KANSAS
SECTION 1115 DEMONSTRATION
FACT SHEET

Program Name: KanCare Medicaid Section 1115 Demonstration

Initial Application
Date Proposal Submitted: August 6, 2012
Date Proposal Approved: December 27, 2012
Date of Implementation: January 1, 2013

SUMMARY

KanCare is a statewide Medicaid reform effort that expands managed care to almost all Medicaid state plan populations (including some dual eligibles) for physical, behavioral, and long term care services. KanCare also provides managed care authority for the state's concurrent section 1915(c) home and community based services (HCBS) waivers, creating the first section 1115(a)/1915(c) combination. This demonstration does not expand Medicaid eligibility in Kansas. KanCare also creates a Safety Net Care Pool in the state, made up of two sub-pools: an Uncompensated Care (UC) Pool and a Delivery System Reform Incentive Payment (DSRIP) Pool. The state will operate KanCare as a section 1115(a)/1915(c) combination demonstration; the state is amending its 1915(c) waivers to reflect the managed care authority provided by the section 1115(a) demonstration. The effective date for these amendments will be coordinated with the implementation date for the section 1115(a) demonstration.

The concurrent section 1915(c) waivers are: Autism waiver (KS-0476); Physically Disabled wavier (KS-0304); Technology Assisted waiver (KS-4165); Traumatic Brain Injury (KS-4164); Serious Emotional Disturbance waiver (KS-0320); Frail and Elderly waiver (KS-0303); and MR/DD waiver (KS-0224).

The goals of the KanCare demonstration are to:

- Provide integration and coordination of care across the whole spectrum of health to include physical health, behavioral health, mental health, substance use disorders and long term services and supports.
- Improve the quality of care of Kansas Medicaid beneficiaries receive through integrated care coordination and financial incentives paid for performance (quality and outcomes);
- Control Medicaid costs by emphasizing health, wellness, prevention and early detection as well as integration and coordination of care; and
- Establish long-lasting reforms that sustain the improvements in quality of health and wellness for Kansas Medicaid beneficiaries and provide a model for other states for Medicaid payment and delivery system reforms as well.

ELIGIBILITY

Most individuals eligible under the Kansas Medicaid state plan are eligible for the KanCare demonstration. Individuals eligible for the state's concurrent section 1915(c) HCBS waivers are

also eligible for KanCare. There are no populations made newly eligible through the demonstration.

DELIVERY SYSTEM

KanCare beneficiaries can choose from three managed care organizations (MCOs). Individuals on the MR/DD waiver receive state plan services through the MCO but receive waiver services on a fee-for-service basis. All other waiver beneficiaries receive all services (state plan and HCBS) through the MCO.

BENEFITS

KanCare beneficiaries receive all state plan benefits (including long term care) through the MCOs. Individuals eligible through one of the concurrent section 1915(c) waivers receive that waivers specified benefits in addition to state plan services. Individuals with behavioral health or substance use disorder needs may receive additional 1915(b)(3)-like services through the demonstration.

QUALITY AND EVALUATION PLAN

Due to the structure as a section 1115(a)/1915(c) combination demonstration, all section 1915(c) waiver reporting requirements continue to apply to the KanCare demonstration through that authority. Under the section 1115(a) demonstration, Kansas is also required to meet all the managed care reporting requirements under 42 CFR 438 et seq. Also under the demonstration, Kansas will assess the following hypotheses:

1. By holding MCOs to outcomes and performance measures, and tying measures to meaningful financial incentives, the state will improve health care quality and reduce costs;
2. The KanCare model will reduce the percentage of beneficiaries in institutional settings by providing home- and community-based services and supports to beneficiaries that allow them to move out of an institutional setting when appropriate and desired;
3. The state will improve quality in Medicaid services by integrating and coordinating services and eliminating the current silos between physical health, behavioral health, mental health, substance use disorder, and long term services and supports ;
4. Providing integrated care coordination to individuals with developmental disabilities will improve access to health services and improve the health of those individuals.

More specifically, the state's evaluation design must, at a minimum, address the research questions/topics listed below and the goals of the demonstration listed in the Summary section above. For questions that cover broad subject areas, the state may propose a more narrow focus of the evaluation.

1. What is the impact of the managed care expansion on access to care, the quality, efficiency, and coordination of care, and the cost of care, for each demonstration

population or relevant population groups;

2. What is the impact of including long-term care services in the capitated managed care benefit, with a sub-focus on the inclusion of HCBS in capitated managed care;

3. How did the UC Pool impact care under Medicaid in the state;

4. What is the impact of DSRIP payments to participating providers?

COST-SHARING

There are no co-payments under the KanCare MCOs; the state is authorized to charge co-payments up to the level authorized in the state plan. Premiums are limited to those authorized by the state plan.

PENDING ACTIONS

On August 19, 2013, the state submitted a three part amendment including the following items: 1) To carve-in long-term services and supports for the Intellectually Disabled/Developmentally Disabled (ID/DD) population served on a 1915(c) waiver (who were carved out at the start of the KanCare Demonstration); 2) Establish three pilot programs designed to support persons who might otherwise be enrolled in Medicaid, and; 3) Delay for one year the start of the Delivery System and Reform Incentive Payment (DSRIP) program.

On September 20, 2013 the DSRIP delay amendment was approved.