



Legislative Post Audit Performance Audit Report Highlights

Highlights

KanCare: Reviewing the Timeliness of Medicaid Eligibility Determinations

Report Highlights

September 2016 • R-16-013

Summary of Legislator Concerns

Legislators expressed concerns regarding the delay in eligibility determinations.

Background Information

Kansas administers Medicaid through the KanCare program. KanCare has about 400,000 individuals enrolled in the program. Currently Kansas contracts with three private managed-care organizations to manage Medicaid recipients' health care.

In 2015, Kansas launched a new computerized system used for processing Medicaid applications. The Kansas Eligibility Enforcement System (KEES) allows individuals to complete a single application for both medical and social service benefit programs.

All KanCare applications are processed at a central processing center, which is run by a private contractor - Maximus.

QUESTION 1: What Caused the Current Backlog of Medicaid Applications in the KEES System and What Are State Officials Doing to Address the Backlog?

- KDHE officials told us implementation of KEES and an influx of applications contributed to a backlog of 14,000 Medicaid applications in June 2016.
 - A Medicaid application (without a disability determination) is considered backlogged if it has not been processed in 45 days upon receipt.
 - In June 2016, the number of backlogged applications was approximately 14,000. (In June 2016, KDHE officials acknowledged to the Federal Centers for Medicare and Medicaid Services (CMS) they significantly underreported the number of backlogged applications by 12,000.)
 - Because of the complexity and sophistication of the database queries that generate the Medicaid backlog reports, we were unable to fully test the reports for accuracy. As a result, we cannot be assured the reported numbers by KEES are accurate.
 - KDHE officials stated the three main factors causing the backlog were:
 - KEES went live in July 2015 but had several technical glitches including problems with scanning documents and data entry.
 - KDHE significantly underestimated the number of Kansans who would apply for Medicaid as a result of the Affordable Care Act.
 - KDHE became responsible for all Medicaid eligibility determinations in January 2016. Prior to this date, some applications were processed by the Department of Children and Families (DCF).
- KDHE has increased staffing to address the backlog and is modifying KEES.
 - KDHE and its contractor Maximus have both increased staffing to process the applications.
 - KDHE is borrowing about 50 DCF staff to help process certain applications.
 - KDHE is working to improve KEES performance including imaging and data entry.
 - As of August 2016, these actions have cost about \$2.3 million.
- According to KEES' reports, KDHE has reduced the backlog by thousands in recent months and hopes to have it resolved by October 2016.
 - Since June 2016, the number of backlogged applications has decreased from about 14,000 to 5,100.
 - KDHE only has limited control in processing disability applications. The federal Social Security Administration is responsible for making the disability determination.
 - KDHE officials hope to have the backlog resolved by October 2016.

- In its efforts to address the backlog, KDHE has stopped reviewing renewal applications.
 - Each Medicaid beneficiary must be reviewed on an annual basis to ensure the individual still qualifies for Medicaid.
 - As of mid-August 2016, there are nearly 35,000 reviews waiting to be processed.

- Kansas is not in compliance with federal law related to eligibility determinations.
 - The federal Centers for Medicare and Medicaid Services (CMS) officials have been tracking the backlog of Kansas Medicaid applications since February 2016.
 - Even though Kansas has not been in compliance, CMS officials told us they plan no further actions once the backlog is resolved.

SUMMARY OF RECOMMENDATIONS

None

AGENCY RESPONSE

Agency officials concurred with the report's findings.

HOW DO I REQUEST AN AUDIT?

By law, individual legislators, legislative committees, or the Governor may request an audit, but any audit work conducted by the division must be directed by the Legislative Post Audit Committee. Any legislator who would like to request an audit should contact the division directly at (785) 296-3792.

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