

KDHE - Health Care Finance

Medicaid

Consequences of Not Funding this Program

Would not be able to purchase medically necessary services for eligible consumers and provide access to treatment programs and preventative services. Also, many children would be without health insurance if the CHIP program was not funded.

Statutory Basis	Mandatory vs. Discretionary	MOE/ Match Rqt.	Priority Level
Specific Social Security Act Title XIX and Title XXI	Mandatory	Yes	1

Program Goals

- A. Improve the quality of care for all Kansans
- B. Control program costs
- C. Implementing long-lasting reforms that improve the quality of health and wellness of Kansans

Program History

Medicaid was formed as a result of the Social Security Act and was originally administered by the Department of Social and Rehabilitative Services (SRS). Later it was administered by the Kansas Health Policy Authority (KHPA). It is currently administered by the Division of Health Care Finance within the Kansas Department of Health and Environment. The 2011 Legislature approved the Governor's Executive Reorganization Order 38 to merge the Kansas Health Policy Authority into the Kansas Department of Health and Environment. Nearly all health care services purchased by KanCare are financed through a combination of State and federal matching dollars either through Title XIX (Medicaid) or Title XXI, the Children's Health Insurance Program (CHIP). Title XXI was created by Congress as part of the Balanced Budget Act to address the growing problem of children without health insurance. It was designed to expand health insurance to children whose families do not qualify for Medicaid. Coverage through CHIP is provided to "targeted low-income children," specifically those who reside in families with income below 200 percent of the Federal Poverty Level (FPL) or those whose families have an income 50 percent higher than the State's Medicaid eligibility threshold. Recent legislation includes the passage in 2015 of Senate Sub for HB 2149 that amends the procedures regarding restrictions of patients' access to any new prescription-only drug under the Kansas Medicaid Program and establishes meeting requirements for the Medicaid Drug Utilization Review Board. The bill also allows prior authorization or other restrictions on medications used to treat mental illness to be imposed on Medicaid recipients subject to guidelines developed by the Board. The legislation creates a Mental Health Medication Advisory Committee to look at restrictions and authorizations for Medicaid recipients.

The 2016 Legislature approved a recommendation made in the Kansas Statewide Efficiency Review by the consulting firm of Alvarez and Marsal to consolidate Medicaid expenditures in one agency. Beginning in FY 2018, the majority of Medicaid expenditures are found in the Division of Health Care Finance, except for certain management and administrative expenditures which remain in the Kansas Department for Aging and Disability Services (KDADS) budget. The 2017 Legislature reversed this decision and transferred \$634.2 million from the State General Fund and \$1.4 billion all other funds from the Kansas Department of Health and Environment to the Kansas Department for Aging and Disability Services. The 2018 Legislature approved \$6.0 million of additional funding from the State General Fund for Evidence Based Juvenile Programs to fund three youth crisis intervention centers across the state for FY 2019. The Legislature also approved \$5.9 million from all funding sources and \$4.3 million from the State General Fund for Graduate Medical Education for FY 2019. The 2019 Legislature did not concur with the Governor's recommendation to expand Medicaid. The bill, HB 2066, as amended by the House Committee of the Whole, would have established the KanCare Bridge to a Healthy Kansas Program. The bill would have expanded Medicaid services under certain eligibility limitations to adult applicants under 65 years of age, who are not pregnant and whose income did not exceed 133.0 percent of the federal poverty level. Passage of the bill would have provided Medicaid benefits to an additional 150,000 individuals. The House Committee of the Whole passed HB 2066, but the Senate Committee on Public Health and Welfare chose not to have a hearing on the bill. The 2020 Legislature did not approve the Governor's second initiative to expand Medicaid. The Governor's budget included \$17.5 million from the State General Fund and \$562.5 million from all funding sources in FY 2021 to expand Medicaid. The amounts assumed expansion would begin January 1, 2021, or halfway through the fiscal year. The Legislature introduced SB 252 which would have expanded Medicaid and implemented a health insurance plan reinsurance program. However, the bill was never passed out of the Senate Committee on Public Health and Welfare.

Performance Measures

<i>Outcome Measures</i>	<i>Goal</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>3- yr. Avg.</i>	<i>FY 2022</i>	<i>FY 2023</i>
1. Healthcare Effectiveness Data and Information Set (HEDIS) 50th percentile for HbA1c testing for comprehensive Diabetes care	A	Above 50th percentile	Above 50th percentile	Above 50th percentile	Above 50th percentile	Meet or exceed the 50th percentile of NCQA's* Quality Compass or meet or exceed by 5 percentage points.	Meet or exceed the 50th percentile of NCQA's Quality Compass or meet or exceed by 5 percentage points.

2. HEDIS 50th percentile for Annual Dental Visit Total Ages 2-21	A	Above 50th percentile	Above 50th percentile	Above 50th percentile	Above 50th percentile	Meet or exceed the 50th percentile of NCQA's Quality Compass or meet or exceed by 5 percentage points.	Meet or exceed the 50th percentile of NCQA's Quality Compass or meet or exceed by 5 percentage points.
3. HEDIS 50th percentile for Weight Assessment /BMI for Children & Adolescents	A	Above 50th percentile	Above 50th percentile	Above 50th percentile	Above 50th percentile	Meet or exceed the 50th percentile of NCQA's Quality Compass or meet or exceed by 5 percentage points.	Meet or exceed the 50th percentile of NCQA's Quality Compass or meet or exceed by 5 percentage points.

*National Committee for Quality Assurance

Funding

<i>Funding Source (in thousands)</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>
State General	\$ 634,293	\$ 731,765	\$ 568,248	\$ 501,318	\$ 702,333	\$ 684,750
Non-SGF State	327,010	268,562	330,957	342,764	409,152	409,152
Federal Funds	1,963,237	2,148,993	2,500,556	2,778,411	1,632,764	1,646,098
Total	\$ 2,924,540	\$ 3,149,320	\$ 3,399,761	\$ 3,622,493	\$ 2,744,249	\$ 2,740,000

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Administration

Consequences of Not Funding this Program

Will not be able to supply administrative support and financial services to all of DHCF's program areas. Will not be able to compute the fiscal impact of proposed policies, forecast caseloads, provide analytical support to program managers, and will not be able to respond to requests from stakeholders within or outside DHCF. Will not be able to oversee numerous programs and activities which spend Medicaid and CHIP funds and ensure adherence to state and federal regulations.

Statutory Basis	Mandatory vs. Discretionary	MOE/ Match Rqt.	Priority Level
Specific Social Security Act Title XIX and Title XXI	Mandatory	Yes	2

Program Goals

- A. Improve the health of the people of Kansas by increasing the quality, efficiency and effectiveness of health care services.
- B. Increase coordination with public health programs.

Program History

Performance Measures

Outcome Measures Goal FY 2019 FY 2020 FY 2021 3-yr. Avg. FY 2022 FY 2023

1. Stakeholder Medicaid Training: Classroom hours provided	A	3,028	2,022	3,660	2,903	3,000	3,000
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<i>Funding Source (in thousands)</i>	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
State General Fund	\$ 10,880	\$ 9,700	\$ 32,156	\$ 32,924	\$ 78,399	\$ 89,598
Non-SGF State Funds	42,097	45,271	38,943	51,948	39,419	39,465
Federal Funds	248,638	265,521	318,511	279,736	271,956	263,377
	\$ 301,615	\$ 320,492	\$ 389,610	\$ 364,608	\$ 389,774	\$ 392,440