Report of the Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services and KanCare Oversight to the 2025 Kansas Legislature

CHAIRPERSON: Representative Brenda Landwehr

VICE-CHAIRPERSON: Senator Beverly Gossage

OTHER MEMBERS: Senators Molly Baumgardner, Michael Fagg, Pat Pettey, and Mark Steffen; and Representatives Barbara Ballard, Emil Bergquist, Will Carpenter, Susan Concannon, and Susan Ruiz (Substitute members: Senators Renee Erickson, Virgil Peck, and Mark Steffen)

CHARGE

Oversee Long-term Care Services and KanCare

KSA 2023 Supp. 39-7,160 directs the Joint Committee to oversee long-term care services, including home and community based services (HCBS). The Joint Committee is to oversee the savings resulting from the transfer of individuals from state or private institutions to HCBS and to ensure that any proceeds resulting from the successful transfer be applied to the system for the provision of services for long-term care. Further, the Committee is to oversee the Children's Health Insurance Program, the Program for All-Inclusive Care for the Elderly, and the state Medicaid program (KanCare), and monitor and study the implementation and operations of these programs including, but not limited to, access to and quality of services provided and any financial information and budgetary issues.

January 2024

Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services and KanCare Oversight

Annual Report

Conclusions and Recommendations

The Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services and KanCare Oversight (Committee) recommends:

- The Kansas Department of Health and Environment implement the graduate medical education program for the Kansas Behavioral Health Center of Excellence, with an 18-month timeline for implementation;

- A budget proviso be drafted to address the three pending issues pertaining to the Children's Health Insurance Program (CHIP): CHIP eligibility in current law that is tied to 250.0 percent of the 2008 federal poverty level and federal regulatory changes regarding waitlists and lockout periods;

- The social services budget committees review providing grant funding for local communities to apply for a grant to make digitally available a local resource guide based upon the out-of-print "Explore Your Options" Resource Guide;

- A budget proviso be drafted providing for additional substance use disorder (SUD) state funding through a grant fund to supplement federal funding for those SUD providers that have expended their allocated funds;

- The adoption of conferee rules for the Committee; and

- Program for All-Inclusive Care for the Elderly Medicaid rates continue to be rebased annually through a budget proviso.

Proposed Legislation: The Committee requests:

- A Committee bill be introduced using the 2024 omnibus budget proviso language regarding funding for the Mental Health Intervention Team program and keeping the program within the Kansas Department for Aging and Disability Services and legislation;

- Support for the Kansas Behavioral Health Center of Excellence;

- A change in the home plus definition in KSA 2024 Supp. 39-923 to increase the maximum number of beds from 12 to 16 for both stand-alone home plus facilities and adult care home wings that convert to a separate but contiguous home plus facility;

- The Department of Administration be required to adopt a written policy governing the

negotiated procurement of managed care organizations to provide Medicaid services pursuant to a contract with the Kansas Program of Medical Assistance. The policy shall include prohibition on the destruction of records that complies with the Kansas Open Records Act, adoption of a tie-break procedure if part of the evaluation process used to make award recommendations involves scoring, and a requirement to be transparent with the Legislature to the full extent permitted by law. The adopted policies shall be made available to the public and potential bidders; and

- A rural emergency hospital (REH) be allowed to be granted a waiver from the physical environment requirement of a new facility for skilled nursing beds that need to be included for hospitals to be able to transition to a REH, without having to meet the requirements for a new facility.

Background

The Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services (HCBS) and KanCare Oversight (Committee) operates pursuant to KSA 2024 Supp. 39-7,159, *et seq.* The previous Joint Committee on HCBS Oversight was created by the 2008 Legislature in House Sub. for SB 365. In HB 2025, the 2013 Legislature renamed and expanded the scope of the Joint Committee on HCBS Oversight to add the oversight of KanCare (the State's Medicaid managed care program). The Committee oversees long-term care (LTC) services, including HCBS, which are to be provided through a comprehensive and coordinated system throughout the state. The system, in part, is designed to emphasize a delivery concept of self-direction, individual choice, services in home and community settings, and privacy. The Committee also oversees the Children's Health Insurance Program (CHIP), the Program for All-Inclusive Care for the Elderly (PACE), and the state Medicaid programs.

The Committee is composed of 11 members: 6 from the House of Representatives and 5 from the Senate. Members are appointed for terms that coincide with their elected or appointed legislative terms. The Committee is statutorily required to meet at least once in January and once in April when the Legislature is in regular session and at least once for two consecutive days during both the third and fourth quarters, at the call of the chairperson. The Committee is not to exceed six total meetings in a calendar year; however, additional meetings may be held at the call of the chairperson when urgent circumstances require such meetings.

In its oversight role, the Committee is to oversee the savings resulting from the transfer of individuals from state or private institutions to HCBS and to ensure proceeds resulting from the successful transfer be applied to the system for the provision of services for LTC and HCBS, as well as to review and study other components of the State's LTC system. Additionally, the Committee is to monitor and study the implementation and operations of the HCBS programs, CHIP, PACE, and the state Medicaid programs, including, but not limited to, access to and quality of services provided and financial information and budgetary issues.

As required by KSA 39-7,160, at the beginning of each regular session, the Committee is to submit a written report to the President of the Senate, the Speaker of the House of Representatives, the House Committee on Health and Human Services, and the Senate Committee on Public Health and Welfare. The report is to include the number of individuals transferred from state or private institutions to HCBS, as certified by the Secretary for Aging and Disability Services, and the current balance in the HCBS Savings Fund. [*Note:* See Appendix A for the 2024 report.]

The report also is to include information on the KanCare Program regarding:

- Quality of care and health outcomes of individuals receiving state Medicaid services under KanCare, as compared with outcomes from the provision of state Medicaid services prior to January 1, 2013;

- Integration and coordination of health care procedures for individuals receiving state Medicaid services under KanCare;

- Availability of information to the public about the provision of state Medicaid services under KanCare, including access to health services, expenditures for health services, extent of consumer satisfaction with health services provided, and grievance procedures, including quantitative case data and summaries of case resolution by the KanCare Ombudsman;

- Provisions for community outreach and efforts to promote public understanding of KanCare;

- Comparison of caseload information for individuals receiving state Medicaid services prior to January 1, 2013, with the caseload information for individuals receiving state Medicaid services under KanCare after January 1, 2013;

- Comparison of the actual Medicaid costs expended in providing state Medicaid services under KanCare after January 1, 2013, with the actual costs expended under the provision of state Medicaid services prior to January 1, 2013, including the manner in which such cost expenditures are calculated;

- Comparison of the estimated costs expended in a managed care system providing state Medicaid services before January 1, 2013, with the actual costs expended under KanCare after January 1, 2013; and

- All written testimony provided to the Committee regarding the impact of the provision of state Medicaid services under KanCare upon residents of adult care homes.

In developing its report, the Committee is also required to consider the external quality review reports and quality assessment and performance improvement program plans of each managed care organization (MCO) providing state Medicaid services under KanCare.

The Committee report must be published on the official website of the Kansas Legislative Research Department (KLRD). Additionally, the Kansas Department for Aging and Disability Services (KDADS), in consultation with the Kansas Department of Health and Environment (KDHE), is required to submit an annual report on the LTC system to the Governor and the Legislature during the first week of each regular session.

Committee Activities

The Committee met once during the 2024 Session (February 2) and three times during the 2024 Interim (June 24, August 26-27, and October 22-23). In accordance with its statutory charge, the Committee's work focused on specific topics described in the following sections.

KDHE KanCare Overview and Update

At the February 2, 2024, meeting, the Secretary of Health and Environment (Secretary, in the KDHE portion of this report) provided an overview of the agency as part of the KDHE update. The Secretary provided an update on the Medicaid Governance Committee, listing the committee members and explaining the committee's purpose and changes to key staffing positions in the organizational structure.

At the June 24, 2024, meeting, the Secretary stated the agency had been working on 13 major initiatives. The governance council created in 2024 is helping with organization and strategic direction. KDHE is continuing to integrate Medicaid, the work of KDADS, and public health to better align with physical health and behavioral health priorities of the State and the funding for such services. KDHE has been working on the restructure and reorganization of the Medicaid program with assistance from the Boston Consulting Group. KDHE also has been preparing for the implementation of KanCare 3.0, which was in the readiness and review phase.

The Medicaid Director provided information on Medicaid eligibility improvements to the renewal form, permanent unwinding flexibilities, a new fax system, and a new communication tool.

At the August 26-27, 2024, meeting, the Medicaid Director provided a chart reflecting the breakdown of beneficiaries by MCO, noting there were 443,087 beneficiaries as of May 2024. She also provided information regarding processed and denied claims, MCO profit and loss, resolved member grievances and appeals, resolved provider grievances, and customer service center metrics.

The Medicaid Director stated that, in Kansas, open enrollment begins November 1, 2024, and runs for 60 days. She noted a new MCO will begin to provide services in January 2025, and a member will have until March 31, 2025, to change plans.

At the October 22-23, 2024, meeting, the Medicaid Director stated KDHE completed the reorganization of the Managed Care Bureau and Medical Bureau and created a Data, Research, and Analytics Bureau to support additional oversight of KanCare. The areas of focus for each bureau were provided. The call center metrics were reviewed. The Medicaid Director stated the Centers for Medicare and Medicaid Services (CMS) is requiring all states to complete a compliance assessment to demonstrate compliance with federal renewal requirements for CMS review and approval. She noted any areas of non-compliance must be resolved by December 31, 2026. A review of the compliance assessment and plan on federal renewal requirements was provided. Kansas will submit its assessment to CMS by the December 31, 2024, deadline.

KDHE provided a list of the statutory reports that KDHE provides to the Legislature during a calendar year.

KanCare Updates

At each of the quarterly meetings, a representative of KDHE provided updates on KanCare. The KanCare Executive Summary for the prior quarter was provided as well. The quarterly reports include MCO profit and loss summaries, as well as a variety of data points.

1115 Waiver Renewal

At the February 2, 2024, meeting a representative of KDHE provided information regarding the transition from a waiver under Section 1115 of the Social Security Act (1115 waiver) to the companion Section 1915(b) waiver, which occurred on December 31, 2023. This transition allows the state to bypass the budget neutrality cap. Kansas retained a small 1115 waiver to cover items that could not be moved to the 1915(b) waiver. The items in the remaining 1115 waiver were listed in the testimony. Items that transitioned to the State Plan Authority to be eligible to receive federal matching funds were reviewed.

Autism Services under EPSDT

At the June 24, 2024, meeting, the Medicaid Director noted children who age out of the Autism waiver at age nine would be eligible to receive 60 to 70 percent of the services under the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) program. CMS has communicated to KDHE that more services should be provided in the EPSDT program than under the HCBS waiver, and KDHE is taking a comprehensive look at how that change could impact eligibility under the Autism waiver.

For clarification, the KDADS Deputy Secretary of Programs stated children who age out of the Autism waiver are not placed on the Intellectual and Developmental Disability (I/DD) waitlist.

The KDHE Director of Operations for Medicaid discussed the EPSDT program, which was established as part of original Medicaid services for all children in the Medicaid program and covers individuals from birth to age 21. Recipients who participate in the program are assessed during regular checkups with their medical providers. The KDHE representative also clarified that eligibility for a HCBS waiver ceases if the individual does not use at least one waiver service, which differs from eligibility requirements for Medicaid.

Child Care Facility Exceptions

At the June 24, 2024, meeting, the KDHE Director of the Bureau of Public Health discussed

the exceptions provided by the agency to allow child care facilities to remain open. The exceptions to KDHE child care licensing regulations allow KDHE to respond to special circumstances. Since 2019, 783 out of 917 requests for an exception have been granted. Circumstances are reviewed to balance the service and ensure health and safety standards.

CHIP Eligibility and Premiums

At the June 24, 2024, meeting, the Medicaid Director explained how CHIP eligibility works and the new rule beginning January 2025 that no longer requires the CHIP premium be paid monthly to continue coverage. However, the new CHIP premium payment rule requires any outstanding CHIP premium to be paid before CHIP coverage can continue beyond the 12-month period. Under CHIP, families with incomes below 134.0 percent of the federal poverty level (FPL) pay no premium, but premiums are required for families with incomes up to the cap of 255.0 percent of FPL.

KanCare Clearinghouse

At the February 2, 2024, meeting, the KDHE Medicaid Director reviewed the status of Medicaid eligibility applications. The representative reported 21,745 total applications were in house, with 1,798 pending for more than 45 days, of which 491 were in active status and ready to be processed, and 1,307 applications in pending status for more than 45 days waiting for more information. The call center metrics were provided.

At the August 26-27, 2024, meeting, the Medicaid Director provided information regarding Medicaid eligibility application status reflecting 9,683 applications in house, with 1,061 applications over 45 days, 51 applications over 45 days in active status, and 1,010 applications over 45 days in pending status. Call center metrics were reviewed.

At the October 22-23, 2024, meeting, the Medicaid Director presented a review of the Medicaid eligibility application status. There were 8,268 total applications in house, and 1,139 applications over 45 days, with 68 applications over 45 days in active status and 1,071 applications over 45 days in pending status.

MCO Contract Procurement

At the February 2, 2024, meeting, a representative of KDHE noted seven bids were received for the KanCare MCO contract reprocurement. The representative provided the anticipated timeline for the review of the bids, negotiations, bid protest period, contract awards, implementation, and readiness reviews, with a launch date of January 1, 2025.

Additional information on the KanCare 3.0 procurement process, protests, and appeals are located at the end of the KDHE Updates section.

Medicaid Rate Study

At the February 2, 2024, meeting, a representative of KDHE noted KDHE was contracting with an outside consulting service to conduct a comprehensive Medicaid rate study to better inform decisions on rate increases or adjustments. A list was provided of all items being studied.

At the June 24, 2024, meeting, the Medicaid Director provided details on the KDHE rate study that will also include HCBS rates. The intention is to have the results of the rate study available no later than fall 2024. To make the rate study process more manageable, KDHE intends to complete the rate study work every two to three years but review only certain sets of codes at one time instead of all codes, the Director reported.

At the October 22-23, 2024, meeting, the Medicaid Director reviewed the KDHE rate study. Phase 1 looked at code-based reimbursements and not payment methods. Phase 2 included other payment methodology rates. Comparisons to Medicare benchmarks were used when available, as well as comparisons with surrounding states. She noted that all rate increases approved by the 2024 Legislature and implemented in July and August will be included in the rate study. Evaluation and management codes and dental and vision codes are complete. KDHE was close to having Phase 1 posted. Phase 2, with the more complex reimbursement methodology that is not a one-for-one comparison, was in progress and will include KDHE's attempt to provide an analysis of how Kansas rates compare with rates of other states.

Medicaid Unwinding

At the February 2, 2024, meeting, the Medicaid Director provided a review of the Medicaid unwinding data as of January 4, 2024.

At the June 24, 2024, meeting, the Medicaid Director discussed data on the unwinding of continuous Medicaid eligibility. The Medicaid Director noted data were insufficient to determine when individuals enrolled during the public health emergency (PHE) no longer met Medicaid eligibility standards in order to calculate the amount of capitation payments resulting from increased unwinding enrollment, because no renewals were done during the PHE at federal direction. Using the proxy method described, the Medicaid Director stated Kansas spent between $642.0 million and $784.0 million in all funds during the PHE on capitation payments for individuals potentially not eligible, with 40.0 percent of that amount in SGF. Kansas received more than $1.0 billion in enhanced federal medical assistance percentage (FMAP) during the same time period. The Medicaid Director confirmed federal payments exceeded state capitation payments by $600 million to $700 million during the PHE.

Regarding HCBS disenrollment, the Medicaid Director stated an estimated 782 persons over a 13-month window April 2023 through May 2024) over all HCBS waivers were no longer eligible, and 1,280 were disenrolled for other reasons during the same period.

The Medicaid Director stated 114,000 fewer individuals were enrolled in Medicaid during the unwinding period, of which about two-thirds were children. With the exception of a few individuals who were still within the 90-day window for possible Medicaid reinstatement at the time of the meeting, Kansas had completed its Medicaid unwinding. She noted those who lost Medicaid coverage could have obtained coverage as follows: children who were removed from Medicaid may have been eligible for CHIP, some families may have sought coverage on the federal Marketplace, and others are uninsured.

At the August 26-27, 2024, meeting, the Medicaid Director noted Kansas finished the unwinding process in May 2024. In May 2024, the signature page in the renewal form was moved to page three due to the number of applications being returned with no signature. The change resulted in the percentage of unsigned reviews dropping from 3.25 percent to 0.06 percent. A review of the proactive communication tool implemented in July 2024, which allows KDHE to target messages, and its results were provided.

Medically Needy Program

At the February 2, 2024, meeting, the Medicaid Director provided an update on the Medically Needy (MN) Program for certain populations whose income exceeds state eligibility limits. These populations include pregnant women, children under 19 years of age, and senior citizens 65 years of age and older. The Medically Needy income limit (MNIL) has been frozen at $475 for a household of one or two for many years. KDHE had identified a path forward that would tie the MNIL to 100.0 percent of Supplemental Security Income (SSI), which is adjusted annually. The preliminary estimate of such a change in the MNIL is $1.8 million all funds, including $940,000 from the State General Fund (SGF).

At the June 24, 2024, meeting, the Medicaid Director reviewed Option 1 to tie the MNIL to 100.0 percent of SSI and explained a second option. Option 2 would apply an income disregard to eliminate the spenddown altogether. Under this option, any child, pregnant woman, or aged and disabled applicant who fails to meet the Medicaid or CHIP income limits would be eligible for Medicaid without any spenddown requirement.

At the August 26-27, 2024, meeting, the Medicaid Director provided an update on the MN program. A breakdown of the MN population by age was provided. It was determined in discussions with CMS that states have the option to disregard types or amounts of income that are used to determine the protected income limit. KDHE previously identified two options to improve the spenddown. Another review of Option 1 and Option 2 was provided.

The Medicaid Director stated Option 2 would create disparity in the LTC population as it does not eliminate income disregard for all LTC populations. Federal regulations prohibit the

application of disregards when calculating a Medicare recipient's share of cost (resident liability) for nursing facility home care. The result would be that individuals with income under 300.0 percent of FPL who qualify for traditional Medicaid would be required to pay toward the cost of nursing home care. Individuals with incomes above 300.0 percent of FPL qualifying under the MN program would have their share of cost waived. The annual mid-point range of the fiscal note for Option 2 was estimated at $61.7 million all funds, $24.6 million SGF, and a federal financial participation of $37.2 million.

At the October 22-23, 2024, meeting, the Medicaid Director reminded the Committee that KDHE recommended Option 1, which would increase the current MNIL from the 1997 Temporary Assistance for Needy Families rate to SSI. She noted Option 2 was not recommended as it would result in treating income disregards differently for eligible populations.

Payment Error Rate Measurement Program

At the October 22-23, 2024, meeting, the Medicaid Director presented an overview of the Payment Error Rate Measurement Program (PERM). PERM is required by CMS to estimate the amount of improper payments in Medicaid and CHIP annually. Each state is measured once every three years by auditing a sample of payments. The improper payment rate is not a "fraud rate" but simply a measurement of payments that did not meet statutory, regulatory, or administrative requirements. Kansas last completed a PERM audit in 2022, which covered the time frame from July 2020 to June 2021.The error rate was 6.82 percent, which was lower than the national rate of 15.62 percent. A description and examples of the PERM error types were reviewed.

Sedation Dentistry

At the June 24, 2024, meeting, the Medicaid Director provided a report on sedation dentistry, identifying the dental code rates as compared with the rates of other states, as well as the unduplicated number of dental providers providing the service (225) and their locations by county. Data was also provided on sedation dentistry services at Indian Health Services clinics and federally qualified health centers.

Vaccine Requirements

At the February 2, 2024, meeting, a representative of KDHE provided an update on vaccine requirements. A list of the relevant statutes was provided relating to the vaccine requirements for school admission and attendance and the exemption alternatives to the vaccine requirements. The list of the diseases for which vaccines are required was provided, as listed in KAR 28-1-20, published July 18, 2019, in the *Kansas Register*. The vaccine ages and the number of doses required follow the Advisory Committee on Immunization Practices standards. The representative noted KDHE cannot just add a required vaccination to the list.

The KDHE representative noted statutes authorize school boards to adopt policies that may exclude a student not in compliance with the statutory vaccination requirements and, based upon that policy, the school board may exclude non-complying students from attendance in that school district. An explanation of the notice requirements to parents or guardians, the process for requesting medical and religious exemptions, enforcement of vaccination requirements, and the limitations on KDHE's role in those processes was provided.

The KDHE presentation included a graph reflecting the statewide vaccination exemption rate by academic year from 2010-2011 to 2022-2023, as well as a breakdown of the 2022-2023 kindergarten vaccine coverage exemption rate by type.

The representative of KDHE noted each college and university must have in place policies and procedures requiring meningitis vaccinations for all incoming students residing in residence halls. The colleges and universities set and enforce the policies.

Workforce

At the February 2, 2024, meeting, the KDHE representative stated KDHE was operating at about 89 percent of staffing capacity. A staffing breakdown by agency section was provided.

KanCare Doula Services and Rates

At the August 26-27, 2024, meeting, the KDHE Medicaid Director of Operations provided information regarding KanCare doula coverage, noting the severe maternal morbidity (SMM) rate in Kansas has steadily increased from 56.1 in 2016 to 71.4 in 2020 per 10,000 delivery hospitalizations, with an annual percentage change of 6.4 percent. Non-Hispanic black women had a significantly higher rate than any other race and ethnicity. Women enrolled in Medicaid or from low-income zip codes were more likely to experience SMM. The non-clinical support of a doula during the prenatal, pregnancy, birth, and post-postpartum process has shown to be an effective best practice that enhances the birthing process, reduces complications, improves birth outcomes, and addresses racial disparity in maternal health outcomes. Twenty-one states provide doula services. Data show a differential between the rates for physicians and rates for other provider types licensed for nine obstetrics global codes, including advanced practice registered nurses (APRNs) and certified nurse midwives (CNMs). Effective October 1, 2024, the rate differential for same services provided by APRNs and CNMs will be removed, the Medical Director of Operations reported. All other codes for CNMs will remain below the physician reimbursement. The obstetrics global codes billed by physicians as well as current and new reimbursement rates were provided. Doulas can bill only three codes: non-clinical prenatal support, attendance at labor and delivery, and postpartum visits.

A representative of the Kansas Medical Society (KMS) provided testimony on the Medicaid physician fee schedule. The representative noted KMS had been advocating for comprehensive fee enhancements to the Medicaid fee schedule for the past several years. The Legislature ultimately approved a 9.0 percent fee increase in 2024 for all physician codes without qualification. Unfortunately, global codes utilized by a variety of physician specialists and physician extenders were not included, which is problematic for services related to maternal care and childbirth. The increase was not applied across all physician codes as the Legislature had intended and doulas were added as a reimbursed provider for maternal care, although no additional appropriation was requested. There had been no discussion with KDHE on how the rate increase would be applied. Due to the delays in implementing the increases, KMS is uncertain of the fiscal impact of the policy changes. The KMS representative stated an inadequate fee schedule creates a real disincentive for health care providers to include larger numbers of Medicaid patients in their practices. A recommendation for increases in physicians and global codes was provided to the Committee.

A representative of the Kansas Chapter of the American College of Obstetrics and Gynecology provided testimony regarding Medicaid reimbursement rates. The representative noted a review of Medicaid total reimbursement rates for global codes for vaginal deliveries, cesarean sections, and vaginal births after cesarean section revealed that the rates are significantly lower than Medicare rates. Surrounding states offer substantially higher Medicaid reimbursement rates, in some cases up to 2.2 times more than Kansas does. The recent increases in Medicaid rates do not extend to the global rates for prenatal and delivery care. This leaves a critical gap in funding that directly impacts the availability and sustainability of obstetric services, leaving some Kansans at higher risk of preventable poor health outcomes. The representative stated enhanced compensation would enable obstetrics and gynecology physicians to continue providing essential care, thereby improving access and outcomes for mothers and babies.

Written-only testimony was provided by the Kansas Hospital Association related its work with current and new KanCare contractors for transition into the KanCare 3.0 contract period, the implementation of the Medicaid centralized credentialing project to maintain provider regulatory compliance and facilitate insurance reimbursement, and its involvement on numerous initiatives to increase supply and capacity of the healthcare workforce in Kansas.

KanCare MCO Contract and Protest Process

At the June 24, 2024, meeting, the KDHE Medicaid Director provided a brief summary on the request for proposal (RFP) process for the MCO Medicaid contracts that involved stakeholder input and led to the KanCare 3.0 contract program enhancement focus areas. The enhancement focus areas are care coordination, access to services and workforce, provider experience, maternal and infant health, social

determinants of health, and ensuring quality of health and health care across all populations. The current RFP includes more attention to care coordination and consistency across the three MCOs, as well as monitoring and ensuring compliance and reviewing whether program goals are being met. Some of the contract requirements are prescriptive and others permit each MCO some flexibility in how they implement the requirement. The Committee was provided with the KanCare 3.0 RFP Technical Proposal Evaluation Report and Procurement Negotiating Committee's Request for Cost Proposals.

The Secretary of Administration briefed the Committee on the procurement protest process. The Office of Procurement and Contracts (OPC) implements the process as stipulated by the OPC Procurement Policies and Procedures Manual. OPC received two protests on the KanCare 3.0 RFP by the deadline, from Aetna Better Health of Kansas (Aetna) and CareSource. Resolution of the protests is decided by the Director of Purchases and OPC. Once a decision is made, no further administrative appeal is available from that decision. The protesters may proceed through the judicial process.

The Secretary of Administration stated the Department of Administration was moving forward to implement the awarded contracts.

The Plan President for Aetna posed a number of questions about the contract process during her testimony, including transparency, RFP scoring, and tie-break criteria. The June 5, 2024, Aetna RFP protest letter submitted to the OPC and letters of support were provided.

The Market President for CareSource Kansas provided background on the not-for-profit agency, noting it has been in Kansas for three years and partnered with three Kansas organizations to submit a bid for the KanCare contract: InterHab, the Children's Alliance of Kansas, and the Association of Community Mental Health Centers of Kansas (ACMHCKS). The CareSource protest involved procedural and evaluation concerns in the contract award process. The CareSource June 4, 2024, KanCare RFP protest letter submitted to OPC was provided.

In response to a Committee request, after adjournment of the June 24, 2024, meeting, the Department of Administration provided information on the number of contract protests that resulted in a change to the contracts. The agency noted that, since 2023, one protest had resulted in the Director of the OPC overturning the RFP results. Subsequently, the Department of Administration re-issued the RFP.

KanCare 3.0 RFP Formatting for Scoring, Prescriptive and Non-prescriptive Contract Provisions, Protest Update, and Update on MCO Signed Contracts for 2025

At the August 26-27, 2024, meeting, the Chief Counsel for the Department of Administration provided a statement regarding the KanCare 3.0 procurement. The legal counsels of the Department of Administration, KDHE, and KDADS advised the respective agency Secretaries to not testify before the Committee due to the then-current litigation with Aetna. The Chief Counsel noted there had been a court hearing on August 2, 2024, on the appeal by Aetna regarding the KanCare 3.0 procurement process, but the Shawnee County District Court had not issued a decision. The attorneys for the agencies would stand for questions, but the responses provided by counsel for each agency—the Department of Administration, KDHE, and KDADS—at the meeting could not cross over into legal arguments or analysis.

The Aetna Plan President provided testimony regarding Aetna's protest of the KanCare 3.0 procurement process. Testimony provided included a timeline of key procurement events and supporting documents to illustrate that the process that followed was far from transparent and did not focus on yielding an objective outcome. The Plan President expressed the following concerns: there was no tie-breaking protocol established to address a potential scenario of a tie; all the parties entrusted with leading the process agreed to destroy individual assessment and grading documents, which would have been critical in a tie-breaking situation where the Procurement Negotiating Committee (PNC) needed additional information to render a decision; the PNC was also not allowed to use the results of oral evaluations; and there was an issue with accuracy; examples of these errors were provided to the Committee. Aetna had formally submitted a petition for

judicial review and for an injunction to halt the process.

The Chief Counsel for the Department of Administration, the Aetna Plan President, and the KDHE General Counsel responded to numerous questions on topics including the KanCare 3.0 process; the destruction of individual evaluation notes; and the differences between the procurement processes in KanCare 1.0., 2.0, and 3.0.

The KDHE General Counsel provided numerous KanCare 3.0 RFP documents requested by the Committee. Information regarding provider network was not provided. The Chief Counsel for the Department of Administration explained the State was not privy to or a party to Healthy Blue's provider network as the MCO may be developing that network. Those provider contracts are not public contracts. Those contracts will be discussed with Healthy Blue as part of the readiness review in mid-September. When asked whether the provider network information would be available for the October Committee meeting, the Chief Counsel stated that information is part of the readiness review. Open enrollment began November 1, 2024.

The Chief Counsel responded to another series of questions regarding the KanCare 3.0 process.

Update on KanCare 3.0 Litigation and Continuing Process

At the October 22-23, 2024, meeting, the Chief Counsel for the Kansas Department of Administration provided an update on the KanCare 3.0 litigation. After the August 26-27 Committee meeting, Aetna's request for a judicial review of the OPC Director's decision to deny Aetna's bid protest of the KanCare 3.0 awards was denied. The ligation regarding Kansas Open Records Act issues remained outstanding with no motions pending. The Chief Counsel reported Aetna had filed an appeal of the District Court's decision with the Kansas Court of Appeals. The Chief Counsel stated he would answer questions that did not cross over into legal arguments or analysis that could impact ongoing litigation.

In response to a question from the Committee regarding provider network in the MCO decision, the Chief Counsel stated it was one factor in the PNC's decision.

The Medicaid Director also updated the Committee on the status of the KanCare 3.0 litigation, noting on October 11, 2024, Aetna filed a request for a stay. The Medicaid Director stated KDHE was proceeding with a January 1, 2025, implementation of KanCare 3.0. The MCOs were required to submit Dual Special Needs Plan contracts to CMS by the first Monday of July 2024, and that deadline was met. KDHE submitted signed KanCare 3.0 contracts to CMS on May 14, 2024, and there have been bimonthly meetings to review the contracts. KDHE received draft feedback from CMS on items that needed to be amended, and KDHE is working on changes. A list of items that must be submitted to CMS before final approval was provided. She provided a summary of each KanCare 3.0 MCO's provider network, noting Healthy Blue's network will continue to increase as additional contracts are signed.

The Medicaid Director presented a review of open enrollment for the period from October 1 to December 17, 2024, and noted current Aetna members were sent a letter noting that Aetna was no longer an option for 2025. Aetna members will be assigned to Healthy Blue if they do not make another plan choice.

Regarding penalties for Aetna for noncompliance with the KanCare 2.0 contract, the Medicaid Director stated the $5 million bond applies if Aetna breaks the KanCare 2.0 contract before December 31, 2024. After that date, a capitation payment will be withheld. Aetna has been sent notification of the withholding and the requirements for payments. The timeline for finishing capitation withholding will probably be six months but could be longer. Technically, a provider has a year to submit claims. Regarding the requirements for keeping the capitation money, the Medicaid Director stated that all claims must be fulfilled, but there are fair hearing requirements, which would be provided.

KanCare 3.0 Covered Services

At the August 26-27, 2024, meeting, the Medicaid Director provided the KanCare 3.0 RFP Appendix C: Covered Services outlining the

services to be covered by the MCOs beginning on January 1, 2025.

At the October 22-23, 2024, meeting, the Medicaid Director provided a list of new KanCare covered services added from July 1, 2023, through October 1, 2024, and scheduled for addition in January 1, 2025, and highlighted a few of the services.

KanCare Ombudsman

The KanCare Ombudsman provided written-only updates at all of the meetings of the Committee on the services provided by the Office of the Kancare Ombudsman (Office). The data provided included the numbers of initial contacts (Q1: 732, Q2: 774, and Q3: 772) and HCBS general concerns (Q1: 53; Q2 : 61, including an increase from 25 to 36 related to the Frail Elderly waiver). During Q3, the Office saw significant increases in inquiries and requests for assistance related to the I/DD waiver (17.0 percent increase), the Serious Emotional Disturbance (SED) waiver (50.0 percent increase), and the Technology Assisted waiver (150.0 percent increase). The Office also experienced a 27.0 percent increase in provider correspondence during Q3. The KanCare Ombudsman reported, on average during Q3, the Office responded within two days of KanCare member contact, and cases were completed within five days of initial contact.

Medicaid Inspector General

At the February 2, 2024, meeting, the Medicaid Inspector General stated the Office of the Medicaid Inspector General (OMIG) was finalizing its 2023 annual report with expected availability in the near future. The OMIG continued to oversee complaints of fraud, waste, abuse, and illegal acts concerning KanCare, MediKan, and CHIP.

The Medicaid Inspector General reviewed an interim report the OMIG issued on November 1, 2023, recommending that Kansas school districts conduct fingerprint-based criminal history background investigations on all school employees on a documented cycle every five years. The report revealed that an estimated 31 percent of Kansas school district employees who provide Medicaid-related services to students do not have background investigations on file. This was discovered during a performance audit of the KDHE management of school-based fee-for-service Medicaid reimbursements for the State of Kansas. The report recommends the Legislature adopt a law requiring fingerprint criminal history background investigations for all school employees on a five-year cycle. No Kansas statutes require these checks.

The Medicaid Inspector General stated two additional performance audits were in process: the prior authorization process for Medicaid recipients and reviewing the continuing care retirement community registration process for potential fraud, waste, and abuse. A review of the fraud, waste, and abuse awareness training provided to KDHE employees was provided.

At the June 24, 2024, meeting, the Medicaid Inspector General presented highlights from the 2023 OMIG Annual Report. The Medicaid Inspector General stated the OMIG had received an increasing number of complaints regarding either the Medicaid program (KanCare), the MediKan program, or CHIP. The majority of complaints received are reported by the Department for Children and Families (DCF) for potential beneficiary eligibility fraud.

A performance audit was published in April 2024 regarding the continuing care retirement community registration process. Two additional performance audits were ongoing: the prior authorization process in Kansas for Medicaid recipients, including consistency in how each MCO determines a recipient's level of care, and Medicaid reimbursements to schools.

At the August 26-27, 2024, meeting, the Medicaid Inspector General reported the OMIG webpage had been updated and separated from the Office of the Attorney General webpage. The OMIG webpage will have a link to an online contact to report suspected fraud, waste, abuse, and illegal acts. The Medicaid Inspector General stated complaints of fraud, waste, abuse, and illegal acts concerning Medicaid, MediKan, and CHIP have increased each year. Fraud regarding beneficiary eligibility was the topic of the majority of the complaints. The Medicaid Inspector General noted, with the addition of two special agents, the OMIG had been able to conduct investigations of eligibility and provider fraud. Data were provided

on the number of complaints processed and investigations conducted. The Medicaid Inspector General reported eligibility investigations had resulted in MCO capitation payments being stopped, with a savings of $150,941.60 based on one year of payments. He noted the need for additional staff to conduct further investigations. Information regarding continuing performance audits was provided.

At the October 22-23, 2024, meeting, the Medicaid Inspector General stated the OMIG webpage was in the final stages of being updated. The Medicaid Inspector General provided information on the number of complaints processed to-date in calendar year 2024, noting the increase in complaints from 2020 to 2024 (estimated). The Medicaid Inspector General noted, since calendar year 2021, the OMIG had identified approximately $300.0 million in wasteful spending, $6.3 million in overpayments, and $25.0 million in potential savings and made 34 findings and 83 recommendations. Two performance audits were ongoing.

Overview of Medicaid Program Expenditures

At the February 2, 2024, meeting, a KLRD managing fiscal analyst provided an overview of Medicaid program expenditures. The program requires agency coordination as the program is funded across two agencies, KDHE and KDADS. KDHE maintains financial management and contract oversight of the KanCare program and medical services. KDADS administers portions of the Medicaid program related to behavioral health, nursing facility reimbursement, HCBS waivers, and payments to the state hospitals.

KanCare is the state's managed care model to deliver Medicaid services. KanCare services are provided through the MCOs and include medical, HCBS waiver services, and CHIP. Non-KanCare services are fee-for-service and include services under the Sixth Omnibus Budget Reconciliation Act (SOBRA) (certain services related to childbirth and life-threatening emergency care), MediKan, and PACE. Expenditures included in human services caseloads estimates are limited to the State's entitlement programs. These expenditures are estimated twice a year. Caseloads expenditures consist largely of payments to MCOs for medical services provided to beneficiaries. Caseloads do not include expenditures for CHIP. A graph reflecting the ten-year history of KanCare caseload expenditures was provided.

A KLRD fiscal analyst provided an overview of Medicaid program expenditures that pertain to KDADS. KDADS administers the HCBS waiver programs outside of caseloads. While individuals may be eligible for the waivers, they are not entitled to services, which is the reason the I/DD and Physical Disability (PD) waivers have waitlists. A list of the waiver programs in Kansas was provided. A graph reflecting the ten-year history of KanCare non-caseloads expenditures was provided.

A report reflecting the actual historical major Medicaid programs expenditures for FY 2014–FY 2022 was provided to the Committee.

Social Services Budget Related to KanCare

At the August 26-27, 2024, meeting, a KLRD managing fiscal analyst provided an overview of the KanCare Budget. A review of the budget process was presented. The legislative changes to the budget typically fall under one of three categories: ongoing funding, one-time funding, or proviso language. Descriptions and examples of each category were provided to the Committee.

The KLRD managing analyst noted KanCare components in the KDHE budget include administration and medical services. Medical services makes up the majority of the KanCare budget. A breakdown of the KDHE Division of Health Care Finance expenditures was provided. The 2023 Health Care Finance expenditures totaled $3.5 billion all funds, including $626.7 million SGF. Medicaid is funded using a mix of state and federal funds. The funding ratio is generally 60.0 percent federal funds and 40.0 percent state funds. KDHE pays the MCOs a monthly payment based on the number of beneficiaries enrolled in each eligibility category (per member, per month). Examples of the eligibility categories were provided. MCOs reimburse individual providers and organizations for each service provided. A subset of providers, such as certified community behavioral health centers (CCBHCs) and federally qualified health centers, are paid a set rate for each person served

through a prospective payment system. Each MCO develops its own provider reimbursement rates but must reimburse at or above a minimum rate set by the State. A medical assistance report is created each year; the Kansas report for FY 2024 was provided.

A KLRD senior fiscal analyst reviewed the KDADS Medicaid budget. The various expenditures by program were presented as a percentage of the budget, as well as a monetary breakdown for FY 2023. A breakdown of the Medicaid budget by all funds was also reviewed. Common adjustments to the KDADS budget, such as increases to existing rates, adding new services or programs, adding waiver slots, and adding caseload funding, were reviewed.

At the October 22-23, 2024, meeting, KLRD staff provided a sample form for tracking funding for KanCare-related social services using the Spring 2024 Caseloads Estimates Overview as an example to assist the Committee in understanding the changes in appropriations.

KDADS Overview and Updates

At the February 2, 2024, meeting, the Deputy Secretary of Hospitals and Facilities provided an agency overview. The organizational changes at KDADS, including promotions to Deputy Secretary of Programs and Interim Commissioner of Behavioral Health Services, were shared. KDADS was recruiting for an Aging Services Commissioner.

At the June 24, 2024, meeting, the Secretary for Aging and Disability Services (Secretary in the KDADS portion of this report) provided an agency overview and introduced the new Aging Services Commissioner.

At the August 26-27, 2024, meeting, the Deputy Secretary of Hospitals and Facilities provided an agency overview. The Deputy Secretary stated the Long Term Services and Support Commission had been sending offers to individuals on the waitlist to fill the additional 500 slots on each of the I/DD and PD waivers, work was continuing on the Community Support (CS) waiver, and issues had come up regarding targeted case management (TCM) and conflict of interest. An $8.0 million grant from the Department of Housing and Urban Development to advance, create, and renovate housing across the state for individuals with disabilities was awarded to the Kansas Housing Resources Corporation in partnership with KDADS and the KDHE Division of Health Care Finance. Two stakeholder meetings and a stakeholder input hearing on the KDADS budget development for FY 2026 had been held since the end of the 2024 Legislative Session. The nearly 20 provisos attached to the appropriations bills were being implemented, including the provisos on the Mental Health Intervention Team (MHIT) and the supplemental staffing agency requirements. The results of the Kansas University Center on Disabilities Waiting List Study and the final report of the South Central Regional Psychiatric Hospital Advisory Panel were expected to be completed in September 2024.

At the October 22-23, 2024, meeting, the Secretary provided an update on the agency. The Secretary noted that items included in the presentation may require legislative action to address. KDADS provided a list of the statutory reports, budget proviso reports, and other routine reports that are published during a calendar year.

The Secretary responded to a question from the Committee regarding computer infrastructure, stating KDHE is working with the KDHE Division of Healthcare Finance as it relates to data systems. The Secretary shared that the Kansas Management Information System is outdated. KDADS has an RFP and is seeking a system that would allow it to better manage individuals on the waitlists.

Long-term Services and Supports

Corrective Action Plans

In response to Committee questions at the August 26-27, 2024, meeting, KDADS provided the following documents pertaining to corrective actions plans: Summary of Corrective Action Plan for HCBS Compliance, Kansas HCBS Corrective Action Plan, and Kansas Settings Final Rule Approved Corrective Action Plan and Remediation Strategies.

Program of All Inclusive Care for the Elderly

At the February 2, 2024, meeting, a KDADS representative provided an update on the PACE program.

At the October 22-23, 2024, meeting, a representative of the Midland Care PACE program provided an overview of the PACE program. She stated the PACE model is built on the belief that it is better for seniors with chronic care needs and their families to be served in the community whenever possible. The program delivers the medical and supportive services required through the full continuum of care while maintaining seniors' independence at home. The program is for individuals 55 and older. A list of the included services was provided. There are three PACE provider organizations in the state: Midland Care Connection, Bluestem PACE, and Ascension Living Hope. A brief description of each organization was provided. The PACE program was developed to provided more robust services that allow older adults at risk of premature nursing home placement to remain at home. Over the past several years, policy advancements have reduced barriers and increased access to PACE in Kansas. A list of those barriers and access increases was presented and discussed. A barrier to continued growth is the lack of general consumer knowledge of the program. An American Rescue Plan Act of 2021 (ARPA) grant was awarded for PACE Outreach and Engagement. The representative stated the primary request to the Kansas Legislature is for the annual rebasing of PACE Medicaid rates. The representative stated it is vital that PACE Medicaid rates are updated to ensure PACE remains sustainable and continues to save the State of Kansas at least 10.0 percent in Medicaid costs for each client served. Statistics related to the program were provided.

HCBS

Community Service Coordination. At the February 2, 2024, meeting, the KDADS Assistant Commissioner of Long Term Services and Supports (LTSS) noted the State is planning to implement TCM-related services for HCBS PD, Brain Injury (BI), and Frail Elderly (FE) waiver populations as part of the new MCO contracts. The new service will be called Community Service Coordination. The new program is estimated to cost $8.3 million all funds, $3.2 million SGF, annually.

Community Support waiver. At the February 2, 2024, meeting, the KDADS Assistant Commissioner of LTSS provided an update on the CS waiver for individuals with I/DD, indicating the plan was to have a contractor in place by March or April 2024 to help with the development of the waiver. The CS waiver will have a proposed annual $20,000 annual cap per participant. A phased rollout of the CS waiver is expected for 500 participants funded by 60.0 percent federal and 40.0 percent state funds. Once a contractor is on board, the application for the CS waiver will be submitted to CMS for approval as soon as possible. After CMS approval, services are expected to begin in the latter half of 2025.

At the August 26-27, 2024, meeting, the Commissioner of LTSS stated KDADS had brought on a contractor to assist in the development of the CS waiver, and internal CS waiver staff had been hired. CS waiver services will include transportation, employment support, personal care, respite, and various therapies. Due to network adequacy, a phased rollout is planned starting with 500 participants, funded 60.0 percent with federal funds and 40.0 percent with state funds for Year 1. Year 2 will add 1,000 participants. The estimated cost was provided for Years 1 and 2 and at full implementation. A timeline for the CS waiver was provided, with anticipated CMS approval by April 2026.

HCBS waiver enrollment and waitlists. A KDADS representative provided an update on the HCBS waiver enrollment and waitlists at every Committee meeting.

At the February 2, 2024, meeting, the Assistant Commissioner of LTSS noted, as of December 2023, the waitilist for the I/DD waiver was 5,187, and the waitlist for the PD waiver was 2,361. Approximately 27,000 individuals were receiving HCBS services.

At the June 24, 2024, meeting, the Commissioner of LTSS noted, as of June 13, 2024, the waitlist for the I/DD waiver was 5,407, and the waitlist for the PD waiver was 2,428.

At the August 26-27, 2024, meeting, the Commissioner of LTSS noted, as of July 14, 2024, the waitlist for the I/DD waiver was 4,692, and the waitlist for the PD waiver was 1,356.

At the October 22-23, 2024, meeting, the Commissioner of LTSS reviewed the process for additional offers to the I/DD waiver and the PD

waiver. The Commissioner stated 519 individuals accepted the I/DD waiver offer; the I/DD waitlist was 4,549 as of October 10, 2024; 440 individuals accepted the PD waiver offer; and the PD waitlist was 1,069 as of October 10, 2024. The Commissioner noted 1,000 slots were open for the current number on the PD waitlist, and the goal is to not have anyone on the PD waitlist by the first of calendar year 2025. Regarding the I/DD waitlist, the Commissioner stated the additional offers have shortened the I/DD waitlist and the wait is now at eight years.

Kansas University Center on Disabilities Waiting List Study. At the February 2, 2024, meeting, the KDADS Assistant Commissioner of LTSS provided an update on the Kansas University Center on Disabilities (KUCD) Waiting List Study, including two aims for the study. The purpose of Aim One was to understand the general characteristics of people on the I/DD and PD waitlist to aid in planning for services that will meet their needs. It would also create a predictive model for services needed and potential crisis exceptions. The purpose of Aim Two was to collect data from people on the waitlist to understand their demographics, needs, and experiences; identify people at risk for entering services through a crisis exception in the next three to five years; forecast service and support needs; and identify important health, employment, community living, and support needs of people on the waitlist. The survey was to continue through May 2024.

At the June 24, 2024, meeting, the Commissioner of LTSS discussed preliminary findings of a report on the I/DD waitlist. About 30 percent of individuals who are on the waitlist are children; the average age of a caregiver is 47 years; and most persons prefer to stay home, utilizing a family member as the caregiver. CMS permits paying family members as caregivers. Transportation is a crucial need for the I/DD population, as it enables or enhances the ability to hold a job, participate in social activities, and obtain health care. A representative of KUCD provided an HCBS Waiting List Caregiver Survey Interim Report.

At the August 26-27, 2024, meeting, the Commissioner of LTSS stated the final KUCD waitlist study report was due in October 2024 and would include the amount of original funding for the study and the amount spent to-date.

At the October 22-23, 2024, meeting, a representative of KUCD provided an update on the waitlist study, stating the goal of the project is to inform KDADS decision making regarding system capacity and reducing waitilists. The study notes a uniform, transparent data collection system would allow an understanding of the overall makeup of the people on the I/DD and PD waitlists and aid in the planning for services to meet the needs of individuals currently on the waitlists. The study also looked at the actual services needed and potential risk exceptions. Charts were provided reflecting the approximate ages of people on the I/DD waitlist; the approximate ages of people on the PD waitlist; and the I/DD crisis exceptions. He noted the caregiver needs led the list for I/DD crisis exceptions, and imminent risk of nursing facility placement was the primary PD crisis exception. A summary of the recommendations for data systems, policy and procedures, and CS waiver, as well as a copy of the Kansas Waiting List Final Report were provided.

A KDADS representative reported the cost of the waitlist survey was $971,607.63.

Quarterly HCBS report. An appendix with additional data on HCBS waiver enrollment, census, and caseload and state hospital census was provided at each meeting.

Waiver Rate Standardization

At the February 2, 2024, meeting, the KDADS Assistant Commissioner of LTSS reviewed a cost estimate for waiver rate standardization to increase HCBS personal care service rates to align with current I/DD rates.

Behavioral Health

At the June 24, 2024, meeting, in addition to the information specified below, KDADS also provided the form for Behavioral Health Client Assessment, Referral, and Evaluation (CARE).

988 Suicide and Crisis Lifeline

At the June 24, 2024, meeting, the Behavioral Health Services Commissioner provided an update on the 988 suicide and crisis lifeline. The lifeline

went live on July 16, 2022. Callers are given the options of choosing a Spanish-speaking counselor or a counselor trained for military veteran callers. The network of responders includes several community mental health centers (CMHCs) and Headquarters, based in Lawrence. The lifeline was meeting national criteria for calls answered.

Certified Community Behavioral Health Clinics

At the February 2, 2024, meeting, the KDADS Interim Commissioner of Behavioral Health Services presented an update on CCBHCs. All 9 of the first cohort of CCBHCs have been fully certified, with 14 of the remaining 16 provisionally certified. The two remaining CMHCs were expected to "go live" as CCBHCs by July 1, 2024. KDADS planned to submit an application for a federal Demonstration Program in March 2024, with an anticipated start date of January 1, 2025. The full rebase of the original CCBHCs has been completed. The nine original CCBHC locations have gone through the Certification Full Fidelity Review and were awaiting the full certification certificate. KDADS was assisting the two remaining CMHCs with their move through the CCBHC provisional certification process. KDADS was working to develop a review process to include additional elements outside of the CCBHC program for evaluation. A map noting areas in Kansas covered by CCBHCs was provided.

CCBHC history and funding. At the June 24, 2024, meeting, the KDADS Behavioral Health Services Commissioner provided testimony regarding the history and funding of the CCBHCs and presented the background and current status of the Kansas CCBHC system. The CCBHC model is an integrated system of care addressing mental health, substance use, and primary care. It uses a prospective pay system (PPS) of reimbursement in which Medicaid payment is a pre-determined fixed amount representing the average cost per encounter of all persons receiving services from a particular clinic. The PPS rate is the annual allowable cost per annual daily visit. Requirements for CCBHC certification include staffing, availability and accessibility of services, care coordination, scope of services (nine core services are required and described in testimony), quality reporting, organizational authority, and governance accreditation. ARPA, as well as some COVID-19 funding sources, were used in funding the staffing requirements.

The Behavioral Health Services Commissioner provided a list of agencies involved in care coordination activities. Care coordination is the primary component of the CCBHC structure, and it includes nine core services that CCBHCs must provide directly or through formal partnerships. Four evidence-based practices are also required of CCBHCs. Additionally, 22 measurable metrics (13 clinic-led and 9 state-led) must be reported to the federal government. The State has established a data warehouse to collect information such as demographics, age, location, current procedural terminology codes and programs, visits, and services over time.

The Behavioral Health Services Commissioner noted Section 223 of the federal Protecting Access to Medicare Act (H.R. 4302), enacted in 2014, established CCBHCs. To participate in the CCBHC Demonstration Program, each state was required to first apply for a Substance Abuse and Mental Health Services Administration (SAMHSA) CCBHC Planning Grant. In Kansas, the one-year planning grant was awarded in March 2023. The State has been accepted into the four-year demonstration program, which will begin on January 1, 2025, and continue through December 31, 2028. During the demonstration period, the State will receive an enhanced FMAP match rate, enhanced technical assistance from the National Council for Mental Wellbeing, and support from CMS, SAMHSA, and other federal entities.

An infographic was provided showing the number of CCBHCs that are fully certified, provisionally certified, and in the review process. The providers that do not meet the CCBHC full certification requirements by January 1, 2025, can request a full certification review within nine months. If the full certification requirements are not met upon review, the provider would have to wait one year (until September 2026) to reapply. Thirteen Kansas CMHCs are fully certified CCBHCs: Bert Nash, Central Kansas, ComCare, Four County, High Plains, Horizons, Johnson County, Pawnee, Prairie View, South East, Spring River, Valeo, and Wyandot. Six CMHCs were provisionally certified, and another seven were in the review process.

The Behavioral Health Services Commissioner stated, as of May 2024, more than 86,500 unduplicated individuals were served by CCBHCs in Kansas.

At the August 26-27, 2024, meeting, the Behavioral Health Services Commissioner provided follow-up information in response to questions posed regarding CCBHCs at the June 24, 2024, meeting regarding the difference in TCM between that provided by CCBHC/CMHCs and the I/DD waiver population (KDADS TCM memo); CCBHC measurable metrics (CCBHC Criteria report); the type of transportation provided by CCBHCs, specifically around the Individual Placement and Support supported employment model; the number of unduplicated individuals served by CCBHCs in the state, the number of CCBHCs fully certified in 2024; the ability of the CCBHC Data Warehouse to track data on the drugs used, including psychotropic drugs; the adequacy of the PPS rate and the impact on MCOs' costs; and data on improvement in CCBHC workforce shortage. Specific metrics tracked by the CCBHC Data Warehouse on the drugs used, including psychotropic drugs, was provided at the October 22-23, 2024, meeting.

At the October 22-23, 2024, meeting, the Behavioral Health Services Commissioner provided follow-up information from CCBHCs on medications that were dispersed and included graphs reflecting the percentage of each type of drug dispersed. The specific metrics used to track medication usage and their significance were reviewed. The Commissioner noted the CCBHC Demonstration Project begins January 1, 2025. KDADS will provide outcomes and measures based on the required measurements from SAMHSA and CMS in 2025.

I/DD Crisis Stabilization System

At the August 26-27, 2024, meeting, the KDADS Commissioner of Behavioral Health Services provided an update on I/DD and crisis stabilization. Six I/DD crisis stabilization projects were successfully implemented between December 1, 2023, and June 30, 2024, increasing community capacity to prevent crisis incidents and provide effective crisis response. Johnson County and Lake Mary Center were creating kits to be distributed to law enforcement agencies when responding to calls involving people with I/DD, behavioral health needs, or dual diagnoses. Approximately $3.5 million in ARPA funding has been awarded for Mobile Crisis Training and Enhancement of Supportive Services for Individuals with I/DD and co-occurring behavioral health needs to provide statewide training for I/DD professionals, first responders, and others to prevent or stabilize crisis events for these individuals. The funds must be drawn down by December 2025. The vendor award was pending for this RFP. The Behavioral Health Services Commissioner reported on an enhanced FMAP opportunity through the ARPA funds awarded to the state in coordination with the LTSS Commission.

At the October 22-23, 2024, meeting, the Behavioral Health Services Commissioner reviewed the six I/DD Crisis Stabilization projects that were successfully completed between December 1, 2023, and June 30, 2024. An RFP had been awarded to Guidehouse, Inc., to improve the quality of crisis services provided to individuals with complex behavioral health needs and I/DD. The funding is from federal ARPA enhanced Medicaid HCBS, and the project will run from September 24, 2024, to September 30, 2025. The project provides statewide training to prevent or stabilize crisis events when experienced by an individual with I/DD and co-occurring behavioral health needs.

The Director of the Johnson County Community Developmental Disability Organization provided follow-up information regarding Johnson County and crisis stabilization funds.

Opening Mental Health Codes

At the February 2, 2024, meeting, the KDADS Behavioral Health Commissioner presented information about state plans to expand certain Medicaid reimbursement codes. Due to the increased demand for mental health and substance use disorder services, the KDADS Behavioral Health Services Commission planned to open certain mental health billing codes to providers outside of the CMHC/CCBHC system, beginning July 1, 2024. Additional providers will include federally qualified health centers, substance use disorder service providers, and child welfare providers. The opened codes include the specialized community-based rehabilitation

services, which are community psychiatric support and treatment, psychosocial rehabilitation, peer support, crisis stabilization, mobile crisis intervention, and supportive housing.

KDADS estimated the fiscal impact of expanding the mental health codes to other providers to be budget neutral because medical necessity will remain the same and the number of eligible members will not increase. The Behavioral Health Services Commissioner noted the CCBHCs will be paid at the PPS rate. Other mental health providers using fee-for-service will be able to bill the mental health codes if they meet the standards and clinical licensure requirements. KDADS is working on the front end with the Kansas Medical Assistance Program and the MCOs to have more insight on how the codes are billed and will audit to determine utilization. Recipients of the mental health services must meet Medicaid medical necessity criteria as determined by a licensed mental health professional or a physician.

Psychiatric Residential Treatment Facilities

At the February 2, 2024, meeting, the KDADS Commissioner of Survey, Certification, and Credentialing stated 156 individuals (73 in foster care) were on the psychiatric residential treatment facilities (PRTFs) waitlist as of January 2, 2024. The number of PRTF licensed beds at the time was 402, of which 128 were not in use, primarily due to staffing issues. The PRTF census at that time was 258, with 78 of these being youth in foster care.

At the June 24, 2024, meeting, a KDADS representative stated 146 individuals (59 in foster care) were on the PRTF waitlist as of June 13, 2024. The number of PRTF licensed beds at the time was 452, of which 197 were not in use, primarily due to staffing issues. The PRTF census at that time was 255, with 82 of these being youth in foster care.

At the August 26-27, 2024, meeting, the KDADS Behavioral Health Services Commissioner noted 120 individuals (48 in foster care) were on the PRTF waitlist as of August 2024. The number of PRTF licensed beds at the time was 452, of which 168 were not in use, primarily due to staffing issues. The PRTF census at that time was 285, with 83 of these being youth in foster care.

At the October 22-23, 2024, meeting, the KDADS Behavioral Health Services Commissioner stated 109 individuals (43 in foster care) were on the PRTF waitlist as of October 3, 2024. The number of PRTF licensed beds at the time was 452, of which 159 were not in use, primarily due to staffing shortages. The PRTF census at that time was 259, with 97 of these being youth in foster care. The Commissioner stated there is a waitlist for children in foster care. Foster children on the waitlist may be in transition, waiting to find placement, or in a foster home.

The KDADS Behavioral Health Services Commissioner provided specialty PRTF study results at the October 22-23, 2024, meeting. An environmental study was conducted to identify opportunities for KDADS to facilitate provision of appropriate treatments in a safe and sustainable manner for youth. A proviso in the budget was used to fund and conduct the study. The Commissioner reviewed the key steps of the study. Charts were reviewed on the total weekly census and waitlist for youth from May 2019 through May 2024 and the total licensed PRTF beds versus staffed beds. The Commissioner noted that while the number of total licensed beds has increased 39.0 percent since 2019, staffed beds have increased only 19.0 percent. A breakdown of the PRTF waitlist was given, noting 136 youth on the list, 68 of them with specialized needs.

The Commissioner noted that if the PRTFs were fully staffed, capacity for specialized care would be less than the determined need, while capacity for non-specialized care would be more than the determined need. The continuum of care before and after PRTF has points of services that are not fully linked or accessible. The annual salaries of PRTF direct care workers make recruiting staff difficult. A chart was provided reflecting the reimbursement rates for PRTFs treating youths with specialized needs are lower than for non-specialty PRTFs. The increase in reimbursement rates of 45.0 percent since 2019 has not correlated to an increase in staffed beds.

The Commissioner reviewed the percentage of total PRTF waitlist denials by multiple PRTFs has increased over time, which is due to staff being

unable to deal with overly aggressive youths. The Committee was provided with options to consider to address the access gap. The one-time and annual financial impacts were discussed. Implementing all options in one year could require $12.0 million to $18.0 million in upfront investment but could potentially avoid $4.0 million to $5.0 million in annual costs.

Mental Health Intervention Team Program Overview, Funding, and Billing

At the February 2, 2024, meeting, a representative of the Kansas State Department of Education (KSDE) provided testimony regarding the MHIT program, which focuses on kindergarten through 12th grade students and their families by identifying students with mental health needs, helping families navigate mental health services, and linking them with existing statewide behavioral health resources within the mental health provider network. There is also additional focus on children in foster care.

The KSDE representative described the MHIT program, its history and funding, and success stories. The MHIT program started in the 2018-2019 school year with 9 pilot school districts and increased to 90 school districts in the 2023-2024 school year. As of December 20, 2023, the program served 5,732 students, of which 477 were foster children. A map with the locations of school districts participating in the MHIT program and the 2022-2023 MHIT grant report were provided.

Representatives of the ACMHCKS noted the school-based staff and the CMHC staff work as a team to carry out the program and discussed their roles and responsibilities. The representative noted the MHIT program provided funding for families having difficulties paying for services and reviewed program outcomes. The benefits of the MHIT program were provided and include students missing less school because therapy sessions occur on-site with little disruption to the school day, transportation is provided when necessary, and virtual meetings are available to parents who are unable to meet at the school with the liaison or therapist.

At the August 26-27, 2024, meeting, the KDADS Behavioral Health Services Commissioner provided an update on the MHIT program, noting oversight of the program had changed July 1, 2024, to KDADS through a 2024 Legislative proviso. The KSDE data portal indicated that nearly 7,000 students were provided with individualized behavioral health services during the 2023-2024 school year. This number included nearly 600 foster children. KSDE continued to maintain the KSDE data portal, to which KDADS had access. Expansion funding of $4.5 million was provided for FY 2025. The proviso amended the funding practice to provide 65.0 percent of the grant to the school district and 35.0 percent to the mental health providers. Also new for the 2024-2025 school year was the Qualified School Program, which provides for the inclusion of non-public schools that meet the program requirements. Information was provided regarding the purpose of the seven-member MHIT Qualified School Board and the composition of the Board's membership. Program implementation successes were reviewed.

At the October 22-23, 2024, meeting, the Behavioral Health Services Commissioner reviewed the MHIT program, noting more than 90 school districts, with more than 400 buildings, were serving 7,350 students, of which 3,159 were new participants. The Commissioner clarified the MHIT program is for students only, but if additional funding is provided, it could be expanded to include teachers.

State Hospitals

Facilities

At the February 2, 2024, meeting, the Deputy Secretary of Hospitals and Facilities reviewed the location of the adult inpatient psychiatric beds and the number of beds per location.

At the October 22-23, 2024, meeting, the Deputy Secretary provided an update on the regional state psychiatric hospital and provided other state hospital-related information as written-only testimony, on topics including building a facility in Sedgwick County, staff vacancies, bonus payments to assist with staff retention, alternatives to state institutions, mobile services to restore competency, and reimbursements to counties for services provided when in-patient services are not available.

Larned State Hospital Update

At the February 2, 2024, meeting, the Deputy Secretary of Hospitals and Facilities provided an update on the Larned State Hospital (LSH) pilot projects to conduct outpatient mobile competency services in various counties in Kansas. Several counties were working with CMHCs to do competency restorations. KDADS entered a contract with Wheat State Healthcare to coordinate competency services provided by CMHCs to judicial districts. Twenty-three CMHCs have staff trained to conduct competency evaluations, and 18 have staff trained in competency restoration. The Deputy Secretary noted two laws enacted in 2023 direct KDADS to reimburse for costs related to delays in admission to LSH and Osawatomie State Hospital (OSH), 2023 SB 228 and 2023 HB 2184. A chart reflecting the reimbursements to counties for forensic competency wait time payments and the involuntary commitment costs was provided to the Committee.

At the August 26-27, 2024, meeting, the Deputy Director of Hospitals and Facilities provided information regarding mobile competency services provided by LSH staff and Wheat State Healthcare. He reviewed 2023 SB 228 (Forensic Competency Wait Time Payments) and 2023 HB 2184 (Involuntary Commitment Costs) that dealt with reimbursements to counties, health care providers, law enforcement, and other county entities for unpaid costs of holding a person in custody, patient observation, and transportation for individuals waiting for admission to a state hospital or state institutional alternative (SIA) hospital. A chart was provided reflecting the reimbursement amounts paid to the counties through June 2024.

At the October 22-23, 2024, meeting, the Deputy Secretary of Hospitals and Facilities stated 2023 SB 228 allows KDADS to reimburse county law enforcement when they are holding a patient who is waiting for a competency evaluation at LSH and noted $9.0 million has been paid since the program started last year. The Deputy Director also noted contract labor overages at LSH were close to budget. In 2023, $43.0 million was spent on contract staffing, and current year projections are a little under budget.

South Central Regional State Psychiatric Hospital

At the February 2, 2024, meeting, the Deputy Secretary of Hospitals and Facilities reviewed the two recommendations made by the Governor's Advisory Panel for the regional state hospital project. The first recommendation included asking the Governor and the Legislature to include funding in the FY 2025 approved budget for KDADS to construct an additional 50 beds at the South Central Regional State Psychiatric Hospital, expanding the number to 100 beds for adults with acute mental illness and criminal defendants requiring competency evaluation or treatment. The second recommendation was to update Executive Order 23-05 to move the final report due date from June 30, 2024, to December 30, 2024, to allow the panel more time to study and consider recommendations. It was noted that the location for the South Central Regional State Psychiatric Hospital will be the northwest corner of MacArthur and Meridian in Wichita.

At the June 24, 2024, meeting, the Deputy Secretary of Hospitals and Facilities provided an update on the regional state hospital project in the Wichita area. His update noted municipal zoning and boundary changes have concluded for the project, and the design work was proceeding. The hospital will have 104 beds instead of 52.

At the August 26-27, 2024, meeting, the Deputy Secretary of Hospitals and Facilities provided an update on the regional state hospital project, noting construction RFPs were scheduled for release on October 24, 2024, with construction to be completed by August 2026.

At the October 22-23, 2024, meeting, the Deputy Secretary of Hospitals and Facilities stated architects were completing development of the construction documents. Construction RFPs were scheduled for release October 24, 2024, with responses due by November 19, 2024. The selection process will occur during December 2024, with construction to begin in February 2025 and the build completed by August 2026. The project is for 104 beds. The land donation agreement for the building site had been executed and the property title had been transferred to Sedgwick County.

Osawatomie Sate Hospital Moratorium

At the February 2, 2024, meeting, the Deputy Secretary of Hospitals and Facilities reviewed the history of the lifting of the moratorium on voluntary admissions at OSH and the status of the remodel of the Biddle Building.

State Institution Alternatives

At the February 2, 2024, meeting, the Deputy Secretary of Hospitals and Facilities reviewed the SIAs utilization and a map of the locations of the Kansas adult impatient psychiatric beds.

At the August 26-27, 2024, meeting, the Deputy Secretary of Hospitals and Facilities provided a list of the SIAs.

Workforce

At the February 2, 2024, meeting, the Deputy Secretary of Hospitals and Facilities discussed staffing vacancies at various state facilities, as well as agency efforts for recruitment and retention of staff.

At the August 26-27, 2024, meeting, the Deputy Secretary of Hospitals and Facilities provided charts regarding staff vacancies at the state hospitals. The Deputy Secretary noted KDADS is working with Personnel Services to develop work bonuses to improve hiring, recruiting, and retention of critical direct care state hospital employees. The total per-employee bonus cannot exceed $10,000 during FY 2025. There are sign-on bonuses, referral bonuses, retention bonuses, pick-up shift bonuses, and longevity bonuses. A chart showing the amounts of bonuses paid between July 21 and August 3, 2024, was provided.

Survey, Certification, and Credentialing

Adult Care Home Enforcement Remedy Authority

At the August 26-27, 2024, meeting, the Commissioner of Survey, Certification, and Credentialing presented information on nursing facility enforcement, noting adult care home enforcement remedies include correction orders, civil penalties, bans on admissions, and licensure denial, suspension, and revocation. The maximum fines and civil penalties for the various violations were outlined. Factors considered in setting the amount of a fine or penalty include the severity of the violation, the good faith effort by the facility to correct the violation, and the history of compliance by the adult care home.

The Commissioner also provided an overview of the three federal categories of remedies for deficiencies that CMS may impose against a certified skilled nursing facility related to potential to cause harm or actual caused harm to residents. A provided chart reflected the mandatory criteria for immediate imposition of federal remedies. Details related to formal notice requirements and civil monetary penalties were provided.

At the October 22-23, 2024, meeting, the Commissioner reviewed the new CMS staffing requirements that became effective June 21, 2024. As of this meeting, CMS had not provided any additional updates to the new minimum staffing requirements nor had the federal agency provided any additional training or changes to the survey process.

Long-term Care Facilities' Operating Status

At the February 2, 2024, meeting, the KDADS Commissioner of Survey, Certification, and Credentialing provided information regarding LTC facilities' change of ownership, closures, and openings in 2023. Charts were provided showing the numbers of adult care home beds closed and opened over the past five years.

Nursing Home Administrator Licensure

At the August 26-27, 2024, meeting, the Commissioner of Survey, Certification, and Credentialing provided information regarding requirements for a licensed nursing home administrator. The Board of Adult Care Home Administrators (BACHA) had discussed in recent meetings the topic of lowering the educational requirement for a nursing home administrator from a bachelor's degree to the level in neighboring states, which is as low as a high school diploma. This was being considered due to a concern with administrator vacancies. BACHA decided to stay with the current requirement. A comparison of the Kansas and Missouri nursing home administrator licensure requirements was provided showing Missouri requires only a high school diploma to sit for the exam (one of six states with that minimum education requirement).

Psychiatric Residential Treatment Facility Inspections

At the February 2, 2024, meeting, the KDADS Commissioner of Survey, Certification, and Credentialing stated KDADS inspects PRTFs annually and conducts on-site visits for annual licensure renewal to ensure providers continue to meet rule and regulation. Unannounced on-site visits are conducted for complaint allegations and adverse incident reports. There were 24 unannounced inspections in 2023.

Rural Emergency Hospital Physical Environment Waiver

At the August 25-26, 2024, meeting, the KDHE Bureau Director of Facilities and Licensing provided further information regarding the Rural Emergency Hospital (REH) issue with Mercy Hospital – Moundridge (Mercy Hospital) and stated the issue lies at the federal level. The facility has provided long-term care through skilled nursing facility beds. The information located through a document search indicated the facility was first licensed in 1975. In 1997, Mercy Hospital terminated its skilled nursing facility licensure and changed to swing bed services only. With a swing bed, the facility can continue to provide the services. However, when a facility changes to an REH, CMS requires the facility to give up its swing beds for a monthly stipend of $270,000. KDHE has discussed the issue with KDADS and CMS, but because the beds stopped being CMS-certified skilled nursing facility beds in 1997, CMS views them as swing beds that qualify only for the stipend. The Mercy Hospital representative attempted to attain a waiver from CMS but was unsuccessful. The Mercy Hospital representative may be able to file an appeal to CMS. KDHE cannot solve the problem as it does not have authority or jurisdiction to change the beds back to skilled nursing facility beds or to authorize reimbursement. The Bureau Director did not believe any other facilities had the same issue as Mercy Hospital. The Bureau Director stated he believed the issue came down to interpretation by CMS. The skilled nursing services had been provided the entire time. The reimbursement for the skilled nursing level of care provided stopped in December 2023 when Mercy Hospital became an REH. Mercy Hospital receives only a stipend for surrendering its swing beds.

In response to Committee questions at the August 26-27, 2024, meeting, the Deputy Director of Hospitals and Facilities stated KDADS has limited authority to do a waiver. KDADS cannot change or update a license based upon how a facility has been historically utilized. When the administrative regulation changed, some facilities were grandfathered in that would not meet current standards for skilled nursing facilities as a licensed skilled nursing facility because those facilities had historically operated as licensed skilled nursing facilities. Mercy Hospital did not have a skilled nursing facility license at the time of the administrative regulation change, so it could not be grandfathered in. KDADS did an on-site review and put together a list of what would need to be done for Mercy Hospital to meet the current rules and regulations for licensure as a skilled nursing facility.

In response to Committee questions, a Kansas Hospital Association (KHA) representative stated the bill passed during the 2024 Legislative Session (House Sub. for SB 287) addressed REH eligibility and would not necessarily apply to the Mercy Hospital situation. The representative stated a possible solution was to statutorily grant KDADS authority to provide a waiver in these situations as the issue may be a deterrent to future hospitals seeking REH designation. KHA would work to clarify that authority for the agency.

Staff Training and Certification

At the February 2, 2024, meeting, the Commissioner of Survey, Certification, and Credentialing provided a chart reflecting the number of approved certified nurse aide (CNA), certified medication aide (CMA), and home health aide (HHA) courses based on start date and comparing years 2020 through 2023. A chart was provided for the same period for initial CNA, CMA, and HHA certifications.

Supplemental Health Care Services Agencies' Registration and Reporting

At the August 26-27, 2024, meeting, the Commissioner of Survey, Certification, and Credentialing provided an update on the Supplemental Health Care Services proviso. The proviso, added to the KDADS budget for FY 2025 in SB 28, Sec. 83, requires supplemental health care service agencies to register with KDADS, pay

a fee not to exceed $2,035, and provide quarterly reports detailing the average amount the agencies charge facilities for each employee and what they pay their employees. These are staffing agencies that provide registered nurses to nursing facilities and health care facilities. The first quarterly report would be available in October 2024. The language of the proviso and an implementation timeline were provided to the Committee. To date, of the potential registrants, 91 staffing agencies had registered. There is no penalty to nursing facilities or health care facilities for using supplemental health care service agencies that do not register. The first reporting period will cover July 1, 2024, through September 30, 2024. KDADS will provide a comprehensive report to the 2025 Legislature.

At the October 22-23, 2024, meeting, the Commissioner of Survey, Certification, and Credentialing provided information regarding supplemental health care staffing agencies, noting, as of October 22, 2024, 48 of the 118 staffing agencies in the state were reporting assignments. A chart reflecting the average pay versus the average charge for each staff type was reviewed.

Presentations on KanCare from Individuals, Providers, and Organization Representatives

Written-only testimony was presented at the February 2 and June 24, 2024, Committee meetings by individuals, providers, and representatives of organizations. Written and oral testimony was provided by individuals, providers, and representatives of organizations at the August 26-27 and October 22-23, 2024, Committee meetings.

Some individuals, providers, and organizations gave positive feedback for the following: increasing the reimbursement rate for direct applied behavior analysis (ABA) treatment to $65 per hour from $47 per hour; the steady progress the State has made over the past few years in the Medicaid dental program; the funding to fully rebase nursing facility Medicaid rates for the past three fiscal years, which has allowed nursing facilities to remain open to care for Kansas seniors; the Medicaid add-on included in provider rates the past two years has been extremely important for caring for Medicaid recipients in adult care homes; and the implementation of effective policies for individuals and families affected by autism spectrum disorder.

Concerns and suggested solutions presented by conferees are summarized below.

Concerns

ABA rates. The cost of providing actual care for children with autism spectrum disorder has risen significantly due to inflation, and both state and commercial payers have not kept pace with those rising costs when it comes to reimbursing providers for the care provided. The KanCare reimbursement rate for CPT Code 97155 is $24.00 per unit (every 15 minutes), and this rate has been in place since April 1, 2019. This rate pertains to board-certified behavior analysts (BCBAs) directly monitoring the delivery of ABA treatment by registered behavior technicians (RBTs).

ABA workforce. There is a need to increase the number of ABA clinics coupled with diagnosticians operating in Kansas, and to address the shortage of BCBAs and RBTs in Kansas.

Adult care sector. Adult care homes are concerned about the continuity of the Medicaid add-on included in provider rates the past two years that has been extremely important for caring for Medicaid recipients in adult care homes.

CHIP. A permanent fix is needed to the ongoing issue with CHIP eligibility in KSA 38-2001, which stipulates that CHIP eligibility is to be up to 250.0 percent of the 2008 FPL. Additionally, due to changes in federal regulations related to eliminating waiting periods and lockout periods, the state will have until June 2025 to address the lockout period issue. The lockout periods eliminated by federal regulations are found in KSA 38-2001(e). The statute states a child is ineligible for CHIP coverage if the child's family has not paid the enrollee's applicable share of the premium due. The statute further states such child will again be eligible for CHIP coverage for the remaining months of the continuous eligibility period if the family pays all of the delinquent premiums owed during the year.

Community Support waiver. The CS waiver should include an employment component. The

CS waiver needs adequate funding but also appropriate definitions of services that provide flexibility so that multiple needs and situations can be met.

Dental coverage in KanCare. Low Medicaid dental rates have prevented dental offices from accepting new Medicaid patients.

Direct support workers. Despite the invaluable services direct support workers provide, they are often undervalued and poorly compensated for their work. It is difficult to attract and retain direct care workers.

Federal nursing homes minimum staffing rule. The federal minimum staffing rule for nursing facilities is an unfunded mandate that could result in nursing facility closures. Twenty-one LeadingAge state affiliates, including the Kansas affiliate, have filed suit in the U.S. District Court's Northern District of Iowa to overturn the CMS Nursing Homes Minimum Staffing Standards mandate.

HCBS rate parity. There is a need to secure rate parity among all HCBS waivers. While additional funding was appropriated by the 2024 Legislature, the current patchwork approach to rate setting resulted in the increases not being applied equitably across waivers. Rate parity is very important across Medicaid waivers for services provided by direct service workers in the self-directed waiver programs. Unequal pay for similar services on separate waivers creates hiring problems and discriminates among persons depending on the waiver services they receive.

Home plus beds. The costs of operations for home plus facilities have increased dramatically in the past five years. An increase from the statutory limit of 12 beds to 16 beds is needed to allow additional income without drastically increasing overhead and would still comply with the State Fire Marshall classification of a small, residential room and board facility.

Hospital long-term care physical environment waiver. Concerns were expressed regarding the number of long-term beds in the state. With the introduction of the new federal REH initiative to which many hospitals are seeking transition, it is now a requirement that no inpatient beds be available. This represents a significant change from the critical access hospital (CAH) model, which allows for inpatient beds, including those for long-term care units associated with hospitals. The LTC units were not licensed under Kansas adult care home statutes but provided essential LTC services under hospital licensure. With the REH designation requiring no inpatient beds, hospitals transitioning from the CAH to the REH model must either close the inpatient beds or license the building as an adult care home. Hospital LTC units are often housed in older buildings that may not meet current physical environment regulations but could comply with older standards through a waiver process.

KDHE refused to license the skilled nursing unit in a hospital converting to a REH designation (Mercy Hospital), and KDADS denied a physical environment waiver to allow a distinct part of the hospital to be licensed as an existing skilled nursing unit. The waiver was denied due to the technical interpretation by CMS that the facility was previously licensed as a hospital-based skilled nursing facility rather than an adult care home. The facility would have to meet all new facility requirements for an adult care home, as the REH designation is available only to existing hospitals and not new hospitals.

Hospital provider credentialing and billing. Concerns have been expressed by hospitals relating to provider credentialing and the rendering of services without billing complications.

KanCare procurement. Concern was expressed regarding the awarding of a KanCare 3.0 contract to a company associated with a past MCO, Amerigroup, that still owes the State money. Concerns also were expressed regarding the current MCO procurement process.

MCO contract extension. There is a need to extend the length of the MCO contract. By the time the MCO, the care coordinators, and the providers become familiar with a specific patient's needs, it may be time to look for a new MCO if the current one is not renewed.

MCO outstanding claims reconsiderations. Nursing homes and similar providers of LTC services are facing challenges with the outstanding reconsiderations of claims from the MCOs. The

outstanding reconsiderations need to be resolved and payments processed before Aetna's departure. Providers are experiencing multiple reconsiderations lasting multiple months. The systemic delays need to be addressed to ensure the most vulnerable continue to receive important services.

Medicaid application processing. Concern was expressed regarding the number of days it takes to have Medicaid LTC applications approved.

Medicaid expansion. There is a need to expand Medicaid in the state.

Nursing facility reimbursements. In the previous MCO transition, not all Medicaid claims were paid in full by Amerigroup. Providers ask for assurances and procedures to be in place as the State moves into the new MCO contract cycle.

Nursing facility higher level of care. Patients with cognitive impairments are needing a higher care level that cannot be captured through current reporting tools and, therefore, is not being reimbursed. Without a change, providers may not have sufficient resources needed to admit those who need a higher level of care due to cognitive impairments.

Nursing home surveys. Concerns were expressed regarding interactions with surveyors, the number of citations, and the overall survey experience in nursing homes.

Pediatric primary care rates. Children deserve a regular provider and a medical family, and Medicaid coverage works only if sufficient pediatricians are available to serve these children. Increasing Medicaid payments for pediatric primary care services would secure more medical providers for Kansas children.

Senior resource guide. There is a significant need in the older adult community for a physical resource guide that offers guidance and support regarding the services and resources available to aging Kansans.

Specialized medical care waiver services. Improvements to the specialized medical care (SMC) waiver services are needed.

Waitlists and capacity. The HCBS PD and I/DD waiver waitlists need to be eliminated and capacity increased on the Autism waiver.

Recommended Solutions

Conferees offered comments on potential solutions for the topics below.

ABA rates. The KanCare reimbursement rate for CPT Code 97155 should be increased.

Autism Task Team. The Task Team needs to be resurrected to engage new and existing stakeholders to enhance lives and accelerate a spectrum of solutions for the future. The Committee should direct KDADS to reconstitute the Task Team.

CHIP. In lieu of a bill, a proviso should be drafted to deal with the CHIP eligibility issue in statute.

Community Support waiver. An employment component should be included in the CS waiver. Adequate funding and appropriate definitions of services that provide flexibility should be provided. A budget allocation of approximately $10.0 million should be made to assist in launching the CS waiver.

Dental coverage in Medicaid. The Medicaid dental rates should be increased to the level currently in Missouri. Kansas was one of the first states to implement the Sedation Dental Care code G0330, a hospital facility fee code for sedation dental care. The rate for G0330 should be increased to $3,087.

Direct care workers. HCBS I/DD waiver rates should be increased by 3.5 percent, and a cost-of-living adjustment should be proactively established.

HCBS rate parity. Rate increases should be applied equitably across all HCBS waivers.

HCBS waitlists and capacity. The HCBS PD and I/DD waitlists should be eliminated, and the

capacity on the Autism waiver should be increased. Several I/DD waitlist modernization strategies, including an I/DD Tier System and an I/DD waiver two-way communication platform were suggested. Consideration should be given to separating the I/DD waitlist and tracking it by when the person will need services.

Home plus beds. Legislation was recommended to increase the maximum number of beds statutorily allowed from 12 to 16 beds.

I/DD Workforce. Suggestions were made related to the disability workforce, including a list based on other state solutions and ideas related to wages and a career ladder.

LTC/Physical environment waiver. KDADS should be encouraged to review its narrow interpretation of physical environment waivers and explicitly allow LTC units of hospitals to qualify for a physical environment waiver and proceed with the licensing process.

MCOs audits. MCOs should be audited annually to ensure that funds have been spent correctly.

MCO contract extension. Contracts for MCOs should be extended to five years.

Medicaid expansion. The State should expand Medicaid.

Medicaid rates for pediatric primary care and maternity-related care. Medicaid payments for pediatric and maternity-related codes should be increased.

Nursing facility rebase. KDADS should make funding for a full rebase for nursing facility Medicaid rates in FY 2026 a priority in the agency's budget request. Funding sufficient to fully rebase provider rates each year should be the standard and the starting point in budget requests to the Legislature.

Nursing facility reimbursements. Assurances and procedures need to be in place as the State moves into the new MCO contract cycle to ensure nursing facilities receive full payment for claims submitted to Aetna.

Senior resource guide. KDADS should work in collaboration with the Area Agencies on Aging (AAA) to gather resource information for the 11 Planning and Service Areas served by AAAs. The Committee should encourage and support KDADS in bringing back the "Explore Your Options" resource guide in both an electronic and hard copy.

SMC waiver services. Three recommendations were proposed: a rate enhancement to $60 per hour for all eligible waivers that provide SMC T1000 services, an overtime reimbursement at 1.5 times the fee schedule or contract rate, and implementing a Transition from Hospital to Home option. The Transition from Hospital to Home option would provide a one-time $10,000 payment for any new SMC recipient transitioning from the hospital to the home for the first time who requires 24/7 care. The use of SGF with the federal match to fund the option, instead of ARPA funds, was suggested.

Workforce shortage. A health care workforce roundtable should be established to create a comprehensive workforce bill.

Conferees

Private citizens and representatives of the following organizations and providers testified or provided written-only testimony before the Committee: Ability Point; Adamantly Protecting Kansans from KanCare: A Michael John Distefano Fund; Autism Support Now; Behavioral Health Solutions; Big Lakes Developmental Center, Inc.; COF Training Services; Cottonwood, Inc.; Cottonwood Community Developmental Disability Organization; Developmental Services of Northwest Kansas, Inc.; Disability Rights Center of Kansas; Infant Toddler Services of Johnson County; InterHab; KanCare Advocates Network; Kansas Action for Children; Kansas Adult Care Executives Association; Kansas Advocates for Better Care; Kansas Association of Area Agencies on Aging and Disabilities; Kansas Association of Centers for Assisted Living; Kansas Chapter of the American Academy of Pediatrics; Kansas Council on Developmental Disabilities; Kansas Health Care Association/Kansas Center for Assisted Living; Kansas Home Care and Hospice Association; Kansas Hospital Association; LeadingAge Kansas; Maxim Healthcare Services; MCDS; Mercy Hospital, Inc.; Mosaic; Oral Health Kansas, Inc.; Overland Park Regional Medical

Center; Rainbows United, Inc.; Resource Center for Independent Living, Inc.; Riverside Resources, Inc.; Self Advocate Coalition of Kansas; Sunflower Care Homes; Starkey, Inc.; The Whole Person; and Three Rivers, Inc.

Unresolved Issues Spreadsheet Responses from Agencies and MCOs

Representatives of KDHE, KDADS, the three MCOs, DCF, the Kansas Department of Administration, and the Judicial Branch provided responses to concerns expressed by individuals, stakeholders, and organization representatives at the Committee meetings. A spreadsheet prepared by KLRD staff was used to track issues presented to the Committee and the resolution of those concerns.

The agencies, MCOs, and the Judicial Branch used the spreadsheet to respond to the concerns. Each conferee concern was identified by name, the issue was noted, and the response or resolution from the agency, the MCO, Judicial Branch, or a combination was provided. Issues determined by the Committee to have been addressed were noted as closed. The spreadsheet included carryover issues from calendar year 2023, as well as new items the Committee identified to be added to the spreadsheet.

At the June 24, 2024, meeting, the Committee added a new item for DCF and KDADS relating to a contract issued to implement a closed-loop referral system for persons applying for services, including Medicaid, Supplemental Nutrition Assistance Program, and other services.

KDHE Responses

At each meeting, a KDHE representative reviewed the agency's responses to unresolved Medicaid issues identified by conferees at the previous Committee meetings.

At the February 2, 2024, meeting, the KDHE Medicaid Director and other KDHE representatives addressed the general issues pertaining to KDHE and provided specific updates on the following: services reimbursable by Medicaid or private insurance in the hospital inpatient setting for a patient screened and waiting for a state hospital admission and obstacles to hospitals billing for services provided to such patients (Item 1); coordination between CMHCs/CCBHCs and hospitals for delivery of services to people waiting for admission to state hospitals or SIAs (Item 2); the breakdown of the stratified data included in each core set (Item 3); the enforcement of Home Health regulations (Item 4); ways to increase the number of child care facilities in the state and the reasons preventing such an increase was expanded to request information about reductions in home providers and rule exceptions made to keep child care providers open (Item 5); the development of processes and procedures to address the performance audit on the TransMed program completed by the Office of the Medicaid Inspector General (Item 6); and the benefit to individuals and the cost of adding case management on the FE and PD waivers (Item 7). By common consensus, the Committee closed items 1, 2, 4, and 7 and kept items 3, 5, and 6 open for further attention.

At the June 24, 2024, meeting, the Medicaid Director addressed the general issues pertaining to KDHE and provided specific updates on the following: the breakdown of the stratified data included in each core set (Item 3); ways to increase the number of child care facilities in the state and the reasons preventing such an increase was expanded to request information about reductions in home providers and rule exceptions made to keep child care providers open (Item 5); and the development of processes and procedures to address the performance audit on the TransMed program completed by the Office of the Medicaid Inspector General (Item 6). Committee members agreed by common consensus to close items 5 and 6 and remove them from the list and to keep item 3 on the list for further attention.

At the August 26-27, 2024, meeting, the Medicaid Director addressed the only remaining item related to KDHE, which was item 3 pertaining to the 2024 Adult Core Set and Child Core Set. The Medicaid Director offered to resubmit the Core Sets to the Committee. The item was not removed.

The Medicaid Director responded to a question regarding a concern expressed by a private citizen in written-only testimony submitted at the June 24, 2024, and August 26-27, 2024, meetings, stating the individual disagrees with the CMS policy pertaining to eligibility. The

individual requested a fair hearing, and the administrative law judge ruled in KDHE's favor indicating the case was processed correctly and the shared cost amount was correct. The Medicaid Director stated the eligibility thresholds can be taxing and put a family in a stressful situation, but the case resolution was correct. If anything changes in the family situation, the individual may submit the information, and KDHE will take another look at the case.

At the October 22-23, 2024, meeting, the KDHE representative addressed the general issues pertaining to KDHE. Specific updates were provided on the following: Item 3 pertaining to the 2024 Adult Core Set and Child Core Set; the relationship between REH, skilled nursing beds, and CMS requirements (Item 8); doula services, reimbursement, expenditures, and safeguards to avoid duplicate claims; the differences between doulas and MCO care coordinators regarding employment (Items 9, 10, and 11), the timeline for implementation of network adequacy for KanCare 3.0 (Item 12); and the Mercer Government Human Services Consulting (Mercer) Contract for KanCare 3.0 (Item 13). The items were not removed.

KDADS Responses

At each meeting, the KDADS Deputy Secretary of Programs reviewed the agency's responses to unresolved Medicaid and HCBS issues identified by conferees at previous Committee meetings.

At the February 2, 2024, meeting, the Deputy Secretary of Programs addressed the general issues pertaining to KDADS. By common consensus, the Committee members agreed to remove the items regarding the coordination between CMHCs/CCBHCs and hospitals for delivery of services to people waiting for admission to state hospitals or SIA (Item 8) and regarding when individuals are removed from the BI waiver because of no additional improvement (Item 11). The remaining items remained open for further attention, and Item 17 regarding support for youth with SED was expanded to add tracking for the number of beds that are not available due to workforce staffing issues.

At the June 24, 2024, meeting, the Deputy Secretary of Programs addressed the general issues pertaining to KDADS. Committee members agreed by common consensus that KDADS Item 1, regarding the Sedgwick County State Hospital update, can be considered closed and removed from the list. Committee members agreed by common consensus to keep the remaining items specific to KDADS open for further attention.

At the August 26-27, 2024, meeting, the Deputy Secretary of Programs addressed Items 2 though 7, 9, 10, and 12 through 16 pertaining to KDADS. Item 10 pertaining to determining the root cause of antipsychotic drug use trends was removed. Committee members agreed by common consensus to keep the remaining KDADS items open for further attention.

At the October 22-23, 2024, meeting, the Deputy Secretary of Programs addressed the general issues pertaining to KDADS. Spreadsheet Item 23 on data regarding the amounts paid and the number of defendants waiting for admission to LSH relating to 2023 SB 228 and HB 2184 was removed. All other KDADS items remained on the list for further attention. Details on responses provided are included in the October 22-23, 2024, Committee minutes.

Department for Children and Families Responses

At the February 2, 2024, meeting, the DCF Deputy Secretary presented information on the status of an unresolved issue related to DCF identified at previous Committee meetings regarding investment in foster home recruitment and retention by increasing funding for supplemental training on behavioral health needs and to support SED youth. The Committee agreed by common consensus to keep this item for further attention.

At the June 24, 2024, meeting, the DCF Deputy Secretary provided a written response on unresolved issues related to DCF identified at previous Committee meetings. Committee members agreed by common consensus that Item 2, relating to investing in foster home recruitment and retention by increasing funding for supplemental training on behavioral health needs and to support SED youth, be considered closed

and removed from the DCF list and assigned to KDADS. Committee members agreed by common consensus to keep DCF Item 3, relating to the timeline for training to become a therapeutic foster home, open for further attention.

At the August 26-27, 2024, meeting, the DCF Deputy Secretary presented information on the status of unresolved Items 3 and 4. Item 3, regarding the timeline for training to become a therapeutic foster home, was removed. The Committee members agreed by common consensus to keep DCF Item 4 open for further attention.

At the August 26-27, 2024, meeting, in response to questions posed by the Committee during the DCF response, a representative of Unite Us provided an overview of the closed-loop referral system grant award. Unite Us uses software technology to connect people through referrals to available resources with a goal to get individuals to self-sufficiency. It is a consumption-based contract. As licenses are allocated, Unite Us bills the State. It was noted 606 licenses had been allocated through the grant, including for multiple state agencies. The representative stated a list of the current licensees would be provided. The Unite Us representative responded to numerous questions regarding the closed-loop referral system.

At the October 22-23, 2024, meeting, the DCF Deputy Secretary presented information on the status of unresolved issues related to DCF identified at previous Committee meetings. The Deputy Secretary responded to questions regarding the Unite Us closed-loop referral system; case managers choosing the level of care for individuals on the Technical Assistance waiver; the availability of foster parents to meet foster care needs and the training provided to foster parents; and the exponential growth of unaccompanied minors in Kansas. Committee members agreed by common consensus to keep the DCF items open for further attention.

Judicial Branch Responses

At the February 2, 2024, meeting, the Judicial Branch representative provided an update on the status of an unresolved issue identified at previous Committee meetings regarding the availability of specialty courts and whether any are used for family treatment. The Committee agreed by common consensus to keep this item for further attention.

At the June 24, 2024, meeting, the Judicial Branch representative presented written testimony regarding the specialty courts' availability and use for family treatment. The Committee agreed by common consensus to keep this item for further attention.

At the August 26-27, 2024, meeting, the Judicial Branch representative presented the status of Item 1, related to the Judicial Branch regarding family treatment courts. Information was provided on the second Mental Health Summit scheduled for August 26-27, 2025, at Fort Hays State University. The Committee agreed by common consensus to keep this item for further attention.

At the October 22-23, 2024, meeting, the Judicial Branch representative provided an update on the status of unresolved issues related to the Judicial Branch. The Committee agreed by common consensus to keep this item for further attention.

Department of Administration Response

At the October 22-23, 2024, meeting, the Department of Administration provided written-only testimony pertaining to how often Mercer had been used as a consultant for the State, any long-term contract Mercer had with the State, and the state agencies that used Mercer as a consultant. The Committee removed the item.

MCO Responses

There were no unresolved issues for the MCOs to address at the February 2, June 24, and August 26-27, 2024, meetings.

Aetna Better Health of Kansas

At the October 22-23, 2024, meeting, the Aetna representative provided information related to supplemental benefits for the Dual Special Needs Plan (D-SNP) population for state FY 2024. The representative noted Spanish language interpretation services had been used 3,419 times via phone engagements and 56 times via office

engagements from January 1 through August 31, 2024.

Sunflower Health Plan

At the October 22-23, 2024, meeting, the Sunflower Health Plan (Sunflower) representatives presented information on the benefits under the Sunflower 2025 D-SNP plans. The representative noted Spanish language interpretation services had been used 3,548 times via phone engagements and 317 times via office engagements for January 1 through August 31, 2024.

UnitedHealthcare Community Plan of Kansas

At the October 22-23, 2024, meeting, the UnitedHealthcare Community Plan of Kansas (UHC) representative provided information on the benefits in UHC's D-SNP plans. The representative responded to Committee questions regarding specific services not included in the UHC D-SNP plans, noting some services will not be offered for plan year 2025. The representative stated many plans across the country had to make changes in their benefit offerings. UHC selected those services that were deemed to be most valuable to its beneficiary population. The representative noted the benefit most valuable to members was the food benefit, followed by the dental benefit. The representative confirmed dental implants were not being offered for plan year 2025.

A second UHC representative provided the usage count for Spanish language interpreter services for calendar year 2023 and calendar year 2024 through June 2024. The representative noted Spanish language interpretation services had been used 356 times via language line utilization and 98 times via on-site translation from January 1 through June 30, 2024. The numbers provided exclude more than 330 calls per month handled by UHC's local Spanish-speaking agents.

MCO Updates

Aetna Better Health of Kansas

At the February 2, 2024, meeting, the Aetna representative provided an update on its programs and services. The Aetna representative summarized the clinical population health programs being provided to Aetna's members. These programs include the Advancing Rural Communities Program, Maternity Matters Program, Behavioral Health Programs and Outcomes, and Emergency Department Utilization Reduction. Graphs were provided noting improvements in women's health outcomes through better health literacy. A list of performance improvement projects undertaken by Aetna was provided.

An Aetna representative reviewed the 2024 value-added benefits, focusing on the new value-added benefits of healthy food gift cards for members with diabetes or congestive heart failure, the iFoster Program, and the Foster Youth Transition Program. A chart was provided noting Aetna's distribution of funds to assist the community, with a 2023 Community Investment total of $840,120. A list of the upcoming community events was provided.

At the June 24, 2024, meeting, the Aetna representative provided written-only updates regarding its Maternity Matters program, neonatal intensive care unit admissions, and follow-up care.

At the August 26-27, 2024, meeting, the Aetna representative provided information regarding Aetna's D-SNP, a Medicare Advantage special needs plan combining Medicare and Medicaid benefits that is specifically designed to provide targeted care and limits enrollment to individuals who are eligible for both Medicare and Medicaid. She described a Medicare Savings Program, which is administered by state Medicaid agencies for individuals with limited income and resources, and Medicaid helps to pay for some of the Medicare Part A and/or B premiums, deductibles, co-payments, and coinsurance. A chart was provided that reflected the dual-eligible categories and their prevalence in Kansas. The demographics of Kansans and their chronic conditions were reviewed.

At the October 22-23, 2024, meeting, the Aetna representative provided an update on Aetna's D-SNP plan. A chart reflecting Aetna's D-SNP membership in 2023 and to-date for 2024 was provided. The 2024 D-SNP supplemental benefits were presented to the Committee. An example of a current D-SNP member and a map of the 2024 service area were provided. A review of Aetna's care team, which includes 15,700 providers in its network, was presented. The

representative noted, since 2017, D-SNP membership has significantly increased.

Sunflower Health Plan

At the February 2, 2024, meeting, the Sunflower Health Plan (Sunflower) representative provided an update on its programs and services. The Sunflower representative described the Living Alternatives for Individuals with Developmental Disabilities (LADD) Smart Living model and how the $390,000 grant provided by Sunflower to LADD would be spent on the two-year program to provide technical assistance to I/DD providers interested in implementing the model. The model is a person-centered experience, individualized for each participant, and incorporates a new staffing model that anticipates support, monitors needs, and drops in virtually for scheduled support.

A Sunflower representative also reviewed the Cervical Cancer Screening Performance Improvement Project, which has the goal of increasing the cervical cancer screening rate to 59.5 percent or higher at the end of the five-year project. This goal represents a 5.0 percent improvement from the baseline. The representative also presented on the Cervical Cancer Prevention Initiative, which includes the Shoes for Shots program that offers new shoes for health plan members who receive their second dose of the human papillomavirus (HPV) vaccine. A "Mission Moment" sharing of a member's successful experience was provided.

At the June 24, 2024, meeting, the Sunflower representative provided a written-only update on its community engagement, locations of its members and member support staff, member participation in rural health fairs in Holton and Great Bend, and increasing facility accessibility at provider locations.

At the August 26-27, 2024, meeting, a Sunflower representative provided information regarding its D-SNP, the benefit highlights of Sunflower's product in Kansas, and the advantages of the Medicare Advantage plans. The D-SNP plan includes the same coverage benefits as Medicare plus prescription drug plans, extra benefits such as Healthy Food cards and fitness, supplemental benefits beyond value-added benefits, and improved care coordination. She noted dual-eligibles enrolled in D-SNP plans have improved access to care. She noted information on health and quality management programs is provided to eligible individuals.

At the October 22-23, 2024, meeting, the Sunflower representative provided an update on the 2025 D-SNP plan. A map of the 2025 service area was provided. There are three eligible categories: Qualified Medicare Beneficiary, Full Benefit Dual Eligible, and Specific Low Income Medicare Beneficiary. The Sunflower 2025 Medicare plan benefits were reviewed. The representative noted Sunflower's network adequacy must meet CMS requirements. A review of the cost share for Medicare and D-SNP was provided. The representative reviewed how Sunflower aims to integrate and coordinate care between Medicare and Medicaid to improve member and provider experience through care management. The 2025 Special Election Period changes were reviewed.

During the Sunflower presentation, the KDADS Deputy Secretary of Programs responded to questions regarding the efforts by KDADS to incentivize individuals obtaining D-SNP. The Deputy Secretary stated the Senior Health Insurance Counseling for Kansas (SHICK) program at KDADS is a health insurance counseling program that allows dual-eligible members to meet with a counselor to discuss available plans that would be the best fit for their diagnosis, disability, or needs. Regarding who monitors the SHICK program to ensure the counselors are doing what they are supposed to do and are encouraging enrollment in D-SNP for Medicaid clients, the Deputy Secretary stated KDADS monitors the SHICK program on the state level through the Aging Commission and CMS monitors on the federal level but does not visit the sites. The SHICK counselors advise on the available plans, but the decision on which plan to select is up to the individuals seeking the advice.

Sunflower also provided its Health Maintenance Organization and Preferred Provider Organization Provider and Pharmacy directories.

UnitedHealthcare Community Plan of Kansas

At the February 2, 2024, meeting, the UnitedHealthcare Community Plan of Kansas

(UHC) representative provided an update on its programs and services. A tribute to the late Corey Stoltz, Johnson County Mental Health Center, was provided. The Corey M. Stoltz Transportation Program, which began with Ms. Stoltz's idea to employ peers to provide transportation services to individuals on the I/DD waiver or those with behavioral health needs, was named for her. The program found creative solutions to vocational challenges.

A UHC representative discussed quality outcomes and how UHC uses a multi-faceted approach to positively impact the health of its members. The representative provided quality outcomes for various measures in the areas of preventative health and behavioral health, as well as testing for chlamydia in women and lead screening in children.

At the June 24, 2024, meeting, the UHC representative provided a written-only update on diabetes monitoring of people with schizophrenia and diabetes and UHC's other initiatives regarding diabetes.

At the August 26-27, 2024, meeting, the UHC representative provided information regarding UHC's D-SNP. Individuals are eligible for dual plans if they are dually eligible for Medicare and Medicaid. In this arrangement, Medicare is the primary payer and Medicaid can cover the rest of the costs depending on Medicaid eligibility. The three D-SNP product types were described: Coordination Only Dual SNP, Highly Integrated Dual SNP, and Fully Integrated Dual SNP. The D-SNP population consists of low-income older adults and individuals younger than 65 with one or more disabilities. While D-SNPs are like Medicare Advantage plans in coverage, they are adapted for people who meet income and special needs qualifications. The value to D-SNP to Medicaid was reviewed. Additional D-SNP benefits were listed. A coverage map of Kansas was provided.

At the October 22-23, 2024, meeting, the UHC representative provided an update on the UHC D-SNP. UHC is in 69 counties in the state. The representative described D-SNP as a special type of Medicare Advantage plan for people who are dually eligible, meaning they qualify for Medicare and Medicaid. The plans are adapted for people who meet income and special needs qualifications. All plans include prescription drug coverage and supplemental benefits. A review of the 2025 D-SNP benefits was presented. UHC utilizes a UCard that acts as a member ID and a benefits card. UHC provided additional information regarding D-SNPs and a chart reflecting the D-SNP provider types by county in its service area.

Healthy Blue Kansas

At the October 22-23, 2024, meeting, a representative of Healthy Blue Kansas provided an update of the company's 2025 D-SNP benefits and services. Healthy Blue's D-SNP is designed to provide comprehensive care coordination through integrated health risk assessments, individualized care plans, interdisciplinary teams, and LTC single point of contact. A review of the enrollment process was provided. A map was provided noting D-SNP service areas for plan years 2025 and 2026. Member coverage and benefits were reviewed. It was noted Healthy Blue Kansas will remain focused on expanding its network with a special emphasis on ensuring it is maximizing overlap between Medicare and Medicaid provider networks to ensure it can provide service to dual-eligibles most effectively.

Other Presentations

Overview of the State of Mental Health in America Report

At the August 26-27, 2024, meeting, the KDADS Deputy Secretary of Programs provided information regarding Mental Health America (MHA) rankings. MHA is a national nonprofit dedicated to mental health advocacy that conducts annual state rankings. COVID-19 had a serious impact on the ability to collect national surveillance data in 2020. As a result, SAMHSA determined that 2021 would represent a trend break from previous years, meaning that the results of the National Survey on Drug Use and Health (NSDUH) moving forward will not be comparable to data collected before 2021. NSDUH data from 2021-2022 were used to calculate 11 of the 15 indicators used to rank states in the 2024 State of Mental Health in America report. The purpose of gathering the information was explained. The Kansas mental health ranking is 22nd overall among states, an improvement from 47th in previous rankings and highest in

SAMHSA Region 7, which also includes Iowa, Nebraska, and Missouri. Kansas is also ranked higher than the neighboring states of Colorado and Oklahoma. Kansas is currently ranked 24th overall in adult rankings and 16th overall in youth rankings. Additional key national findings were presented.

Areas in which Kansas performed below the national average were the prevalence of uninsured adults with any mental illness (ranked 42nd) and youth with untreated major depressive episode (ranked 44th).

National rates of any mental illness among adults were higher in completely rural counties: 25.7 percent versus 22.1 percent in urban counties.

Kansas is among nine of the ten states that have not expanded Medicaid and that ranked low among all states for the percent of adults with any mental illness without insurance coverage, with a ranking of 42nd. The statewide CCBHC safety net helps cover uninsured individuals in the coverage gap, but the impact of that program is not reflected in the uninsured indicator. The Deputy Secretary reviewed the strengths and challenges in Kansas regarding mental health. Recommendations were provided based on the MHA report. Potential strategies for enhancing mental health outcomes in Kansas were provided. The Deputy Secretary stated one of the greatest behavioral health challenges in Kansas is how to improve mental health outcomes in rural and frontier counties.

A copy of the MHA 2024 report was provided to the Committee.

Unite Us Presentation

At the October 22-23, 2024, meeting, a representative of Unite Us provided testimony regarding its closed-loop referral technology for social care networking. The representative stated the network provides the digital infrastructure for bi-directional referrals to help address Kansans' needs. The program is in its first year of a three-year grant. More than 800 licensed users have been onboarded through the grant, which exceeds the goal set by KDADS. The platform is available to any state agency or community program to utilize the infrastructure to support connections to health and social care, and joining the system is voluntary. An example of how the system works was provided, as well as success stories from other states. A referral cannot be shared without the individual's documented consent. All social care information is protected under the same strict security standards required for protecting health information. The representative stated Unite Us is bridging the gaps between health care, social care, and government.

Update on Kansas Behavioral Health Center of Excellence

At the October 22-23, 2024, meeting, representatives of the ACMHCKS provided information on the Kansas Behavioral Health Center of Excellence (KBHCoE). KBHCoE is focused on addressing the workforce shortage through education and training opportunities, as well as linking academic programs with community-based providers to increase the workforce to meet the needs of the community. A Center of Excellence is a place of high achievement in a specific area providing leadership, best practices, research, and training through a team of subject matter experts with a shared mission. A list of characteristics of a successful Center of Excellence was provided. KBHCoE is a partnership of behavioral health providers and educators with a current focus on south-central Kansas. A list of committed organizations was provided. Each organization appoints a representative to serve on the governing board. An advisory council developed a 2024 policy agenda. The organization has filed the formal Articles of Incorporation, has been assigned a tax identification number, and was applying for nonprofit status. It was noted the hope is that becoming a nonprofit will allow the KBHCoE some funding flexibility to receive contributions or to allow for clawbacks from students who do not complete the terms of their agreements. The 2024 Legislature approved $5.7 million SGF for programs related to behavioral health. KBHCoE plans to build on the programs. It is the intent to leverage state funding to draw down additional federal match for the Medicaid Graduate Medical Education program to fund and expand medical and health care training programs. Information was presented regarding current and future initiatives.

In response to questions from the Committee regarding tracking, the representative stated the

number of graduates who received funding will be tracked. The hope is that receiving training and the opportunity to work with the community provider system will incentivize the graduates to stay in Kansas.

Conclusions and Recommendations

After discussion at its meeting on October 22-23, 2024, Committee members agreed on the following conclusions and recommendations to the 2025 Legislature:

- KDHE implement the graduate medical education program in place for the KBHCoE , with an 18-month timeline for implementation;

- A Committee bill be drafted using the 2024 omnibus budget proviso language regarding funding for the MHIT program and keeping the program with KDADS;

- Legislation be drafted for the support of the KBHCoE;

- A budget proviso be drafted to address the three pending issues pertaining to CHIP: CHIP eligibility in current law that is tied to 250.0 percent of the 2008 FPL, and federal regulatory changes regarding waitlists and lockout periods;

- Legislation be drafted to change the home plus definition in KSA 39-923 to increase the maximum number of beds from 12 to 16 for both stand-alone home plus facilities and adult care home wings that convert to a separate but contiguous home plus facility;

- The social services budget committees review providing grant funding for local communities to apply for a grant to make digitally available a local resource guide based upon the out-of-print "Explore Your Options" Resource Guide;

- Legislation requiring the Department of Administration to adopt a written policy governing the negotiated procurement of MCOs to provide Medicaid services pursuant to a contract with the Kansas Program of Medical Assistance. The policy shall include prohibition on the destruction of records that complies with the Kansas Open Records Act, adoption of a tie-break procedure if part of the evaluation process used to make award recommendations involves scoring, and a requirement to be transparent with the Legislature to the full extent permitted by law. The adopted policies shall be made available to the public and potential bidders;

- A budget proviso be drafted providing for additional substance use disorder (SUD) state funding through a grant fund to supplement federal funding for those SUD providers that have expended their allocated funds;

- Adoption of conferee rules for the Committee;

- PACE Medicaid rates continue to be rebased annually through a budget proviso; and

- The 2025 Legislature seek legislation to allow a rural emergency hospital to be granted a waiver from the physical environment requirement of a new facility for skilled nursing beds that need to be included for hospitals to be able to transition to a rural emergency hospital, without having to meet the requirements for a new facility.

APPENDIX A

ROBERT G. (BOB) BETHELL JOINT COMMITTEE ON HOME AND COMMUNITY BASED SERVICES AND KANCARE OVERSIGHT

ANNUAL REPORT FOR THE 2025 LEGISLATIVE SESSION

The Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services and KanCare Oversight (Committee) is charged by statute to submit an annual written report on the statewide system for long-term care services to the President of the Senate and the Speaker of the House of Representatives at the start of each regular legislative session. The authorizing statute (KSA 2024 Supp. 39-7,159) creating a comprehensive and coordinated statewide system for long-term care services became effective July 1, 2008.

The Committee's annual report is to be based on information submitted quarterly to the Committee by the Secretary for Aging and Disability Services. The annual report is to provide:

- The number of individuals transferred from state or private institutions to home and community-based services (HCBS), including the average daily census in state institutions and long-term care facilities;
- The savings resulting from the transfer of individuals to HCBS as certified by the Secretary for Aging and Disability Services; and
- The current balance in the Home and Community Based Services Savings Fund.

The following tables and accompanying explanations are provided in response to the Committee's statutory charge.

Number of Individuals Transferred from State or Private Institutions to HCBS, Including the Average Daily Census in State Institutions and Long-term Care Facilities

The following summarizes the number of individuals transferred from intellectual/developmental disability (I/DD) institutional settings into HCBS during state fiscal year (FY) 2024, together with the number of individuals added to HCBS due to crisis or other eligible program movement during FY 2024. The following abbreviations are used in the table:

- ICF/IDD — Intermediate Care Facility for Individuals with Developmental Disabilities
- FY — State Fiscal Year

I/DD INSTITUTIONAL SETTINGS AND WAIVER SERVICES*	
Private ICFs/IDD: Average Monthly Caseload FY 2024	38
State I/DD Hospitals: Average Monthly Caseload FY 2024	256
I/DD Waiver Community Services: Average Monthly Caseload FY 2024	8,963
*Monthly averages are based upon program eligibility. Sources: FY 2024—Medicaid eligibility data as of October 2024. The data include people coded as eligible for services or temporarily eligible.	

The following summarizes the average monthly caseload. These additional abbreviations are used in the table:

- FE — Frail Elderly
- PD — Physical Disability
- BI — Brain Injury

FE / PD / BI INSTITUTIONAL SETTINGS AND WAIVER SERVICES*	
Nursing Facilities: Average Monthly Caseload FY 2024	9,173
Head Injury Rehabilitation Facility: Average Monthly Caseload FY 2024	50
FE Waiver: Average Monthly Caseload FY 2024	7,179
PD Waiver: Average Monthly Caseload FY 2024	6,044
BI Waiver: Average Monthly Caseload FY 2024	987
*Monthly averages are based upon program eligibility. Sources: FY 2024—Medicaid eligibility data as of October 2024. The data include people coded as eligible for services or temporarily eligible.	

AVERAGE DAILY CENSUS IN STATE INSTITUTIONS AND LONG-TERM CARE FACILITIES

KANSAS NEUROLOGICAL INSTITUTE: AVERAGE DAILY CENSUS

FY 2017 – 142
FY 2018 – 140
FY 2019 – 138
FY 2020 – 132
FY 2021 – 126
FY 2022 – 126
FY 2023 – 126
FY 2024 – 120

PARSONS STATE HOSPITAL AND TRAINING CENTER: AVERAGE DAILY CENSUS

FY 2017 – 159
FY 2018 – 160
FY 2019 – 162
FY 2020 – 157
FY 2021 – 151
FY 2022 – 149
FY 2023 – 147
FY 2024 – 146

PRIVATE ICFS/MR (MENTAL RETARDATION): MONTHLY AVERAGE*

FY 2017 – 133
FY 2018 – 137
FY 2019 – 119
FY 2020 – 110
FY 2021 – 103
FY 2022 – 44
FY 2023 – 39
FY 2024 – 38

NURSING FACILITIES: MONTHLY AVERAGE*

FY 2017 – 10,047
FY 2018 – 10,049
FY 2019 – 10,226
FY 2020 – 10,500
FY 2021 – 9,571
FY 2022 – 9,049
FY 2023 – 9,027
FY 2024 – 9,173

*Monthly averages are based upon Medicaid eligibility data.

Savings Resulting from the Transfer of Individuals to HCBS

In most, but not all, cases, services provided in the community do cost less than those provided in an institutional setting, such as an ICF/IDD or a nursing facility. However, “savings” are realized only if a bed is closed behind the person transferring to HCBS. Due to demand, beds are typically refilled by individuals requiring the level of care provided by the facilities; therefore, the beds are not closed.

As certified by the Secretary for Aging and Disability Services, despite individuals moving into community settings, which does have the effect of cost avoidance, the savings resulting from moving the individuals to HCBS during the preceding 12 months, as of September 30, 2024, was $0.

Balance in the KDADS Home and Community Based Services Savings Fund

The balance in the Kansas Department for Aging and Disability Services Home and Community Based Services Savings Fund as of September 30, 2024, was $0.