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# Kansas Medicaid

## A PRIMER 2019


Kansas Health Institute
212 SW 8th Avenue | Suite 300
Topeka, Kansas, 66603-3936
785.233.5443 | khi.org
facebook.com/KHIorg | @KHIorg


Kansas Legislative Research Department
Room 68-West, State Capitol Building, 300 SW 10th Avenue
Topeka, Kansas, 66612-1504
785.296.3181 | kslegislature.org/klrd
facebook.com/KsLegResearch | @KSLegResearch


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# KANSAS MEDICAID

## A Primer 2019

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## Authors

Kari M. Bruffett

Cheng-Chung Huang, M.P.H.

Sydney McClendon



## Acknowledgments

This report, *Kansas Medicaid: A Primer 2019*, was produced through a partnership of the Kansas Health Institute (KHI) and the Kansas Legislative Research Department (KLRD). KHI authored the report, and KLRD analysts provided content review and analysis.

KHI is a nonprofit, nonpartisan, educational organization based in Topeka. It was established in 1995 with a multiyear grant from the Kansas Health Foundation. KHI provides education based on research and policy analysis of issues that affect the health of Kansans.

KLRD is a nonpartisan government agency that provides support services to the Kansas Legislature. Since 1934, KLRD has provided nonpartisan, objective research and fiscal analysis.

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## About this Report

Medicaid and the Children's Health Insurance Program (CHIP) play a substantial role in the Kansas health care system by providing coverage for health services and long-term care to the state's most vulnerable populations.

KHI and KLRD are pleased to provide basic facts and information about Medicaid and CHIP in Kansas. This report, *Kansas Medicaid: A Primer 2019*, includes an overview of Medicaid and CHIP, analysis of recent trends in Kansas, and basic information about covered services and populations.

In the two years since the last edition of this report, federal policy has continued to evolve, and more change is likely to be on the horizon. KanCare, the state's comprehensive managed care program, has been in place for six years, and this report captures data from across that period, as well as data from the pre-KanCare period.

This report is the fifth edition of this information, following 2005, 2009, 2014 and 2017 versions. Unless otherwise noted, data used in this report come from the Kansas Department of Health and Environment (KDHE) through the publicly available Medical Assistance Report (MAR). Figures that depend upon encounter data, or data about individual claims related to services paid for by managed care organizations, come from KDHE's Data Analytic Interface (DAI).

# Introduction to Medicaid and CHIP

Medicaid provides health care coverage to low-income dependent children, parents, pregnant women, people with disabilities and seniors, as well as some individuals with specific health conditions. The related Children's Health Insurance Program (CHIP) provides similar coverage to uninsured low-income children who are not eligible for Medicaid.

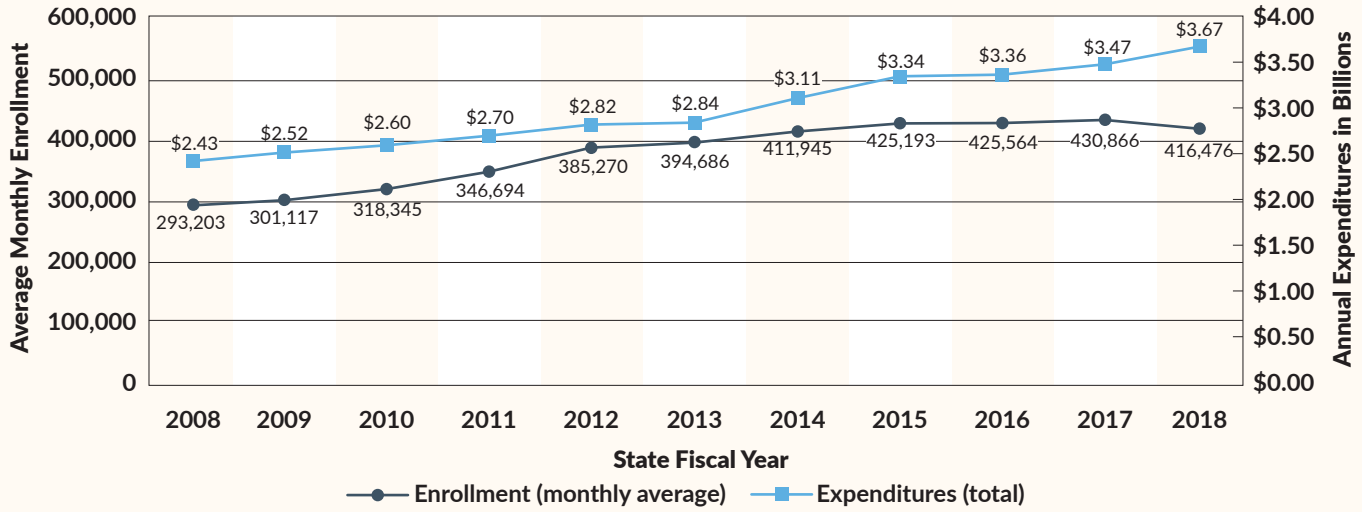
Medicaid is the second-largest source of health coverage in the nation, following employment-based coverage. It is a publicly financed source of health insurance and long-term care coverage for eligible population groups, jointly funded by the federal government and the states. Medicaid is the third-largest domestic program in the federal budget, behind only Medicare and Social Security.[1] CHIP is smaller than Medicaid but is similarly jointly funded by the federal government and the states.

In state fiscal year (FY) 2018, Medicaid and CHIP covered an average of 416,476 people in Kansas per month at a cost of almost $3.7 billion for the year, as shown in *Figure 1*. Expenditures for Medicaid and CHIP have increased steadily since 2008. While enrollment in Medicaid and CHIP increased each fiscal year between 2008 and 2017, enrollment decreased in FY 2018. Medicaid enrollment also has declined in other states, with some attributing the change to a stable economy and reductions in Affordable Care Act-related enrollment.[2]

In federal fiscal year (FFY) 2016, national Medicaid spending was estimated at $575.9 billion, while national CHIP spending was estimated at $15.6 billion.[3,4] In Kansas, the federal government will contribute approximately $1.33 during FFY 2019 for every $1 of regular state Medicaid spending, although the match rate can vary for certain expenses.[5] (For example, most administrative costs are split equally between the federal and state government.) Stated another way, the federal government pays 57.1 percent of Medicaid expenses in Kansas. The rate of this match varies from state to state and can change from year to year as the relative economic position of the state improves or worsens. In general, federal match rates are higher in poorer states. The match rate also varies by program; for example, the CHIP match rate in Kansas is 92.97 percent in FFY 2019.[6]

In FY 2017, Medicaid and CHIP accounted for 20 percent of actual expenditures in the Kansas State General Fund and represented a significant portion of total spending on health care services. The only program for which the state spends more money is K–12 education (*Figure 2*, Page 3).[7]

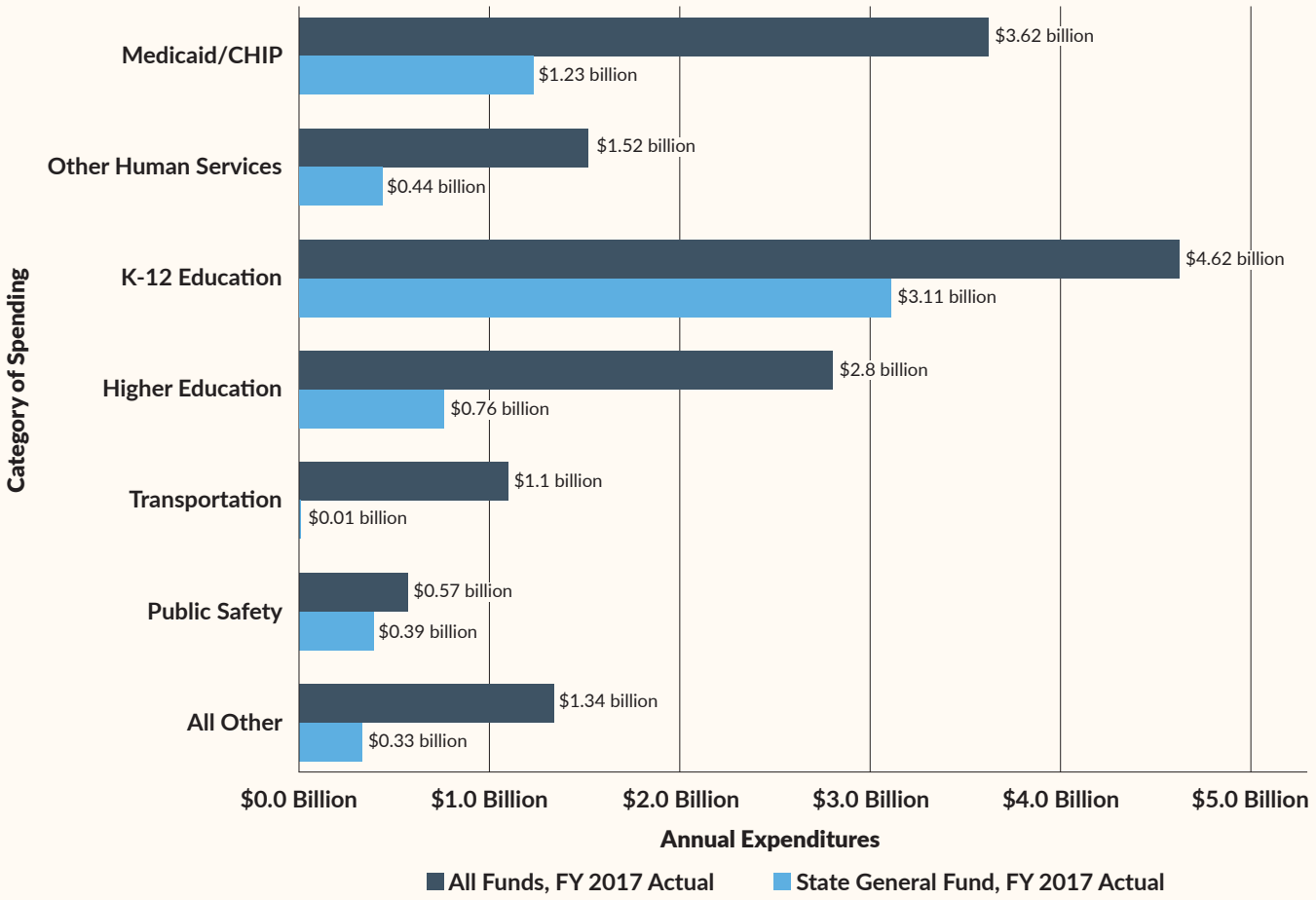
*Figure 1.* **Medicaid and CHIP Average Monthly Enrollment and Annual Expenditures in Kansas, Fiscal Years 2008–2018**




Note: Enrollment represents the average monthly enrollment for the state fiscal year. All Medicaid and CHIP beneficiaries are included. Expenditures include total state and federal spending for the fiscal year.

*Source: KHI Analysis of Kansas Medical Assistance Report (MAR), 2008–2018, Division of Health Care Finance, Kansas Department of Health and Environment.*

*Figure 2.* **Medicaid and CHIP Spending Compared to all Categories of Spending, Kansas Fiscal Year 2017**




Note: Medicaid/CHIP total differs from *Figure 1* because certain expenses (such as state hospitals) are included in the Medicaid total in the Governor's Budget Report but not in the Medical Assistance Report.

*Source: KHI analysis of FY 2019 Governor's Budget Report, Schedules 2.1, 2.2, 5.1 and 5.2, FY 2017 Actual.*

# What is Managed Care?

*Under KanCare, Medicaid and CHIP spending is directed into managed care for most eligible groups, including children, pregnant women, low-income adults, people with disabilities and people with both Medicare and Medicaid dual eligibility. In KanCare, enrollees choose or are assigned to one of three managed care organizations (MCOs).*

*The MCOs receive monthly payments from the state based upon their total number of enrollees and historical costs associated with the various population groups. The capitated payments place the MCOs at risk for the cost of care for their members, and they are incentivized to ensure enrollees receive services that help reduce costs over time by improving their health and quality of life.*

*Contracts the state has with the MCOs require them to provide services previously available through Medicaid, including prenatal care, well-child visits, preventive services, hospital care, medication, in-home care, community-based services and nursing facility care. The MCOs also must ensure services are available statewide and at Medicaid-required levels. They may provide additional services not traditionally covered by Medicaid to help prevent hospital admissions or institutionalization.*

## Medicaid and CHIP History

Medicaid and Medicare (*Figure 3*) were enacted in 1965 as components of President Lyndon Johnson's "Great Society" domestic program agenda. Medicaid was authorized under Title XIX of the Social Security Act. State participation in Medicaid is voluntary, but all 50 states, the District of Columbia, Guam, Puerto Rico and the Virgin Islands currently participate in the program.

CHIP was authorized by the Kansas Legislature in 1998 and implemented in 1999. CHIP was designed to be an extension of the public health programs to serve children at higher income ranges than traditionally served by Medicaid. Federal funding for CHIP expired in September 2017, but in January 2018 the U.S. Congress passed a six-year extension for the program. The extension provides CHIP with federal funding through 2023.[8]

The Medicaid program in Kansas was administered on a county level until 1974, when the Kansas Department of Social and Rehabilitation Services (SRS) was created. SRS acted as the single state Medicaid agency until 2005, when the Kansas Health Policy Authority (KHPA) was created. KHPA administered Medicaid and CHIP until Executive Reorganization Order No. 38 in 2011 transferred the program to the Kansas Department of Health and Environment (KDHE).

Within KDHE, the Division of Health Care Finance (DHCF) administers Medicaid under federal guidelines and rules that ensure a minimum level of coverage for certain population groups. DHCF is responsible for establishing eligibility criteria, benefit packages, payment rates and program administration. The Kansas Department for Aging and Disability Services (KDADS) is responsible for management of Medicaid program services related to mental health, people with disabilities, and seniors.

In November 2011, Kansas Governor Sam Brownback announced significant structural and operational changes in the Kansas Medicaid program. These changes created KanCare and were designed to slow the growth of Medicaid costs and improve health outcomes by requiring nearly all Kansans in Medicaid and CHIP to enroll in private managed care plans.

KanCare fundamentally changed the way Medicaid in Kansas operates for both consumers and health care providers. KanCare also changed some of the ways in which Medicaid service and expenditure information is reported.

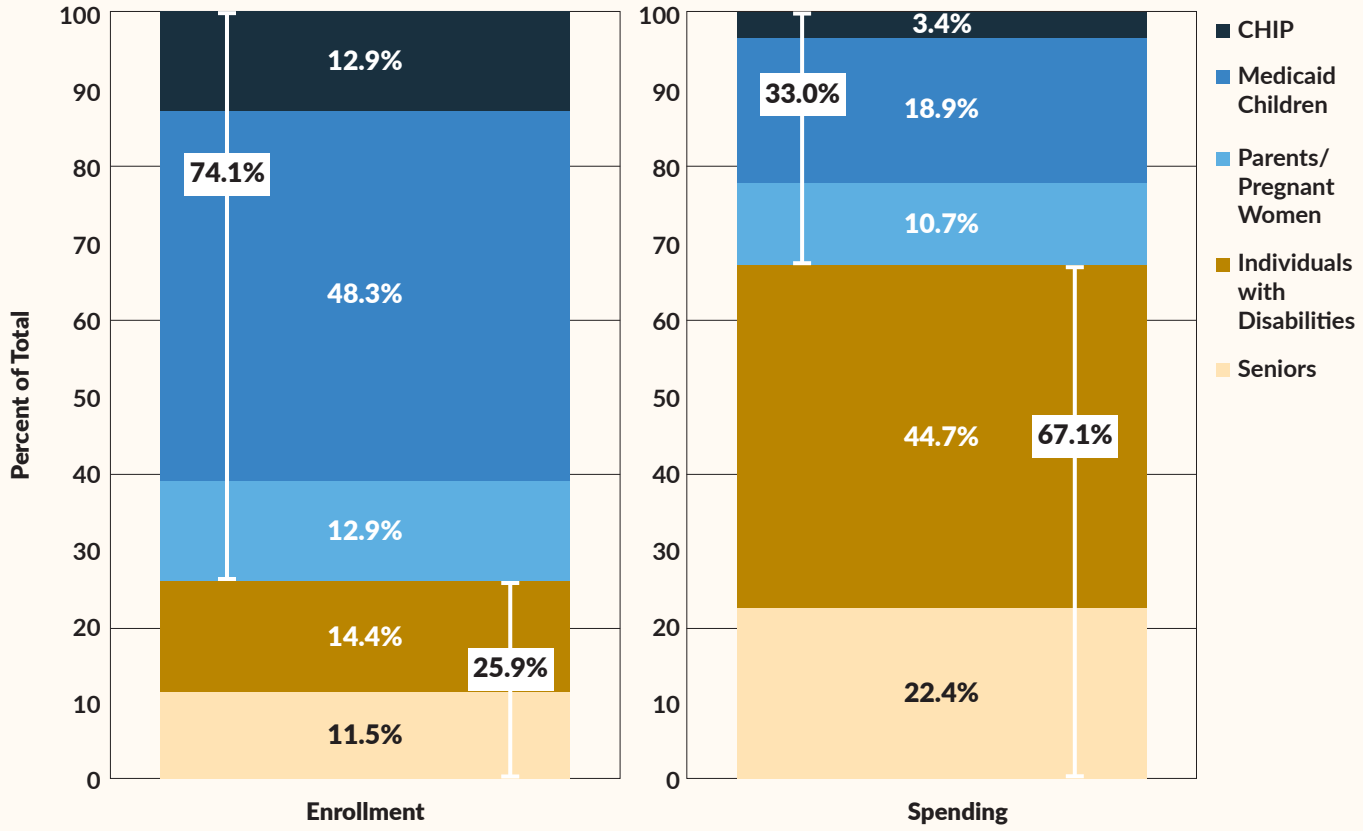
Managed care had been provided for children and families in Kansas Medicaid and CHIP since the 1990s, but now most services for most members are provided through managed care. KanCare was approved as a five-year demonstration from January 1, 2013, to December 31, 2017, and the Centers for Medicare and Medicaid Services (CMS) approved a one-year extension to continue the demonstration through the end of 2018. In December 2017, the state submitted a renewal application for KanCare to CMS, which may be approved under procedures set by the federal government, as described on Page 10.

*Figure 3.* **Differences Between the Medicaid and Medicare Programs**

| MEDICAID | MEDICARE |
|---|---|
| • Provides health insurance for low-income children and some parents, seniors and individuals with disabilities | • Provides health insurance for seniors age 65 and older, and for some adults with disabilities |
| • Provides medical care and long-term care coverage | • Provides medical care coverage, but very limited long-term care coverage |
| • Has eligibility rules based on income | • Has no income limit |
| • Receives state and federal funding | • Receives federal funding collected by payroll deduction |
| • Administered on a state level, within federal guidelines | • Administered on a federal level |

Note: Individuals can be eligible for both Medicare and Medicaid, and those who qualify for both are referred to as dual eligible beneficiaries. In FY 2018, an average of 63,424 Medicaid beneficiaries each month were also eligible for Medicare.

*Figure 4.* **Medicaid and CHIP Population Groups and Spending, Kansas Fiscal Year 2018**




Note: Enrollment and spending do not include the following populations: foster care/adoption, the Sixth Omnibus Budget Reconciliation Act (SOBRA) program, tuberculosis, breast and cervical cancer, and the AIDS Drug Assistance Program (ADAP). Figures may not sum to 100 percent because of rounding. Additional information on populations begins on Page 12.

*Source: KHI analysis of Kansas Medical Assistance Report (MAR), 2018, and additional data from the Division of Health Care Finance, Kansas Department of Health and Environment.*

## Medicaid and CHIP Spending in Kansas

In Kansas, about one-quarter (25.9 percent) of all Medicaid and CHIP enrollees are seniors or people with disabilities, but this combined population incurs two-thirds (67.1 percent) of total state expenditures for the Medicaid and CHIP programs, as shown in *Figure 4*. Children and families, including children in CHIP, account for nearly three-quarters (74.1 percent) of total enrollees and incur about a third (32.9 percent) of the state expenditures in these programs.

In FY 2018, annual Medicaid and CHIP spending averaged $3,701 per pregnant woman, child or family member, compared to $25,814 per enrollee with a disability and $16,202 per senior enrollee (*Figure 5*, Page 6). These differences reflect the greater use of services, including long-term services and supports, by seniors and people with disabilities. (Appendix B, Page 18, contains a complete list of both mandatory and optional services covered by Medicaid in Kansas.)

In Kansas, the rate of growth for both costs and total enrollees in Medicaid has been slower than nationally, as shown in *Figure 6*, Page 7.

*Figure 5.* **Per Capita Annual Cost by KanCare Population, Kansas Fiscal Year 2018**

| Population Enrolled in Medicaid or CHIP | Per Capita Cost |
|---|---|
| Individuals with Disabilities | $25,814 |
| Seniors | $16,202 |
| Parents/Pregnant Women | $6,901 |
| Medicaid Children | $3,247 |
| CHIP | $2,206 |
| *CHIP/Medicaid Children and Families Combined* | *$3,701* |
| **All Enrollees** | **$8,326** |

Note: Costs as incurred by the state. Enrollment and costs do not include the following populations: foster care/adoption, the Sixth Omnibus Budget Reconciliation Act (SOBRA) program, tuberculosis, breast and cervical cancer, and the AIDS Drug Assistance Program (ADAP). Additional information on populations begins on Page 12.

*Source: KHI analysis of Kansas Medical Assistance Report (MAR), 2018, and additional data from the Division of Health Care Finance, Kansas Department of Health and Environment.*

# Federal Influence in the Medicaid Program

*Medicaid is a partnership between states and the federal government. While states are responsible for running their individual Medicaid programs, changes at the federal level — through waiver approval, agency policy and legislation — can influence Medicaid across the country.*

*One example of this influence has been the approval of work requirements in select states through the waiver process. Medicaid beneficiaries subject to work requirements in such states must report a minimum number of work hours to remain eligible for Medicaid. At the beginning of 2018 CMS signaled its willingness to approve work requirements, which had never previously been approved by the federal government. Following the announcement, multiple states submitted applications to add work requirements to their Medicaid programs, and a few have already begun implementation.*

*Another change to Medicaid that has been discussed at the federal level is the use of block grants. Under the current system, the amount of federal funding a state receives is dependent on how much a state spends on eligible services to eligible populations. The federal government matches state spending at established rates, which vary year to year based on the economic position of a state. Block grants, or the related concept of per-capita caps on expenditures, could preserve the concept of a match rate, but at a funding level established either globally or at the per-person level. States could spend funds at their discretion, subject to federal approval. The use of block grants would require a change in legislation from the U.S. Congress and would impact all state Medicaid programs.*

## Medicaid and CHIP Enrollment Trends

Enrollment increased from FY 2008 through FY 2017, but decreased in FY 2018, as shown in *Figure 1*, Page 2.

Children and families (*Figure 7*, Page 8) make up the largest share of enrollees in Medicaid, and enrollment for that group increased 35.1 percent between FY 2011 and 2017, before declining about 6 percent from 2017 to 2018. Recent improvement in the economy has led to fewer children and adults being eligible at current income criteria, which might have contributed to the decrease in enrollment. Enrollment also was affected by a "backlog" in processing Medicaid and CHIP applications. Starting in late 2015, the state was not able to process eligibility applications as quickly as it received them. The result was a backlog of applications that in May 2016 had reached more than 15,000, including approximately 11,000 new applications that had not been processed within the 45 days allowed under federal rules for most applications.[9] The total backlog has been reduced, however, with the state reporting in July 2018 that about 1,500 new applications had not been processed within 45 days.[10]

Enrollment for seniors increased over the FY 2011–2018 period, while total enrollment for people with disabilities declined. In that group, enrollment for people with disabilities eligible for Supplemental Security Income (SSI) increased, as shown in *Figure 8*, Page 8. Medically Needy enrollment for people with disabilities, which requires those with incomes over $495 a month to "spend down" or pay a portion of their health care costs, has steadily declined since FY 2012. The protected income limit (PIL) for the program has not changed substantively since 1994. A more detailed discussion of the Medically Needy program and spend down is on Page 16.

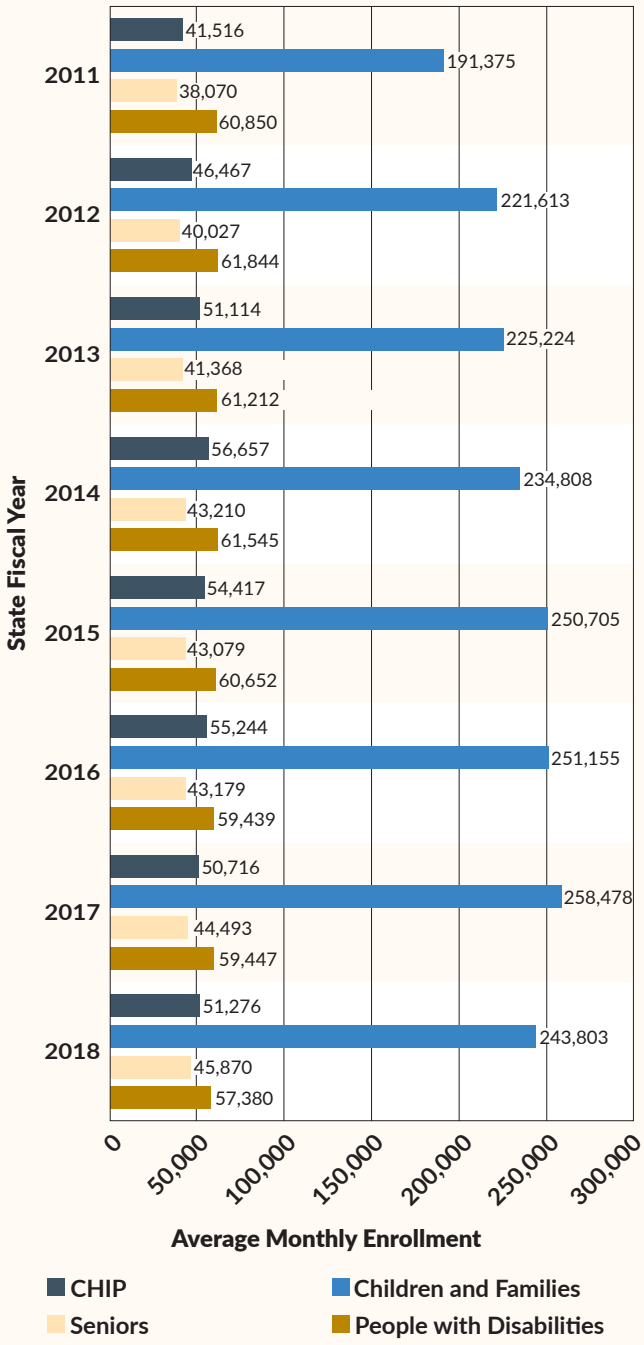
*Figure 6.* **Kansas Medicaid Compared with Other States, Selected Indicators**

| | Total Medicaid Spending, FFY 2016, in Billions | Average Annual Growth in Medicaid Spending, FFY 2010-2014 | Total Medicaid and CHIP Enrollment, July 2018 | Medicaid and CHIP Enrollment Growth Post-ACA (January 2014-July 2018) |
|---|---|---|---|---|
| **United States** | $553 | 5.2% | 73,189,584 individuals | 28% |
| **Colorado** | $7.93 | 10.1% | 1,337,830 | 71% |
| **Iowa** | $4.80 | 6.7% | 678,106 | 37% |
| **Kansas** | $3.27 | 3.2% | 386,547 | 2% |
| **Missouri** | $9.90 | 2.4% | 933,441 | 10% |
| **Nebraska** | $2.01 | 1.2% | 243,308 | -1% |
| **Oklahoma** | $4.81 | 4.8% | 788,159 | 0% |

Note: Column 1 excludes CHIP spending. The federal fiscal year (FFY) runs from October 1 through September 30. For example, FFY 2016 refers to the period from October 1, 2015, through September 30, 2016. It overlaps with Kansas' state fiscal year, which runs July through June, by three months. FY 2016 ran from July 1, 2015, to June 30, 2016. Iowa and Colorado are Medicaid expansion states.

*Source: Kaiser State Health Facts, 2018 http://kff.org/state-category/medicaid-chip/*

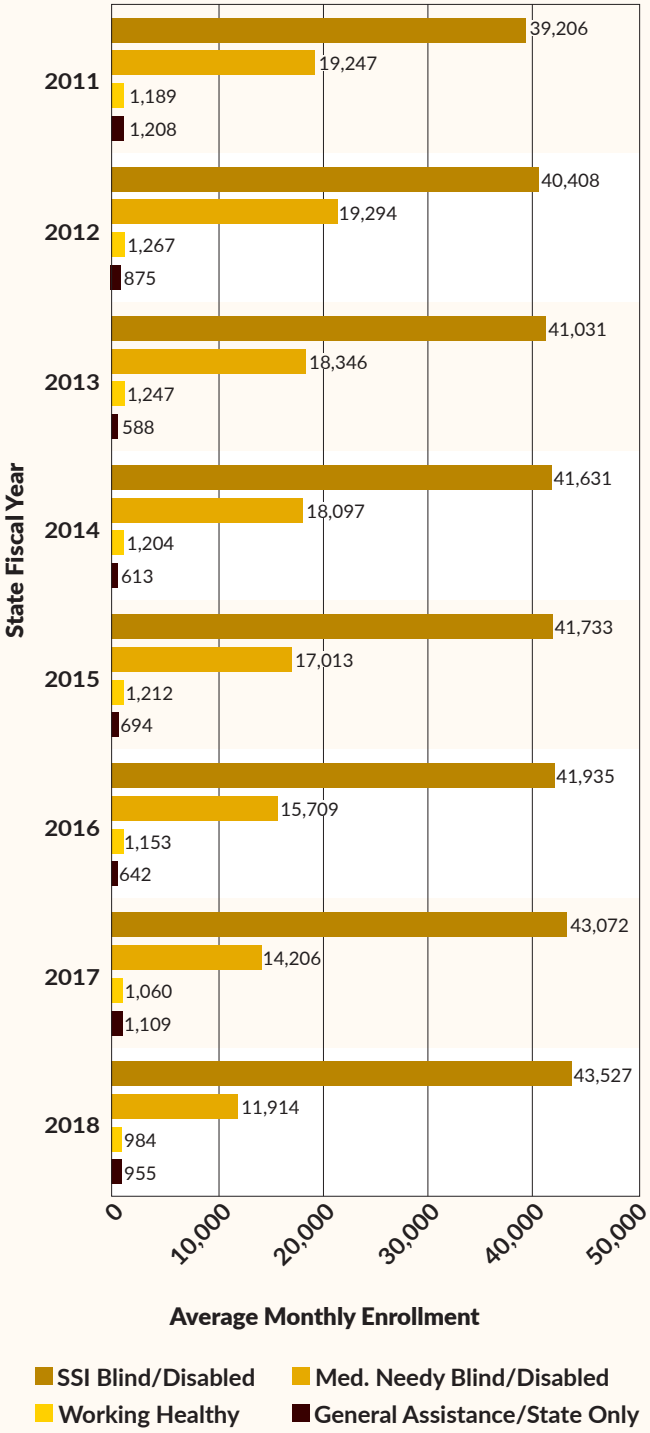
*Figure 7.* **Average Monthly Enrollment for Children and Families, CHIP, Seniors and People with Disabilities in Kansas, Fiscal Years 2011–2018**




Note: Numbers do not include the following populations: foster care/adoption, refugees, SOBRA, tuberculosis, breast and cervical cancer, and the AIDS Drug Assistance Program (ADAP). M-CHIP includes previously CHIP-eligible children now Medicaid-eligible after the ACA; the state receives CHIP match rates for this group. Beginning in October 2016, children in long-term care were moved from the Medically Needy Blind/Disabled group to a single population code categorized with Children and Families. Additional information on populations begins on Page 12.

*Source: KHI analysis of Kansas Medical Assistance Report (MAR), 2011–2018, Division of Health Care Finance, Kansas Department of Health and Environment.*

*Figure 8.* **Average Monthly Enrollment for People with Disabilities by Eligibility Group in Kansas, Fiscal Years 2011–2018**




Note: Beginning in October 2016, children in long-term care were moved from the Medically Needy Blind/Disabled group to a single population code categorized with Children and Families. Additional information on populations begins on Page 12.

*Source: KHI analysis of Kansas Medical Assistance Report (MAR), 2011–2018, Division of Health Care Finance, Kansas Department of Health and Environment.*

## Medicaid and CHIP Services

Kansas Medicaid payments for services are now primarily made to managed care organizations (MCOs), which are responsible for paying providers for services used by their members. The year before KanCare was launched, 25 percent of total Medicaid expenses paid by the state were made through managed care. In FY 2018, 88.3 percent of state payments were for managed care, as *Figure 9* illustrates.

Payments by the state are made monthly to the MCOs based upon capitated "per member per month" (PMPM) rates set according to the eligibility group to which each member belongs. Costs associated with individual use of services rarely are paid directly by the state. Exceptions generally are related to excluded populations as outlined in Appendix C, Page 19, such as members for whom the state only pays Medicare cost-sharing.

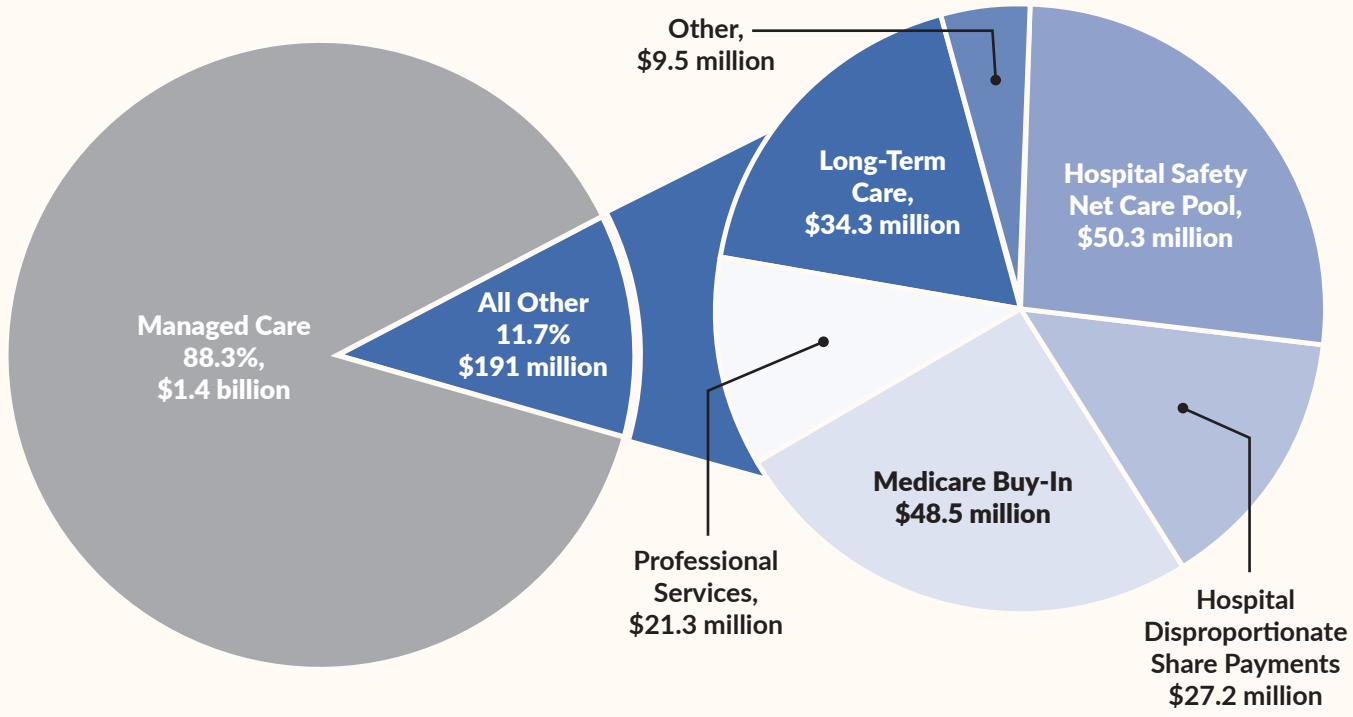
As a result, *Figure 10*, Page 10, which represents how members use services, comes from claims the MCOs have paid to providers. It may total more or less than the state paid the MCOs in capitation rates.

### *Medical Care*

Medical care services under Medicaid include physician and hospital services, dental services, pharmacy, rehabilitation and a host of other services. Overall, medical care services represented about 58 percent of spending by MCOs in FY 2018.

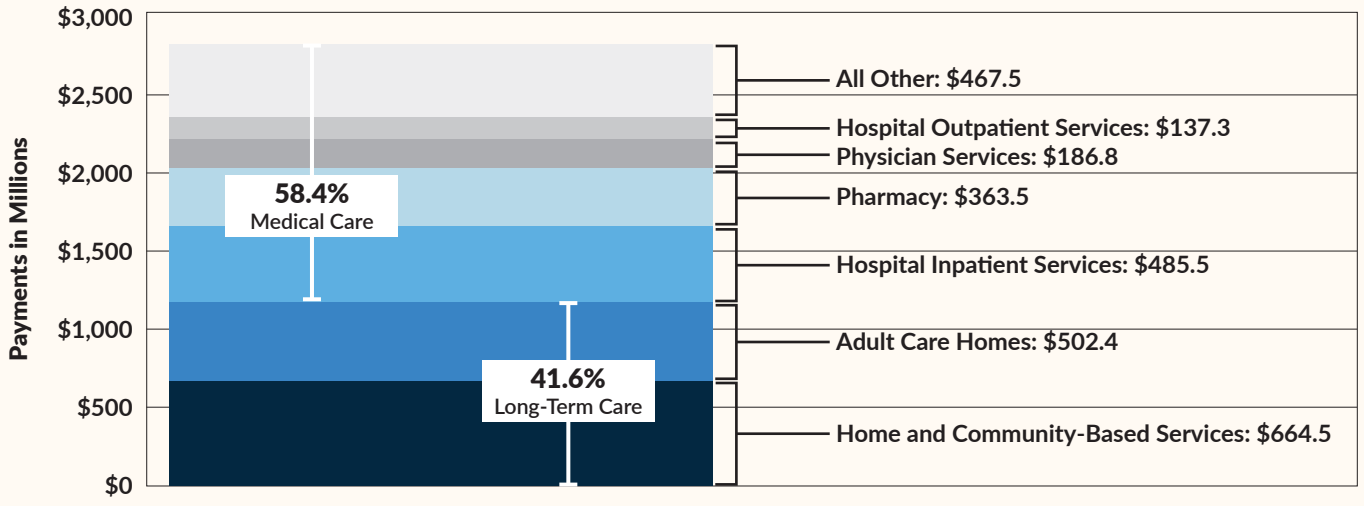
The costliest of these services are inpatient and outpatient hospital care, physician services, and pharmacy, as shown in *Figure 10*, Page 10. Other payments to medical care providers made directly by the state are not included in the payments MCOs make. For example, the Disproportionate Share Hospital (DSH) program helps reimburse hospitals that serve a large number of low-income and uninsured patients.

*Figure 9.* **Managed Care as a Portion of Total Medicaid and CHIP Expenditures in Kansas, State Funds Only, Fiscal Year 2018**




Note: Long-Term Care includes payments to nursing facilities for mental health. School-based services are included in Professional Services.
*Source: KHI analysis of Medical Assistance Report (MAR), FY 2018, Kansas Department of Health and Environment.*

*Figure 10.* **KanCare Managed Care Organization (MCO) Payments to Providers by Category of Service, Fiscal Year 2018, in millions**




Note: Includes home and community-based services provided through waivers and the Money Follows the Person program, and independent targeted case management.
*Source: Data Analytic Interface, Kansas Department of Health and Environment, FY 2018.*

## State Plan Amendments and Waivers

*The federal Centers for Medicare and Medicaid Services (CMS) approves a State Plan for the Medicaid and CHIP programs in each state. A State Plan is a contract between the state and the federal government describing how the state administers its program, what services it will cover, what groups it will extend eligibility to, and how much it will reimburse providers. There are two ways to make changes to a State Plan — by submitting a State Plan Amendment (SPA) or a waiver.*

*SPAs are used when a proposed change is in accordance with federal requirements, such as changing provider rates or eliminating or adding optional services. States can file SPAs at any time, and they can have retroactive application. A waiver is used when a state wants an exception from existing federal requirements. While SPAs are permanent changes, waivers are generally approved by CMS for three to five years and can be renewed or amended.*

*Waivers for Home and Community-Based Services (HCBS) are the most common type of waiver in Medicaid. These waivers give states flexibility to provide additional services that are not typically covered by Medicaid. States can provide these services to specific target groups only and can limit the number of individuals the waiver will serve. SPAs differ from these waivers because SPAs do not allow targeting to specific populations or waiting lists.*

*KanCare operates under concurrent waivers — a set of Section 1915(c) waivers for HCBS and a Section 1115 demonstration that allows, among other things, the mandatory enrollment of nearly all covered populations in managed care for most services. The KanCare demonstration was approved through the end of calendar year 2017, with CMS approving a one-year extension to continue the demonstration through the end of calendar year 2018. The state also has submitted a waiver application to renew KanCare through 2023, which at the time of publication remains under review.*

## *Long-Term Care*

Long-term care services include all services provided by adult care homes and home and community-based services; they account for about 42 percent of total payments MCOs made on behalf of their members in FY 2018.

**Adult Care Home Services:** Adult care home services include nursing facilities, nursing facilities for mental health and intermediate care facilities for individuals with intellectual disabilities, but do not include state hospitals. Some of the costs of these services are offset by a provider tax on nursing homes.

**Home and Community-Based Services (HCBS):** Medicaid provides a variety of long-term care services to support individuals in their homes and communities. For example, individuals who qualify may receive specialized medical care or personal care services to assist them with daily activities such as bathing or taking medications. Medicaid beneficiaries who are medically eligible for placement in an institutional setting ("institutional equivalents") may receive HCBS waiver services, with the goal that they remain in a community setting.

The federal government requires states to manage their Medicaid program within federal regulations, but waivers allow states to forgo certain Medicaid rules. For example, waivers allow states to institute waiting lists for select services, something that is not allowed for the non-waiver Medicaid populations. The populations eligible for HCBS through waivers and their institutional equivalents in Kansas are shown in *Figure 11*.

## *Administrative Spending*

The state also spends significant funds operating the Medicaid and CHIP programs. Some of the costs are for program oversight, including state employees managing the program, and other costs are for contractual services such as eligibility processing and the design of new computer systems. Total administrative costs were $168.5 million in FFY 2016, accounting for approximately 5 percent of all Medicaid expenditures in Kansas.[11]

*Figure 11.* **Kansas Populations Eligible for Home and Community-Based Services (HCBS) Through Waivers and Their Institutional Equivalents**

| KANSAS HCBS WAIVER PROGRAMS | INSTITUTIONAL EQUIVALENTS |
|---|---|
| Autism (children; AU) | Inpatient Psychiatric Facility for Age 21 and Under |
| Frail Elderly (FE) | Nursing Facility |
| Intellectual/Developmental Disability (I/DD) | Intermediate Care Facility for Individuals with Intellectual Disabilities |
| Physical Disability (PD) | Nursing Facility |
| Serious Emotional Disturbance (children; SED) | Inpatient Psychiatric Facility for Age 21 and Under |
| Technology Assisted (children; TA) | Hospital |
| Traumatic Brain Injury (TBI) | TBI Rehabilitation Facility |

*Source: Kansas 1915(c) waivers*

# Medicaid and CHIP Populations

As a federally designated entitlement program, Medicaid requires states to provide coverage to all eligible individuals in certain population categories.

Medicaid eligibility always is based on income, but may also depend on age, availability of financial resources, and, in some cases, health care needs. For many enrollees, income eligibility criteria are based on federal poverty guidelines, as shown in *Figure 12*.

There are five main criteria for Medicaid eligibility: categorical eligibility, income eligibility, resource eligibility, immigration status and residency. To qualify for Medicaid, an individual must qualify under all five criteria.

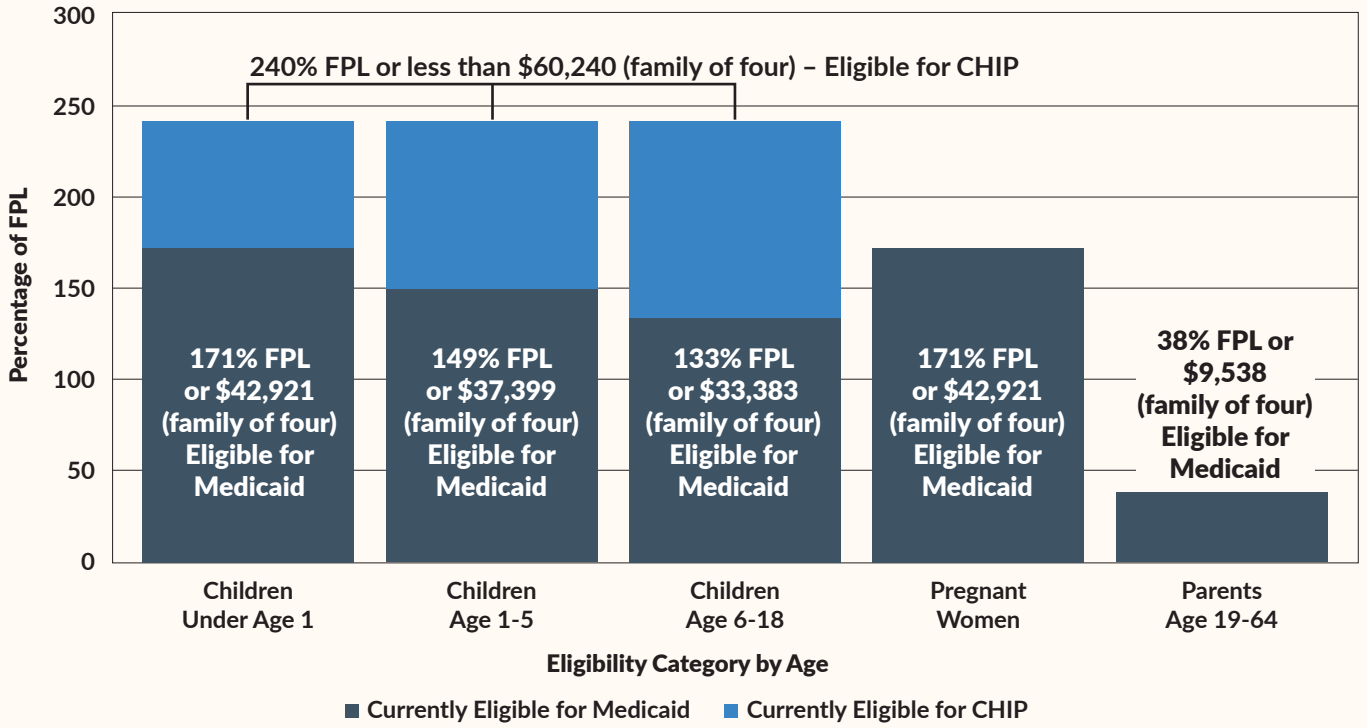
- **Categorical Eligibility:** There are four main categories of individuals who are eligible for Medicaid — children, parents or caregivers with children, people with disabilities, and seniors.
- **Income Eligibility:** Different income thresholds pertain to each category of eligibility. For most enrollees, income eligibility criteria are based on federal poverty level (FPL) guidelines, as shown in *Figure 13*, Page 13.
- **Resource Eligibility:** For seniors and people with disabilities, Medicaid places limits on resources including income and certain assets. An individual may become income- or resource-eligible by "spending down" funds on health care services over a defined period. Those eligible through the spend down process also are known as "medically needy."
- **Immigration Status:** An individual must be a U.S. citizen or legal immigrant to receive Medicaid. Many legal immigrants must wait five years to be eligible for Medicaid benefits.
- **Residency:** An individual must establish residency in the state where they are requesting Medicaid. A person who lives in a state and intends to remain indefinitely is considered a resident under Medicaid rules. There is no waiting period.

*Figure 12.* **Federal Poverty Guidelines for the Contiguous 48 States and the District of Columbia, 2018**

| Persons in Family/Household | Annual Income (100 percent of FPL) |
|---|---|
| 1 | $12,140 |
| 2 | $16,460 |
| 3 | $20,780 |
| 4 | $25,100 |
| 5 | $29,420 |
| 6 | $33,740 |
| 7 | $38,060 |
| 8 | $42,380 |
| For families/households with more than eight persons, add $4,320 for each additional person. | |

*Source: U.S. Department of Health and Human Services, 2018.*

*Figure 13.* **Income Eligibility Levels for Children and Families in Kansas Medicaid and CHIP, 2018**




Note: Income levels shown are applicable to children and non-elderly adults without disabilities or other health needs that could make them eligible at a different income level. Eligibility levels reflect Modified Adjusted Gross Income (MAGI) rules, including a 5-percent income disregard that may be applied on an individual basis.

*Source: Eligibility information from the Division of Health Care Finance, Kansas Department of Health and Environment, 2018.*

Medicaid eligibility can be divided into two broad categories: low-income children and families, and low-income seniors and people with disabilities. For more information about populations that must be covered as required by federal law and the optional populations for whom Kansas has extended coverage, see *Figure 14*, Page 15.

Under the ACA, states have the option to expand Medicaid to include low-income adults up to 138 percent of FPL. Kansas has not expanded Medicaid to this population.

## *Low-Income Children and Families*

Nearly three-quarters of Medicaid enrollees are children and families (including pregnant women and low-income parents or caretakers). Children and families tend to use lower-cost services, such as check-ups, vaccinations and treatment for minor illnesses and injuries. All CHIP enrollees are children up to age 19.

**Children:** More children than adults are enrolled in Medicaid because they are eligible at a higher income level than adults, as shown in *Figure 13*. The CHIP program extends income levels even higher for children. In 2018, children and infants under age 1 were eligible for Medicaid if their annual family income was less than 171 percent of FPL ($42,921 for a family of four). Children age 1–5 were eligible if their annual family income was less than 149 percent of FPL ($37,399 for a family of four). Children age 6–18 were eligible if their annual family income was less than 133 percent of FPL ($33,383 for a family of four). All other children up to 240 percent of FPL ($60,240 for a family of four) were eligible for CHIP. Families pay premiums up to $50 a month for CHIP children, depending on household income.

**Parents and Pregnant Women:** In 2018, parents or caretakers of children with an annual household income up to 38 percent of FPL ($9,538 for a family of four) also are eligible for coverage under

Medicaid. Parents who are above this annual income are not eligible for Medicaid even though their children might be covered. Adults who are not parents, pregnant, disabled or medically needy are not eligible for Medicaid. Pregnant women and new mothers with incomes below 171 percent of FPL ($42,921 for a family of four) were eligible in 2018.

### *Low-Income Seniors and Individuals with Disabilities*

Seniors and individuals with disabilities frequently have complex health needs, often requiring costly services such as surgery, physical therapy, home and community-based care, nursing home care or end-of-life care. Generally, individuals must meet medical criteria to receive these services and cannot have resources or assets above a certain level to qualify for Medicaid. In FY 2018, total enrollment for individuals with disabilities and seniors was approximately 103,000. There are various criteria by which seniors and individuals with disabilities are eligible for Medicaid, as highlighted below.

**Individuals who receive Supplemental Security Income (SSI):** Individuals who receive federal SSI are automatically eligible for Medicaid. The group includes low-income people who are age 65 and older or disabled. Children who have a severe functional limitation also may qualify.

**Medically Needy:** Kansans who earn too much money to qualify for SSI may be eligible to "spend down" some of their income on health care services before becoming eligible for Medicaid benefits.

**MediKan:** People in this program are waiting for the federal government to declare them disabled. The MediKan program assists these people for up to 12 months by providing a limited set of benefits. The MediKan program cost the state about $6.2 million in FY 2018 to cover an average of 955 people per month. This program is not eligible for federal matching dollars and has not been included in managed care.

## Program of All-Inclusive Care for the Elderly

*The Program of All-Inclusive Care for the Elderly (PACE) model provides long-term care services to qualifying individuals in their communities, as opposed to in a nursing home.*

*The Balanced Budget Act of 1997 established the PACE model as a provider for both Medicare and Medicaid, and the first Kansas PACE provider began offering services in 2002. In FY 2018 an average of 550 individuals utilized PACE services per month, at an annual cost of $19 million.*

*To qualify for PACE, an individual must be age 55 or older, live in an area served by a PACE provider, and require nursing home care. If an individual meets those requirements, and their care needs could safely be met in their community with the help of PACE services, they qualify. Kansans currently can receive PACE services in 23 counties, and the state is expanding the number of counties in which PACE services are provided.*

*Each PACE participant is served by an interdisciplinary provider team, and a variety of services are covered under the model including (but not limited to) primary care services, social services, transportation, physical therapy, nutritional counseling and adult day care.*

*Figure 14.* **Mandatory and Optional Populations**

| MANDATORY POPULATIONS, REQUIRED BY FEDERAL LAW | OPTIONAL POPULATIONS, KANSAS-SPECIFIC COVERAGE |
|---|---|
| • Infants and children whose families earn less than 138 percent of FPL<br>• Infants born to a Medicaid mother<br>• Parents or caretakers whose income is less than 38 percent of FPL<br>• Pregnant women up to 171 percent of FPL<br>• Seniors and individuals with disabilities who receive Supplemental Security Income (SSI)<br>• Individuals who would be eligible for SSI but for Social Security cost of living adjustments<br>• Certain working individuals with disabilities<br>• Medicare Buy-In groups: Qualified Medicare Beneficiaries (QMB); Special Low-Income Medicare Beneficiaries (SLMB); and Qualifying Individuals (QI)<br>• Extended transitional coverage for low-income families who have recently lost eligibility due to higher wages<br>• Children in foster care (IV-E)<br>• Young adults under age 26 who have aged out of foster care<br>• Adopted children with special needs (IV-E)<br>• Early or disabled widows and widowers<br>• Children living in a long-term care institution<br>• Certain adults who qualify for Social Security Disability Insurance based upon a disability occurring in childhood and parental work history | • Children's Health Insurance Program (CHIP), up to 240 percent of FPL<br>• Adults in MediKan (state-funded)<br>• Individuals with disabilities age 16–64 in the Working Healthy program<br>• Individuals screened and diagnosed with breast or cervical cancer through the Early Detection Works program<br>• Individuals eligible for the AIDS Drug Assistance Program (ADAP)<br>• Individuals receiving inpatient treatment for tuberculosis<br>• Non-IV-E foster care and adopted children with special needs<br>• Individuals in long-term institutional care, subject to income and resource limits<br>• Individuals receiving home and community-based services<br>• Older adults in the Program of All-Inclusive Care for the Elderly (PACE)<br><br>**Kansas also extends Medicaid coverage to:**<br>• Medically Needy: Aged, disabled, pregnant women and children<br>• Children: Kansas extends coverage to children under 1 whose families earn less than 171 percent of FPL; and children ages 1–5 whose families earn less than 149 percent of FPL |

Note: The Affordable Care Act extended eligibility for former foster care children up to age 26 as long as they were in foster care and enrolled in Medicaid at age 18. CHIP is a separate program in Kansas, but enrollees have benefits identical to Medicaid-enrolled children. Children's Medicaid coverage is mandatory up to 133 percent of FPL, but a 5 percent income disregard would apply if a state did not have a CHIP program. Under federal maintenance of effort requirements, all children's eligibility levels must be preserved though FFY 2023.

*Source: KanCare Special Terms and Conditions, Centers for Medicare & Medicaid Services, January 2014; CMS "List of Medicaid Eligibility Groups," accessed August 2018; Medical Assistance Standards, Kansas Department of Health and Environment, April 2018.*

**Working Healthy:** The Working Healthy program offers Medicaid coverage to people age 16–64 with disabilities who are working. Income and resource limits apply but are higher than other Medicaid programs. People in this program must pay a premium for medical services, depending on their income. The Working Healthy program cost the state almost $6 million in FY 2018 to cover about 1,000 people on average per month. Total costs, including the federal share, were nearly $13 million.

**Medicaid-Medicare Dual Eligibility:** Medicaid provides assistance with co-pays, deductibles and long-term care services for low-income Medicare beneficiaries age 65 and older. In addition, some individuals with disabilities also are eligible for both Medicare and Medicaid.

**Program of All-Inclusive Care for the Elderly (PACE):** In 23 counties, adults age 55 and older have the option to enroll in PACE. PACE provides long-term care services for people who would otherwise be eligible for nursing home care. It is an alternative to KanCare for people who are able to live safely in the community with the support of PACE when they join. It includes both Medicare and Medicaid services for dually eligible individuals.

## *Other Medicaid Populations*

About 5 percent of Medicaid beneficiaries are in other categories. For example, Medicaid provides coverage for children in the state's foster care and juvenile justice systems, as well as for some children who have been adopted.

Medicaid also pays for limited services for eligible individuals with breast and cervical cancer, tuberculosis or AIDS.

Medicaid covers limited life-threatening emergency care costs and childbirth costs for some non-citizens. (Temporary coverage for refugees as defined by federal law was discontinued in Kansas Medicaid in 2016.)

Some of these populations are included in managed care, but others are excluded. For more information on populations not included in KanCare, see Appendix C, Page 19.

## Medically Needy and "Spend Down"

*The medically needy segment is comprised of people who meet the criteria of a categorically eligible group but do not qualify because of excess income or resources. Most people in the medically needy group must pay for a share of their medical costs through the "spend down" process.*

*Coverage of this group is optional under federal law. If a state chooses this option, it must cover pregnant women and children.*

*Kansas provides coverage for the following groups:*

- *Pregnant women;*
- *Children under the age of 19;*
- *People age 65 or older; or*
- *Persons who are blind or disabled under federal standards.*

*Appendix A.* **Timeline of Important Events: Medicaid and the Children's Health Insurance Program in Kansas**

| Year | Action |
|---|---|
| 1965 | Medicaid enacted into law with Medicare. |
| 1967 | Early and periodic screening, diagnostic and treatment (EPSDT) requirements added for all Medicaid children. |
| 1972 | Federal law required states to cover the elderly and people with disabilities receiving Supplemental Security Income (SSI). |
| 1974 | Administration of Kansas Medicaid program transferred from counties to the newly created Department of Social and Rehabilitation Services (SRS). |
| 1981 | Omnibus Budget Reconciliation Act of 1981 (OBRA-81) allowed states to make Disproportionate Share Hospital (DSH) Program payments to hospitals serving a large number of Medicaid or uninsured patients. |
| 1981 | States permitted to request home and community-based services (HCBS) long-term care services waivers (OBRA 1981). |
| 1986 | Kansas implemented its first home and community-based services waiver (traumatic brain injury). |
| 1990 | Federal Medicaid rules required coverage for children ages 6–18 in families under 100 percent of FPL and created special low-income Medicare beneficiaries. Created prescription drug rebate program. |
| 1996 | Personal Responsibility & Work Opportunity Act (PRWOA) separated cash assistance and Medicaid eligibility. |
| 1997 | State Children's Health Insurance Program (Title XXI) established in the Balanced Budget Act (BBA 1997). |
| 1999 | Kansas implemented the State Children's Health Insurance Program (CHIP) based on state law. |
| 1999 | Ticket to Work and Work Incentives Improvement Act allowed states to cover working people with disabilities up to 250 percent of FPL and charge income-based premiums. |
| 1999 | U.S. Supreme Court rules in Olmstead v. L.C. that states are required to provide community-based services when institutional care is appropriate. |
| 2004 | The Kansas Legislature passed the Health Care Access Improvement Program to implement a hospital provider assessment. |
| 2005 | Kansas Health Policy Authority was created to run Medicaid and State Employee Health Plan. |
| 2006 | Kansas converted dental services for CHIP from managed care to fee-for-service. |
| 2006 | Kansas moved mental health services for CHIP (HealthWave) to managed care. |
| 2006 | Deficit Reduction Act required verification of citizenship and identity for people applying for Medicaid. |
| 2006 | Implementation of Medicare Part D shifted costs of prescription drugs for elderly Medicaid patients to the federal government. |
| 2007 | Kansas implemented the Working Healthy program allowing people with disabilities to keep Medicaid support services while working. |
| 2007 | Kansas implemented a limited dental benefit for Medicaid beneficiaries with disabilities based on new funding. |
| 2007 | Kansas implemented managed care for mental health and substance abuse services. |
| 2008 | Kansas implemented the Money Follows the Person demonstration project. |
| 2009 | Kansas expanded CHIP to children up to 250 percent of the 2008 federal poverty level. |
| 2009 | CHIP Reauthorization Act mandated states to apply Medicaid managed care rules to the operation of CHIP managed care plans. |
| 2010 | Affordable Care Act passed, including an expansion of Medicaid that was to be effective in 2014 to all adults under 138 percent of the federal poverty level. |
| 2010 | Kansas discontinued adult preventive dental services. |
| 2011 | Kansas shifted Medicaid program administration to the Kansas Department of Health and Environment (KDHE). |
| 2012 | Supreme Court ruled that the Affordable Care Act is constitutional, but Medicaid expansion to low-income adults is optional for states. |
| 2013 | Kansas implemented KanCare comprehensive managed care for most Medicaid and CHIP beneficiaries. Adult preventive dental services are provided by MCOs. |
| 2014 | Long-term services and supports for members with developmental or intellectual disabilities were added to KanCare. |
| 2015 | Kansas implemented a new computerized system, the Kansas Eligibility Enforcement System (KEES), through which Kansans apply for Medicaid and other services. |
| 2017 | Kansas published a request for proposals (RFP) for new KanCare managed care contracts in October 2017. |
| 2018 | The U.S. Congress reauthorized CHIP through 2023. |

*Source: Kansas Health Institute.*

*Appendix B.* **Services Covered by Medicaid in Kansas**

| THE FOLLOWING SERVICES ARE CONSIDERED MANDATORY[12,13] | OPTIONAL SERVICES PROVIDED IN KANSAS[14] |
|---|---|
| • Inpatient and outpatient hospital services | • Prescription drugs |
| • Nursing facility services for age 21 and older | • Clinic services |
| • Physician, midwife and nurse practitioner services | • Physical and occupational therapy |
| • Immunizations and early and periodic screening, diagnostic, and treatment (EPSDT) services for children | • Services for people with speech, hearing and language disorders |
| • Laboratory and x-ray services | • Substance abuse treatment and mental health services (under the ACA, Medicaid MCOs must comply with the federal parity law for mental health and substance use disorder services) |
| • Family planning services and supplies | • Medical supplies, orthotics, and prosthetics |
| • Federally Qualified Health Center (FQHC) and Rural Health Clinic (RHC) services | • Rehabilitation services |
| • Pregnancy care and freestanding birth center services | • Hospice services |
| • Home health services for beneficiaries who are entitled to nursing facility care | • Home and community-based services |
| • Tobacco cessation counseling and pharmacotherapy for pregnant women | • Intermediate care facility services for individuals with intellectual disabilities |
| • Dental services for children | • Targeted case management |
| • Non-emergency medical transportation | • Podiatry |
| | • Chiropractic care |
| | • Respiratory care for ventilator-dependent individuals |
| | • Vision services, including optometry and glasses |

| OTHER SERVICES | |
|---|---|
| • Managed care organizations (MCOs) provide value-added services, which can vary by plan and year. Examples include preventive dental benefits for adults, or incentive programs for healthy behaviors. | • MCOs can provide "in lieu of" services, which are defined as medically appropriate, cost-effective alternatives to state plan or managed care contracted services. An MCO can provide an "in lieu of" service if it could help prevent a higher-cost service, such as an inpatient hospitalization. |

*Appendix C.* **Medicaid Populations Excluded from KanCare**

| POPULATION | DESCRIPTION |
|---|---|
| Qualified Medicare Beneficiary (QMB), not otherwise Medicaid eligible | This program covers the Medicare out-of-pocket expenses of low-income Medicare recipients, including premiums and copayments. |
| Low-Income Medicare Beneficiary (LMB), not otherwise Medicaid eligible | This program only pays the Medicare Part B premium for low-income Medicare recipients. |
| Expanded Low-Income Medicare Beneficiary (E-LMB) | This program also pays the Medicare Part B premium for low-income Medicare recipients. However, all individuals eligible for this program cannot be otherwise Medicaid eligible or seeking Medicaid eligibility. |
| Program of All-Inclusive Care for the Elderly (PACE) | This program is for disabled individuals age 55 years or older residing in selected counties. Eligible individuals receive long-term care coverage through a managed care network. HCBS guidelines apply to individuals living in the community and institutional guidelines apply to those living in a facility. |
| AIDS Drug Assistance Program (ADAP) | This program is for individuals diagnosed with AIDS. Coverage for eligible individuals is limited to payment of prescription drugs related to treatment of AIDS. |
| MediKan | This program is for individuals with income under $250 a month. Eligible individuals must meet program disability guidelines and must not be eligible for Medicaid. |
| Sixth Omnibus Budget Reconciliation Act (SOBRA) | This program is for non-citizens who are undocumented or who do not meet other non-citizen qualifying criteria (for example, documented immigrants must wait five years to be eligible) and would otherwise qualify for Medicaid if not for their alien status. Eligible individuals may only receive coverage for approved emergency medical conditions. |
| Tuberculosis | This program is for individuals diagnosed with tuberculosis and in need of care for this condition. Coverage for eligible individuals is limited to inpatient hospital care or alternative community-based services related to the condition. |
| Public Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) | This program is for individuals residing in public ICFs/IID who are not included in KanCare. Individuals residing in a private ICF/IID are included in KanCare. |
| Residents of Mental Health Nursing Facilities and State Mental Health Hospitals (age 22–64) | This program is for individuals residing in a nursing facility for mental health (NFMH) or a state mental health hospital for a long-term stay and who are between the ages of 22 and 64 years old. Individuals residing in a NFMH or state mental health hospital who are under the age of 22 or over the age of 64 are included in KanCare. |

*Source: Kansas Health Institute analysis of KanCare Special Terms and Conditions.*

*Appendix D.* **Medicaid Populations Included in KanCare**

| POPULATION | DESCRIPTION |
|---|---|
| Poverty Level-Related Pregnant Women | This eligibility group includes pregnant women eligible based upon poverty guidelines. |
| Poverty Level-Related Children | This group includes children from birth through age 18 based upon poverty guidelines. Newborns can be deemed eligible for Medicaid if their mother is enrolled in Medicaid. |
| Children's Health Insurance Program (CHIP) | CHIP is a separate program for children in households with incomes higher than the Medicaid guidelines, up to 240 percent of the federal poverty level. KanCare benefits are identical for children regardless of whether they are CHIP- or Medicaid-eligible. |
| Low-Income Families with Children | This eligibility group is for families, including parents or caretakers, based upon poverty guidelines. |
| Transmed—Work Transition | This program allows coverage for up to 12 months for families who had been eligible as *Low-Income Families with Children* and have lost financial eligibility due to increased earnings. |
| Extended Medical | This program allows coverage for up to four months for families who had been eligible as *Low-Income Families with Children* and have lost financial eligibility due to increased child or spousal support. |
| Foster Care Medical | This program is for children who have been taken into state custody and placed with an individual, family or institution. |
| Foster Care (Aged Out) | This program is for children transitioning to adult independent living who are being removed from the *Foster Care Medical* program because they are turning age 18. Coverage may continue up to age 26. |
| Adoption Support Medical | This program is for adopted children with special needs who were in state custody and were eligible for Medicaid at the time of adoption. |
| Supplemental Security Income (SSI) Recipients | Most recipients of SSI are automatically eligible for Medicaid. SSI is a federal program that makes monthly payments to people who have low income and few resources, and who are blind, disabled or age 65 and older. |
| Pickle Amendment | This eligibility group includes people who lose SSI eligibility due solely to a Social Security cost of living increase. |
| Adult Disabled Child | This eligibility group includes adults whose blindness or disability began before age 22 and who lose SSI eligibility because they receive Social Security Disability Insurance under the *Adult Disabled Child* program. |
| Early or Disabled Widows and Widowers | This eligibility group includes people who lose SSI eligibility because they begin receiving Social Security early, or disabled widow or widower's benefits, and who meet certain other criteria. |
| Child in an Institution | This program is for children through age 21 residing in an institution for a long-term stay. |
| Medically Needy | This program is for people who meet categorical eligibility criteria but have excess income or resources, so they are required to "spend down" by paying a share of their costs. |
| Breast and Cervical Cancer | This program provides treatment for breast and cervical cancer for low-income women who were screened and diagnosed through the *Early Detection Works* program. |

*Appendix D (continued).* **Medicaid Populations Included in KanCare**

| POPULATION | DESCRIPTION |
|---|---|
| Working Healthy | This program provides coverage to people age 16 to 64 with disabilities who are working; income and resource limits are higher for this group than for others, but participants may be required to pay a premium. |
| Working Healthy Medically Improved | This program provides extended coverage to *Working Healthy* participants who have been determined to no longer meet Social Security disability criteria because of a medical improvement. |
| Long-Term Institutional Care | The group includes individuals who meet income and resource standards and reside in institutions, except for those residing in a public intermediate care facility for individuals with intellectual disabilities (ICF/IID). |
| Residents of Nursing Facilities for Mental Health (NFMH) and State Mental Health Hospitals (under age 22, over age 64) | Individuals residing in an NFMH or state mental health hospital who are under the age of 22 or over the age of 64 may be eligible for KanCare. |
| Home and Community-Based Service Waiver Groups | These individuals are eligible for one of the seven Kansas 1915(c) waivers: Autism, Intellectual/Developmental Disability, Frail Elderly, Physical Disability, Serious Emotional Disturbance, Technology Assisted and Traumatic Brain Injury. |

*Source: Kansas Health Institute analysis of KanCare Special Terms and Conditions.*

# Appendix E: Helpful Links

***For more from the sponsors of this report, see:***
**Kansas Legislative Research Department: www.kslegislature.org/klrd**
**Kansas Health Institute: www.khi.org**

***For more data and reports about the administration of Kansas Medicaid and CHIP programs, see:***
**Kansas Department of Health and Environment, Division of Health Care Finance: www.kdheks.gov/hcf**
**KanCare: www.kancare.ks.gov**
**Kansas Department for Aging and Disability Services: www.kdads.ks.gov**

***For more information about Medicaid and CHIP nationwide, see:***
**Centers for Medicare & Medicaid Services: www.medicaid.gov**
**Kaiser Program on Medicaid and the Uninsured: www.kff.org/about/kcmu.cfm**
**National Conference of State Legislators: www.ncsl.org**
**National Academy of State Health Policy: www.nashp.org**

***For more population data about health insurance, see:***
**United States Census Bureau:**
**https://www.census.gov/topics/health/health-insurance.html**

# Appendix F: Glossary

## *Affordable Care Act (ACA)*

The ACA is the federal statute signed into law in March 2010 as a part of the health care reform package from the Obama administration. Two laws collectively are known as the ACA: the Patient Protection and Affordable Care Act (PPACA) was signed into law on March 23, 2010; just days later, the Health Care and Education Reconciliation Act, which modified provisions of the PPACA, was signed. The ACA included multiple provisions that would take effect over several years, including the expansion of Medicaid eligibility on January 1, 2014. A July 2012 U.S. Supreme Court ruling made Medicaid expansion optional for states.

## *Children's Health Insurance Program (CHIP)*

CHIP was established by Title XXI of the Social Security Act. Originally known by the acronym SCHIP — the "S" stood for "State" — CHIP is jointly financed by the federal and state governments and administered by the states within broad federal guidelines. Each state determines the design of its program, eligibility groups, benefit packages, payment levels for coverage, and administrative and operating procedures. CHIP provides federal matching funds that are capped. Formerly operated under HealthWave in Kansas, the CHIP program was folded into KanCare in January 2013.

## *Dual Eligibility*

Dual eligibility refers to people who are eligible for both Medicare and Medicaid. Medicare covers only very limited long-term care services. Medicaid covers most nursing facility and home and community-based service costs for seniors and people with disabilities who are eligible for Medicare.

## *Federal Poverty Level (FPL)*

The FPL is defined as the minimum amount of gross income that a family needs for food, clothing, transportation, shelter and other necessities. In the United States, the level is determined by the U.S. Department of Health and Human Services. The number is adjusted for inflation and reported annually in the form of poverty guidelines. These poverty guidelines, or the FPL, are the same for the 48 contiguous states and the District of Columbia, but they vary according to family size. In 2018, the FPL for a family of four was an annual income of $25,100. Income eligibility limits for Medicaid, CHIP and other income-based programs are typically set as a percentage of FPL.

## *KanCare*

Since January 1, 2013, Kansas has administered Medicaid and the Children's Health Insurance Program (CHIP) through three private managed care organizations (MCOs) under the umbrella of KanCare. These MCOs coordinate the physical and behavioral health care, community-based services and long-term care services for most Kansans in Medicaid and CHIP. The Kansas Department of Health and Environment (KDHE) and the Kansas Department for Aging and Disability Services (KDADS) administer KanCare within the state. KDHE manages finances and oversees contracts, while KDADS administers mental health and substance abuse services, state hospitals and institutions, and Medicaid waiver programs for disability services.

## *Managed Care Organization (MCO)*

An MCO is an organization that receives a defined, "per member per month" fee to coordinate care and pay for services provided to members enrolled in its plan. In KanCare, the state has contracted with three MCOs to provide services for 96 percent of Medicaid and CHIP members. Federal law generally requires that members have a choice of at least two different plans. In addition, MCOs must have adequate networks of providers to ensure members have access to covered services.

## *Medically Needy*

The medically needy segment of the population is comprised of people who meet the criteria of a categorically needy program such as age or disability but do not qualify because of excess income or resources. Most people in the medically needy group must pay a share of their medical costs through the "spend down" process.

### *MediKan*

MediKan was established in Kansas in 1973 to bridge the gap between the time that an adult becomes disabled and the time they begin receiving federal disability payments. The program is funded by the state and does not receive federal matching payments. MediKan provides a limited benefit package for up to a total of 12 months. It is not included in KanCare.

### *Program of All-Inclusive Care for the Elderly (PACE)*

PACE is a program for people age 55 and older who would qualify to reside in a nursing facility but who can live independently with the support of an interdisciplinary team. It covers all medically necessary care and services. PACE consumers can be enrolled in either Medicare or Medicaid, or both. They can also pay for PACE privately if they are not eligible for either program. PACE is provided as an alternative to KanCare for eligible adults who live in one of the 23 counties with an approved provider.

### *Spend Down*

A spend down for people in the medically needy group works like an insurance deductible. Eligible members pay a predetermined amount of their health care bills before Medicaid coverage takes over. The amount differs for every medically needy person and family and is determined by how much countable income they may have above the protected income limit. Deductions from countable income are given for earned income. The spend-down period is usually six months.

### *State Plan Amendment (SPA)*

A state submits a SPA in order to make a change to its Medicaid state plan that is within federal requirements. Since the Federal Deficit Reduction Act of 2005 was passed, many changes can now be made by filing a SPA rather than going through the waiver process. Waivers and SPAs are the only ways that a state can administratively change the structure of its Medicaid program.

### *Supplemental Security Income (SSI)*

SSI is a federal program that makes monthly payments to people who have low income and few resources, and who are blind, disabled or age 65 and older. SSI eligibility determinations are made by the Social Security Administration. Most people eligible for SSI are automatically eligible for Medicaid.

### *Waiver*

A state must submit a waiver to make an exception to federal requirements of the Medicaid program. Kansas has 1915(c) waivers for home and community-based services (HCBS), and a Section 1115 demonstration waiver for KanCare. Waivers are for set periods of time — generally three to five years — and may be renewed through a public process. Waivers and state plan amendments (SPAs) are the only ways that a state can administratively change the structure of its Medicaid program.

*In 2018, parents or caretakers of children with an annual household income up to 38 percent of FPL ($9,538 for a family of four) also are eligible for coverage under Medicaid.*

*Appendix G.* **Acronyms and Meanings**

| Acronym | Meaning |
|---|---|
| ACA | Affordable Care Act |
| ADAP | AIDS Drug Assistance Program |
| AU | Autism |
| BBA | Balanced Budget Act |
| CHIP | Children's Health Insurance Program |
| CMS | Centers for Medicare and Medicaid Services |
| DAI | Data Analytic Interface |
| DCF | Kansas Department for Children and Families |
| DHCF | Division of Health Care Finance |
| DSH | Disproportionate Share Hospital Program |
| E-LMB | Expanded Low-Income Medicare Beneficiary |
| EPSDT | Early and Periodic Screening, Diagnostic and Treatment |
| FE | Frail Elderly |
| FFY | Federal Fiscal Year |
| FMAP | Federal Medical Assistance Percentage |
| FPL | Federal Poverty Level |
| FQHC | Federally Qualified Health Center |
| FY | State Fiscal Year |
| HCBS | Home and Community-Based Services |
| ICF/IID | Intermediate Care Facility for Individuals with Intellectual Disabilities |
| I/DD | Intellectual/Developmental Disability |
| IV-E | Title IV-E of the Social Security Act |
| KDADS | Kansas Department for Aging and Disability Services |
| KDHE | Kansas Department of Health and Environment |
| KHI | Kansas Health Institute |
| KHPA | Kansas Health Policy Authority |
| KLRD | Kansas Legislative Research Department |
| LMB | Low-Income Medicare Beneficiary |
| MACRA | Medicare Access and CHIP Reauthorization Act of 2015 |
| MAGI | Modified Adjusted Gross Income |
| MAR | Medical Assistance Report |
| MCO | Managed Care Organization |
| NFMH | Nursing Facility for Mental Health |
| OBRA-81 | Omnibus Budget Reconciliation Act of 1981 |
| PACE | Program of All-Inclusive Care for the Elderly |
| PD | Physical Disability |
| PMPM | Per Member Per Month |
| PPACA | Patient Protection and Affordable Care Act |
| PRWOA | Personal Responsibility & Work Opportunity Act |
| QI | Qualifying Individuals |
| QMB | Qualified Medicare Beneficiary |
| RHC | Rural Health Clinic |
| SCHIP | State Children's Health Insurance Program (now called CHIP) |
| SED | Serious Emotional Disturbance |
| SLMB | Special Low-Income Medicare Beneficiaries |
| SOBRA | Sixth Omnibus Budget Reconciliation Act |
| SPA | State Plan Amendment |
| SSI | Supplemental Security Income |
| TA | Technology Assisted |
| TBI | Traumatic Brain Injury |

# Endnotes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## KANSAS HEALTH INSTITUTE

*The Kansas Health Institute supports effective policymaking through nonpartisan research, education and engagement. KHI believes evidence-based information, objective analysis and civil dialogue enable policy leaders to be champions for a healthier Kansas. Established in 1995 with a multiyear grant from the Kansas Health Foundation, KHI is a nonprofit, nonpartisan educational organization based in Topeka.*

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*The Kansas Legislative Research Department provides nonpartisan, objective research and fiscal analysis for the Kansas Legislature. The Department is one of four nonpartisan agencies that provide support services for the Kansas Legislature.*

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