

Testimony on Senate Bill 317
to
Senate Committee on Public Health and Welfare
by Robert Moser, MD
Secretary, Kansas Department of Health and Environment
February 17, 2014

KDHE appreciates the opportunity to provide testimony in support of Senate Bill 317. This legislation would require contracts between Kansas Medicaid and managed care organizations (MCOs) to include prompt payment provisions, and to include late payment penalties that MCOs would pay to providers in the form of interest penalties (1% interest per month).

MCOs are required by contract to process clean claims within 30 days and all claims within 90 days. During the first year of KanCare, the State monitored MCO performance and set aggressive pay-for-performance (P4P) standards related to operational issues.

KDHE monitors the timeliness of claims processing, which has been a P4P measure requiring either payment or denial of clean claims within 20 days and all claims within 60 days. KDHE also monitors pending claims based on the date a claim was received, and monitors the reason for any claim aged over 20 days.

The tables at the end of this testimony record MCO performance on the claims processing P4P measures in 2013. (There is a reporting lag because of the measurement period for each measure, so for claims processing the data is complete for each month through the end of October.)

More currently, as of Feb. 10, the three MCOs together had 81 claims pending for more than 30 days, all but two of which were claims related to newborns. None of those claims was older than 60 days as of Feb. 10. Please note that denied claims that a provider may dispute, or a paid amount that a provider may dispute, are not represented as pending claims.

KDHE is also embarking on a process to validate claims processing accuracy, and is launching a program improvement effort to speed up reprocessing times when claims need to be corrected.

Adding late payment penalties to the MCO contracts with providers is good policy for a number of reasons:

- 1) KanCare depends on a network of excellent providers to serve members with routine and complex conditions.
- 2) The prompt pay provision creates additional incentive for KanCare MCOs to continue improvement in claims processing timelines and issue resolution.
- 3) The legislation provides an additional tool to enforce contractual and regulatory requirements, and should give providers assurance that timely claims processing remains a focus of KanCare even as P4P measures transition to health and quality of life outcomes in 2014.

We appreciate the extra work providers and their associations have undertaken to ensure that KanCare members have access to high-quality care and services. KDHE and KDADS enjoy strong working relationships with

provider associations and hope this legislation will reinforce the State’s commitment to continued operational improvement.

Thank you for the opportunity to appear before you. I will be happy to address questions you may have.

Reporting Protocol and Summary-Amerigroup

Subject	P4P Metric	Measurement Period	Measures Achieved During Reporting Period																			
			Jan		Feb		Mar		Apr		May		Jun		Jul		Aug		Sep		Oct	
Monthly			Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Claims Processing-AMG	- 100% of clean claims are processed within 20 days	Monthly w/reset	284,417	99.762%	308,294	99.501%	317,273	99.798%	385,231	99.948%	372,619	99.658%	371,942	100.000%	392,913	99.999%	389,889	99.971%	381,078	99.932%	435,054	99.950%
Claims Processing-AMG	-99% of all non-clean claims are processed within 45 days	Monthly w/reset	11,744	100.000%	10,158	98.900%	11,982	99.825%	4,439	100.000%	3,347	100.000%	2,890	100.000%	3,053	100.000%	2,520	100%	2,718	100%	2873	100.000%
Claims Processing-AMG	- 100% of all claims are processed within 60 days	Monthly w/reset	296,839	100.000%	320,000	99.965%	329,918	100.000%	389,872	100.000%	375,966	99.661%	374,832	100.000%	395,968	100.000%	392,409	99.971%	383,944	99.971%	438,139	99.999%

Reporting Protocol and Summary-Sunflower

Subject	P4P Metric	Measurement Period	Measures Achieved During Reporting Period																			
			Jan		Feb		Mar		Apr		May		Jun		Jul		Aug		Sep		Oct	
Monthly			Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Claims Processing-SHP	- 100% of clean claims are processed within 20 days	Monthly w/reset	184,435	99.85%	324,946	98.76%	375,424	97.57%	414,508	97.96%	407,742	96.95%	379,320	97.72%	404,306	97.42%	425,604	98.35%	384,431	98.57%	454,278	98.57%
Claims Processing-SHP	- 99% of all non-clean claims are processed within 45 days	Monthly w/reset	5,795	100.00%	24,501	99.81%	21,970	91.33%	12,892	86.72%	15,461	94.80%	14,658	96.83%	12,051	93.83%	14,828	92.53%	12,264	82.34%	12,805	76.48%
Claims Processing-SHP	- 100% of all claims are processed within 60 days	Monthly w/reset	64,611	99.99%	236,097	100.00%	281,968	99.85%	297,541	99.30%	276,479	99.47%	281,676	99.83%	293,169	99.56%	447,545	99.74%	387,199	99.25%	472,700	99.25%

Reporting Protocol and Summary-United Health Community Plan

Subject	P4P Metric	Measurement Period	Measures Achieved During Reporting Period																			
			Jan		Feb		Mar		Apr		May		Jun		Jul		Aug		Sep		Oct	
Monthly			Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Claims Processing-UHC	- 100% of clean claims are processed within 20 days	Monthly w/reset	330,461	92.26%	243,951	96.39%	315,844	91.87%	319,201	92.01%	354,002	99.23%	325,313	99.86%	313,315	99.64%	345,355	100%	301,184	100%	390,647	99.99%
Claims Processing-UHC	-99% of all non-clean claims are processed within 45 days	Monthly w/reset	16,857	99.09%	18,234	100.00%	16,882	99.02%	16,641	99.08%	14,119	96.49%	17,553	99.97%	11,210	100%	13,398	100%	9,166	100%	16,155	99.89%
Claims Processing-UHC	- 100% of all claims are processed within 60 days	Monthly w/reset	375,060	99.96%	276,106	100.00%	360,694	99.96%	363,584	99.96%	369,714	99.56%	343,324	100.00%	325,659	100%	358,755	100%	310,351	100%	406,819	99.99%