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Lee A. Norman, M.D., Secretary

Laura Kelly, Governor

August 13, 2021

Ms. Teresa DeCaro, Acting Director
State Demonstration Group

RE: Amendment to the KanCare Medicaid Section 1115 Demonstration, 11-W-00283/7

Dear Ms. DeCaro,

The State of Kansas, Department of Health and Environment (KDHE) Division of Health Care Finance (DHCF) respectfully submits for CMS review and approval an amendment to the KanCare Section 1115 demonstration (Project Number 11-W-00283/7). The purpose of the amendment is to implement 12-month continuous eligibility for parents and other caretaker relatives. The proposed effective date of this amendment is January 1, 2022.

As required by the KanCare Special Terms and Conditions (STCs), this amendment request complies with STC 7 and STC 14 by including the following: a detailed description of the proposed amendment, including the impact on beneficiaries; an explanation of the public process used by the State; the impact of the proposed amendment on the current budget neutrality; and the impact of the proposed amendment on the evaluation design. This amendment was presented and discussed with the tribal governments in the State.

If you have any questions or need additional information, please contact Kurt Weiter at (785) 296-8623 or Kurt.Weiter@ks.gov. We look forward to working with CMS on this amendment proposal.

Sincerely,


Sarah Fertig
State Medicaid Director
Kansas Department of Health and Environment
Division of Health Care Finance

CC: Christiane Swartz
Bobbie Graff-Hendrixson



SECTION 1115 DEMONSTRATION AMENDMENT REQUEST



Table of Contents

1115 WAIVER AMENDMENT	3
Program Description.....	3
Proposed Amendment.....	3
Beneficiary Impact	4
TRIBAL NOTICE PROCESS	5
Notice to Indian Health Programs, Tribal Governments, and Urban Indian Organizations	6
Tribal Notice Responses.....	6
PUBLIC NOTICE PROCESS	7
Public Notice	8
Public Notice Responses	8
BUDGET NEUTRALITY CALCULATIONS	9
EVALUATION DESIGN	10

IMPLEMENTING 12-MONTH CONTINUOUS ELIGIBILITY FOR PARENTS AND OTHER CARETAKER RELATIVES

PROGRAM DESCRIPTION

KanCare is a Medicaid managed care program which serves the State through a coordinated approach. The State determined that contracting with managed care organizations (MCOs) will result in more efficient and effective provision of health care services to the populations covered by the Medicaid and Children's Health Insurance Program (CHIP) in Kansas and will ensure coordination of care and integration of physical and behavioral health services with each other and with the home and community-based services (HCBS).

On August 6, 2012, the State submitted a Medicaid Section 1115 demonstration proposal, entitled KanCare. CMS approved the proposal on December 27, 2012, effective from January 1, 2013 through December 31, 2017. The State submitted a one-year temporary extension request of this demonstration to CMS on July 31, 2017, and the temporary extension was approved on October 13, 2017. On December 20, 2017, the State submitted an extension request for its Medicaid Section 1115 demonstration. On December 18, 2018, CMS approved a renewal of this demonstration proposal. The demonstration is effective from January 1, 2019 through December 31, 2023.

KanCare is operating concurrently with the State's Section 1915(c) HCBS waivers, which together provide the authority necessary for the State to require enrollment of almost all Medicaid beneficiaries across the State into a managed care delivery system to receive State Plan and waiver services.

PROPOSED AMENDMENT

Kansas requests approval from the Centers for Medicare and Medicaid Services (CMS) for an amendment to its KanCare 1115 Demonstration pursuant to the opportunity outlined in State Health Official Letter #13-003. Option five of this letter provides a strategy to implement twelve-month continuous eligibility coverage for parents and other caretaker relatives using Modified Adjusted Gross Income (MAGI).

Since 1998, Kansas has successfully provided twelve-months of continuous eligibility to children through Medicaid and the Children's Health Insurance Program (CHIP). The State requests authority to apply this policy to the Medicaid Eligibility Group of "Parents and Other Caretaker Relatives."

BENEFICIARY IMPACT

Expanding continuous eligibility to parents and other caretaker relatives in Kansas will provide vulnerable families the stability in health care coverage by allowing them to access preventative services and improving continuity of care. The Centers for Medicare and Medicaid Services (CMS) confirms that this process has been successful for children: “Continuous eligibility is a valuable tool that helps states ensure that children stay enrolled in the health coverage for which they are eligible and have consistent access to needed health care services.”¹ Covering parents and other caretaker relatives under continuous eligibility will provide this eligibility group the same benefits as the children in their care.

The Families First Coronavirus Response Act allows states to be eligible for a temporary increase in the federal matching rate as long as the state meets certain criteria, which includes providing continuous eligibility for beneficiaries through the end of the public health emergency (unless an individual asks to be disenrolled or moves out of state).² Continuous eligibility has been crucial during the coronavirus pandemic to prevent gaps in coverage. As studies have shown, Kansas can minimize insurance gaps and guarantee better access to care for an extended period with the twelve-month continuous eligibility policy for parents and other caretakers.³

Continuous eligibility also assists in the reduction of “churning” in Medicaid coverage, which is where beneficiaries lose coverage due to changes in circumstances or a fluctuation in income and subsequently reenroll within a short period of time. The constant disenrollment and reenrollment of beneficiaries from Medicaid is administratively burdensome. As CMS states, “eliminating the cycling on and off of coverage during the year reduces state time and money wasted on unnecessary paperwork and preventable care needs.”⁴ This policy implementation will decrease Medicaid administrative costs by allowing Kansas to enroll beneficiaries for twelve months, regardless of changes in income that occur during that period.

¹ Centers for Medicare & Medicaid Services, “Continuous Eligibility for Medicaid and CHIP Coverage”, <https://www.medicaid.gov/medicaid/enrollment-strategies/continuous-eligibility-medicaid-and-chip-coverage/index.html>.

² Pub. L. 116-127, Section 6008.

³ Leighton Ku and Erin Brantley, “Continuous Medicaid Eligibility for Children and Their Health,” Milken Institute School of Public Health, May 2020, <https://www.communityplans.net/wp-content/uploads/2020/06/GW-continuous-eligibility-paper.pdf>.

⁴ Centers for Medicare & Medicaid Services, *op. cit.*

TRIBAL NOTICE PROCESS

Through an email notification, the State distributed a notice of its intent to amend the KanCare 1115 demonstration to the Indian Health Programs, Tribal Governments, and Urban Indian Organizations (I/T/U providers) on July 8, 2021 (see page 6). Comments on the draft amendment were accepted through midnight on August 9, 2021.

The State did not receive any responses from I/T/U providers.

TRIBAL NOTICE AND RESPONSES

Notice to Indian Health Programs, Tribal Governments, and Urban Indian Organizations (I/T/U)

The Kansas Department of Health and Environment (KDHE), Division of Health Care Finance (DHCF), requests approval from the Centers for Medicare and Medicaid Services (CMS) to amend the 1115 Demonstration waiver, KanCare, in order to adopt twelve-month continuous eligibility for parents and other caretaker adults. Since this amendment would allow parents and other caretaker adults to remain eligible for a longer period, KDHE believes that there will be a favorable impact on beneficiaries.

The proposed effective date of the amendment is January 1, 2022.

Comment Process

The full public notice statement and complete version of the proposed amendment for review, can be found at <https://www.kancare.ks.gov/home>

Draft copies of the proposed amendment may also be found at a Local Health Department (LHD) or at front desk of the Kansas Department of Health and Environment, Division of Health Care Finance, at the address below. Locate the nearest LHD by visiting this website https://www.kdheks.gov/olrh/local_health.html

Tribal nations are reminded that an in-person consultation may be requested.

Questions, comments, or requests for an in-person consultation may be addressed to Kurt Weiter, KDHE/Division of Health Care Finance, 900 S.W. Jackson Street, Room 900-N, Topeka, Kansas 66612-1220, or email kurt.weiter@ks.gov.

Those needing accessibility assistance to review or respond to the proposed amendment may also contact Kurt Weiter by phone (785)-296-8623 or at the e-mail above.

Public comments may be submitted from July 8, 2021 until midnight on August 9, 2021.

Sarah Fertig
State Medicaid Director
Division of Health Care Finance
Kansas Department of Health and Environment

Tribal Responses

The state did not receive any responses from the tribal notice.

PUBLIC NOTICE PROCESS

The State published a public notice of this proposed amendment in the July 8, 2021 issue of the *Kansas Register* (see page 8). The same day, the public notice and the draft amendment letter were posted on the KanCare website for public comment and an email notification was sent to local health departments. Comments on the draft amendment were accepted through midnight on August 9, 2021.

A summary of the comment that was received and the State's response to the comment is provided on page 8 of this document.

PUBLIC NOTICE AND RESPONSES

State of Kansas
Kansas Department of Health and Environment
Division of Health Care Finance
Public Notice

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Sarah Fertig
State Medicaid Director
Division of Health Care Finance
Kansas Department of Health and Environment

Public Notice Responses

1. This amendment is welcome, supported, and will reduce administrative costs and burdens for both the state Medicaid agency and for eligible parents and caretakers.

Submitted by: Heather Braum, Health Policy Advisor, Kansas Action for Children
Response: Thank you for your comment.

BUDGET NEUTRALITY CALCULATIONS

Kansas had already implemented continuous eligibility for the Medicaid Eligibility Group of “Parents and Other Caretaker Adults” at the time the current KanCare 1115 waiver went live, but through an oversight, our current waiver does not reflect this change. The State of Kansas has already factored continuous eligibility into the budget neutrality expenditure limit established for this demonstration, and this amendment proposal is purely administrative in nature. Given these factors, the State does not project an impact on the Budget Neutrality of the demonstration, or the average annual demonstration costs of \$3.483 billion total computable, resulting from the adoption of this amendment.

EVALUATION DESIGN

The 1115 waiver amendment, implementing 12-month continuous eligibility for parent and other caretaker relatives, is administrative in nature and can be adequately addressed through the goals/hypotheses already incorporated in the evaluation design.