for services to meet the health care needs of the poor elderly, persons with disabilities, pregnant women, children, very low-income families and other needy persons.

Key Points.

• Determining who is eligible for our programs is becoming more technically complex based upon changes in state and federal law. Adoption of improved computer technology to increase accuracy and efficiency of eligibility determinations is essential for the future of KHPA programs. A new automated eligibility information system is needed to support program policy and ensure accurate and consistent implementation of that policy.

  o Increased computer automation of the eligibility determination will streamline the processes and result in more timely, accurate, and consistent determinations.
Implementation of a more flexible and sophisticated system will facilitate the transition of public medical programs from traditional outdated welfare models to more innovative approaches to provide public health insurance coverage.

- KHPA and SRS have collaborated for the past year on the design of a web-based eligibility determination system.

- KHPA is in the process of acquiring and implementing an innovative online application system for consumers to use to apply for public insurance.

- KHPA and the fiscal agent, EDS, recently implemented a multi-functioning web-based tool, which gives consumers information about their benefits and processes to be completed for maintenance of their medical assistance.

- A web based presumptive eligibility (PE) screening tool will be incorporated into the online application, improving accuracy of determinations and increasing the number and location of sites where PE determinations can be completed.

- Although eligibility policy encompasses numerous groups and special categories of individuals, policy gaps remain leaving many vulnerable and very low-income Kansans without access to public health insurance coverage.

**KHPA Staff Recommendations.**

- **(B2)** - Promote community-based outreach by placing state eligibility workers on-site at high-volume community health clinics. Eligibility workers out-stationed at these clinics will be able to do full determinations at sites serving populations most likely to be eligible for public health insurance.

**Cost to provide out-stationed eligibility workers**

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- **(RD1a)** - Expand access to care for needy parents by increasing the eligibility income limit to 100% Federal Poverty Level (FPL), ($1,467 per month for a family of three). Current coverage levels are no greater than 30% FPL ($440 per month for a family of three), and fall each year as inflation eats away at the fixed dollar threshold for eligibility.
Cost to expand Medicaid for parents (caretakers) up to 100% of federal poverty level

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Additional Options Identified by KHPA Staff

- Change household composition rules for pregnant women so that they are consistent with those used for other medical populations, which would have the effect of increasing the number of eligible women.

- Expand coverage to childless adults from the current age of 19 years of age to the age of 21.

- Expand Medically Needy coverage to parents and other caretakers of children to provide catastrophic coverage.

- Medicaid's support for low-income Medicare enrollees through (a) providing access to full prescription drug coverage and (b) paying the Part B premium by eliminating asset tests and increasing the income limit for Medicare Savings Programs (MSPs) up to 185% FPL.

- Increase the Protected Income Limit for medically needy (primarily elderly and disabled people who do not yet qualify for Medicare) so that it is tied to the FPL. The last increase for this program was in 1994 and it is currently at $475 per month for both single people and couples (55% and 41% FPL respectively).

Additional Options Identified by KHPA Staff.

- Change household composition rules for pregnant women so that they are consistent with other populations and reflective of equitable standards.

- Expand coverage to childless adults under the age of 21.

- Provide medically needy medical coverage to those who are full-time caregivers for elderly or disabled individuals.

**Review and Recommendations for Quality Improvement**

*Description.* The primary goal of quality improvement at KHPA is to use the resources the agency manages to purchase and promote high quality health care for the populations we serve. In operational terms, quality health care can be described as successfully obtaining the health care services needed, at the time they are needed, to
achieve the best possible results. Quality health care may also be defined as appropriate utilization of health care services by avoiding underuse, overuse, and eliminating misuse. KHPA quality improvement efforts are intended to systematically and deliberately assess, measure, and analyze quality within and across its programs. Quality monitoring is a process of ongoing regular collection and analysis of a core set of health indicators. For KHPA programs, these indicators are focused on optimal health outcomes and efficiencies.

KHPA will use the following strategies to identify and address opportunities for improving the quality of care provided in our health care programs:

1. Regular and systematic assessment and monitoring of available quality data in the form of:
   a. Routinely collected and standardized data drawn from surveys and administrative health data.
   b. Targeted analyses and special data collections.
2. Identifying measures across KHPA programs to compare quality and enhance coordination of health care purchasing.
3. Working with program managers and agency leadership to review program quality data and make that data available to the public.
4. Recommending quality-enhancing policies to program managers and agency leadership.

**Key Points.**

- **Limited Quality Evaluation Within Programs**
  Health care quality evaluation for KHPA’s programs has historically focused on HealthWave, the Medicaid managed care program that provides health care services to low income Kansas children and pregnant women. The quality improvement activities in HealthWave have consisted primarily of those required by the Center for Medicare and Medicaid Services (CMS). However, neither the quality of services provided under the traditional FFS Medicaid program, HealthConnect, or the State Employee Health Benefits Plan (SEHBP) have been systematically evaluated.

- **Limited Comparability of Quality Improvement Across Programs**
  KHPA has engaged in a number of quality improvement efforts in HealthConnect, Medicaid FFS, SEHP, and the state worker’s compensation plan. However, different measures have been used to assess each of the KHPA programs and therefore results are not comparable across programs.

**(B3) - KHPA Staff Recommendations.**

- Share baseline quality health care data publicly. The first step in a quality improvement process to establish baseline levels of program performance, and to share these results widely. Sharing quality data facilitates understanding, motivates change, and informs consumers. This review of the quality program will serve as a baseline for continuous improvement, will outline the quality activities currently underway across KHPA programs, and highlight gaps and opportunities for improvement. The Kansas Health Policy Authority will publish quality and outcomes data that are currently collected for the HealthWave and HealthConnect programs. This complements the work of the KHPA Data Consortium, an advisory group to the KHPA Board, which is tasked with developing recommended quality indicators and health measures for the state as a whole.
• Obtain funding for new data collection. Data will be collected from beneficiaries and providers participating in our fee-for-service programs in order to evaluate performance, identify opportunities for improvement, and facilitate comparability across programs. The data will be analyzed by KHPA’s external quality review organization (EQRO). KHPA is currently re-bidding its EQRO contract for Medicaid and HealthWave. Although additional data from beneficiaries and providers is needed, our goal is to minimize any administrative burden for those who participate in Kansas Medicaid.

• Promote the use of health information technology in the Kansas Medicaid and State Employee Health Plan programs, by implementing a Community Health Record for all program participants statewide. Two health information technology pilots are currently being tested and preliminary results suggest promising results. KHPA promotes the use of health information technology to better coordinate care especially in the context of a medical home, improve health outcomes, and ultimately help to reduce health care costs.

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