KanCare 3.0

Background

The Kansas Department of Health and Environment is working on the formation of contracts to prepare for bidding on the Medicaid contracts set to expire on Dec. 31, 2024. KDHE is asking for provider input about potential changes that are being considered. Public Forums are scheduled for April 11 and April 13 for all providers to give input.

Talking Points

- Hospitals continues to face intense pressure while dealing with rising expenses for supplies, drugs and equipment, not to mention expenses related to workforce shortages. These financial challenges have the potential to jeopardize access to essential health care services. Medicaid patients are the most vulnerable when access care is reduced.

- According to the Kaiser Family Foundation, Medicaid patients who have adequate access to care are 55 percent more likely to have a regular doctor than adults who do not. They also are 60 percent more likely to use preventive care services. Continuity of Medicaid coverage makes a difference. Research shows interruptions in Medicaid coverage lead to greater emergency department use and more significant hospitalization conditions.

- The financial impact of continuous Medicaid denials is unbearable. A majority of Kansas hospitals run on very small financial reserves. The long delays to work through claims denials is detrimental to a hospital's financial health, and the lost revenue is unsustainable. Secondly, the administrative expense to work through Medicaid claims is extremely costly.

- Prior authorization is a huge administrative burden for hospitals and can often delay patient care. Restrictions similar to what is happening with the Medicare Advantage Managed Care plans must be put in place, so healthy patients remain the primary focus.

- **Open Communication** is essential. Hospitals would like to seek 'payer partners' that understand the 'boots on the ground' in hospitals. Insurance payers' employees that are making authorization and medical necessity decisions must have years of experience in a hospital.

- Hospitals prefers Medicaid MCO partners who do not try to fit a square peg in a round hole. This process happens with larger national insurance payers who implement blanket national policies without considering what is best for Kansas members.

- **Timely Response** is necessary. Kansas hospitals encourage KDHE to include language that places deadlines on the Medicaid MCOs, including the timely overriding of step therapy requirements and appeal of prior authorization decisions. Timeframes must be set for non-urgent and urgent care approvals, post-acute transfers and inpatient authorization. Financial penalties should be included when the MCOs do not meet these deadlines and requirements.

- Kansas hospitals encourage KDHE to require electronic submission for prior authorizations and asks that all fax transmission be discontinued. Fax transmissions are unreliable and problematic. Hospital staff consistently hear from the Medicaid MCOs that 'the fax didn't come through' or 'we never received that follow-up documentation.'

- **Close the Gap.** It is important that KDHE place language in the contracts that will close some accountability gaps such as:
    - Maintaining prior authorization approval for the duration of the treatment.
    - Publicly displaying denial rates and prior authorization rates, total prior authorization requests and reasons for denials.
    - Limiting the Medicaid MCO's ability to revoke a former prior authorization approval.
    - Independently reviewing process to allow for hospitals to appeal denials or down-coding to an independent third party.
    - Instituting payer financial penalties when delay and denial policies are not met.
    - Providing continuous payment to a hospital when a Post-Acute Transfer is delayed due to no approval response by the MCO.

- Instituting standardization is crucial. Kansas hospitals strongly encourages KDHE to require the Medicaid MCOs to standardize their criteria and policies to promote uniformity and reduce administrative burden. Examples of include: prior authorization requirements, the appeals process and credentialing process.

- Kansas hospitals encourage KDHE to require standardization of the peer-to-peer process. A prescribing provider should be expected to speak to a provider in the same specialty for discussion of medical necessity issues.

- Kansas hospitals have struggled with long time delays related to credentialing new providers. This delay restricts an already strained workforce and harms access to care for the Medicaid members. Providers cannot care for a Medicaid patient until the approval process is completed. To assure effective care continues, we ask KDHE provide a presumptive approval or decrease the timelines for credentialing completion.

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