



Kentucky Home Care Association

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October 6, 2016

VIA ELECTRONIC MAIL

The Honorable Sylvia Burwell
Secretary, Department for Health and Human Services
200 Independence Ave, NW
Washington, D.C. 20201

RE: Kentucky HEALTH

Dear Secretary Burwell:

Please accept these comments on behalf of the Kentucky Home Care Association ("KHCA") regarding Kentucky's 1115 demonstration waiver proposal. KHCA is a trade association representing and serving Kentucky's home care industry. It is a nonprofit organization representing nearly 70 home health agencies including nonprofit, for profit, health department-based, multistate and independent agencies. KHCA also represents hospices and personal services agencies and companies delivering durable medical equipment and supplies.

While KHCA supports Governor Bevin's efforts to ensure the sustainability of Kentucky's Medicaid program, we are concerned that the changes may be unnecessarily complicated and, as a result, individuals will be disenrolled from any coverage and leave this medically vulnerable population without access to health insurance.

As is currently the case, KHCA anticipates continuing and additional issues with providing services to individuals who may later be determined ineligible for benefits based on a variety of reasons, which now include nonpayment of premiums. Providers rely on the state to inform them as to whether an individual is eligible to receive Medicaid benefits. Because the system is not in real time, the provider is at risk of providing services without the benefit of payment. There will have to be some method developed through which a provider can ensure the status of an individual to whom services will be provided. There must also be a mechanism by which a provider is notified when an individual is no longer eligible for services to ensure appropriate payment is rendered for care provided.

There is also an issue with tying the definition of medically frail to SSI as that has caused some disruption in services for a couple of individuals who are disabled pursuant to the federal definition but dually eligible. We appreciate the Cabinet's efforts to further address the "medically frail." There should, however be no penalty for an individual who meets the

definition of medically frail. The current penalty would be that person's inability to access his/her *My Rewards Account* if premiums and copayments weren't made, even if those benefits had accrued.

Because providers can no longer waive the copayment for services, they will be responsible for collecting them. Generally speaking, copays are considered "no pays" and therefore the payment to the provider is reduced. Often, collecting the copayment costs more than the copayment itself and therefore remains uncollected. The consequences, if any, for failing to collect the copays should be delineated and they should not penalize the provider.

KHCA supports the Cabinet's efforts to amend the MCO contracts to ensure fair coverage and payment for medically necessary services. Since MCO rates are often based off rates established in regulation, KHCA requests the Cabinet to revisit home care rates that haven't been revised in over ten years and increase them to fair rates that more adequately represent the skilled nursing care and other services being provided.

The limits on therapy and other services should be subject to a medical necessity override based on the condition of the individual. In addition, KHCA has concerns about where individuals may be able to volunteer or find work. Many individuals in this population would have difficulty passing a criminal background check or drug test to volunteer at some of the opportunities available in their communities. Many individuals in the Medicaid expansion population already have jobs so their continued participation should not be contingent on adding burdensome requirements but rather through premium adjustments or a premium assistance option for an Exchange plan for those who work where no health plan coverage is available.

KHCA also has a concern that Governor Bevin has said this is a "take it or leave it" proposal and any change by CMS could result in the Medicaid expansion being terminated. This action would increase the number of Kentucky's uninsured and return primary practice to the emergency rooms as it was prior to January 1, 2014.

Thank you for the opportunity to comment on this proposal. Please feel free to call me to discuss these issues further. KHCA is available to assist you in the implementation of this waiver.

Sincerely,



Annette Gervais
Executive Director