Kidney Health Care (KHC)
Client Handbook

Office of Primary and Specialty Health

February 2020
Welcome to the Kidney Health Care (KHC) Program.

This booklet has been developed to introduce newly approved clients to the Kidney Health Care (KHC) Program, which is administered by the Office of Primary and Specialty Health (OPSH). It includes information on the benefits covered by the KHC Program, claims, and policy information. Included in this booklet are additional resources on end-stage renal disease and a list of frequently used acronyms and terms.

You can always learn more about the program at https://hhs.texas.gov/services/health/kidney-health-care.

For help, call at 800-222-3986 or email at khc@hhsc.state.tx.us.
What is the Kidney Health Care Program?

In April of 1973, the Kidney Health Care Act established the Kidney Health Care (KHC) Program under the Texas Department of Health. This law allows State funds and resources to be used for the care and treatment of persons suffering from chronic kidney failure, also known as end-stage renal disease (ESRD). In so doing, the Legislature realized the State’s "responsibility to allow its citizens to remain healthy without being pauperized . . ." by the extremely expensive treatment which is necessary for those suffering from this disease.

The impact and cost of ESRD on Texans can be great. Most dialysis patients do not receive any medical benefits from Medicare for a three-month period after the initiation of dialysis, and Medicare does not offer any coverage for most travel expenses associated with the treatment of ESRD. The KHC Program became operational in September of 1973 under the administration of the Texas Department of Health. The primary purpose of the program is to “direct the use of resources and to coordinate the efforts of the State in this vital matter of public health.”

Eligibility

The program is available to anyone who:

- Lives in Texas
- Has a gross annual income less than $60,000 per year
- Has a diagnosis of end-stage renal disease from a licensed doctor
- Gets regular dialysis treatments or has had a kidney transplant
- Meets Medicare’s definition of end-stage renal disease
- Is not eligible for Medicaid medical, drug or travel benefits

Effective Date of Eligibility

Once the application is approved, the KHC Program eligibility date is the date the KHC Program received a complete application.

KHC Identification Number

This is a unique nine-digit number (beginning with an 8) that is issued to KHC Program clients and is on the KHC Program Notice of Eligibility. Clients should use this number when inquiring about benefits and when submitting claims.
Program Benefits

Benefits available to qualified clients include standard KHC Program drug coverage, coordination of benefits for the Medicare Part D Prescription Drug Program, certain Medicare premiums, co-insurance for immunosuppressant drugs, travel, and limited medical benefits. Program benefits are paid only after all other third-party payers have met their liability.

Medical Benefits

The KHC Program provides payment for limited ESRD-related medical services. Allowable services are limited to inpatient and outpatient dialysis treatments and to services required for access surgery, which include hospital, surgeon, assistant surgeon and anesthesiology charges. These services are provided to eligible clients during the Medicare qualifying period, (normally a three-month period following the initiation of chronic dialysis treatments), or to clients who can document that they are not eligible to receive Medicare or Medicaid benefits. Medical claims must be submitted by the service provider. If you are eligible to receive medical benefits, please take your Notice of Eligibility to your dialysis provider and to your access surgery provider for billing and payment of allowable medical charges.

Access Surgery

Access surgery, which is necessary for the maintenance of dialysis treatments, is available to eligible program clients. Access surgery benefits are payable only if the services were performed on or after the date Texas residency was established and not more than 180 days prior to the client's KHC Program eligibility effective date. Surgeons must be contracted providers with the KHC Program.

Medicare A & B Premium Payment

The KHC Program will pay the premium for Medicare Parts A and B on behalf of KHC clients who are age 65 or older and not eligible for "premium free" Medicare Part A (hospital) insurance under the Social Security system and who are not eligible for Medicaid payment of Medicare premiums. Please call KHC to verify that you are eligible for this benefit before submitting a premium to KHC.

Travel

Travel benefits are provided to eligible KHC Program clients who are not eligible for Medicaid Medical Transportation benefits. Travel that is provided free to clients by other agencies or services is not covered by KHC. Travel benefits are determined and paid according to the client’s treatment status at the time each trip is taken. A client may be eligible for both in-center dialysis travel benefits and either home dialysis or transplant travel benefits during the same month if a change is made in the treatment modality. Round-trip mileage (RTM) is based on shortest driving distance from client home to medical facility or provider. The allowable RTM is the measured round-trip distance from the street address of the client’s residence to the street address of their medical facility and/or provider. The KHC Program uses
Bing Maps to calculate mileage. Clients will need to submit any residential address changes within 30 days of the change, in order to establish the correct round trip mileage.

The travel payment may not exceed $200 per month, per client. The current reimbursement rate is 0.13 cents per mile. This rate is subject to change as program budget limitations allow.

**In-Center Dialysis clients** may be reimbursed a maximum of 13 round trips per month. Travel benefits are based on the client’s established RTM to and from the dialysis facility and the number of allowable round trips taken to receive dialysis treatment. Newly approved in-center clients will begin receiving travel benefits on the 1st day of the month following their KHC eligibility effective date, unless the KHC Effective date is on the 1st of the month.

**Home Dialysis and Transplant clients** may be paid up to 4 round trips per month. Travel must be for kidney-related medical services rendered to the client. Allowable travel may include: access surgery, access complications, home dialysis training, kidney-related lab work and X-rays, nephrologist visits, peritoneal dialysis support, transplant surgery and follow-up. Newly approved home or transplant clients will begin receiving travel benefits on the day of their KHC eligibility effective date.

**Drug Benefits**

The standard KHC Program drug benefit is available to all eligible program clients, except for:

1) Those receiving full Medicaid prescription drug benefits, and

2) Those with drug coverage through a private/group health insurance plan (unless the client provides proof that drug coverage under a private/group health insurance plan has been exhausted).

- KHC standard drug coverage is limited to four prescriptions per month. All prescriptions (including Immunosuppressant drugs) are limited to a 34-day supply and include a $6 co-pay per drug product purchased.
- KHC allowable drug products are listed on the KHC Reimbursable Drug List (formulary) and are included on the Texas Drug Code Index (TDCI).
- Clients are required to obtain medications from a KHC participating pharmacy.
- Bring the *Reference Page for Pharmacy Drug Claims* (Appendix XX) to your participating pharmacy to help the pharmacy bill claims to the KHC Program.
Medicare Part D and KHC Drug Benefits

The Medicare prescription drug program (Medicare Part D) is the primary payer for prescription drugs for Medicare-eligible clients on the KHC Program. What does this mean for me?

- The first thing to do when you become a KHC program client is to apply for "extra help" through the Social Security Administration (SSA) for assistance with Medicare Part D drug costs. Your social worker can help you with this.
- When you get your "extra help" approval or denial letter from Social Security, take it to your social worker.
- During your three-month qualifying period for Medicare, you will receive the standard KHC drug benefit. When you are approved for Medicare, you must then select and enroll in a Medicare stand-alone Part D prescription drug plan. Your standard KHC drug coverage will end three months after your Medicare effective date, or when you become enrolled in Medicare Part D, whichever comes first.
- If you already have Medicare, you will need to select and enroll in a Texas Medicare Part D drug plan. You will receive the standard KHC drug benefit for three months from your KHC eligibility effective date, or until you become enrolled in Medicare Part D, whichever comes first.
- If you apply and are denied Medicare Parts A and B, please take your denial letter to your social worker. If you are not eligible for Medicare, you will receive the standard KHC Program drug benefit. KHC will cover four ESRD related drugs per month, with a 34-day supply, and $6.00 co-pay per prescription.
- Depending on the level of "extra help" you receive from the Social Security Administration, KHC will provide limited assistance for Medicare prescription drug premiums, deductibles, co-insurance amounts, and coverage during the gap period.
- KHC will assist eligible Medicare Part D clients with premium payments, less any SSA subsidy assistance, up to a maximum allowable amount of $35.00 per month.
The following is a list of important things to keep in mind about KHC and Medicare Part D drug coverage.

- Your KHC program drug coverage under Medicare Part D is still limited to four prescriptions per month. These drugs must be on both the KHC formulary and the prescription drug plan's formulary. KHC will provide limited assistance for Medicare prescription drug premiums, deductibles, co-insurance amounts, and coverage during the gap period.
- KHC may cover some Medicare excluded drugs (such as vitamins and over-the-counter drugs). A $6.00 KHC co-pay will be applied to these medications.
- The KHC Program cannot provide assistance for clients who enroll in a Medicare Advantage plan.
- If the client is not eligible for Medicare, the standard drug benefit with KHC will remain the same. When the client becomes eligible for Medicare, the client will need to enroll in a Medicare Part D prescription drug plan.
- The KHC Program cannot provide assistance to clients with private drug insurance.
- If a client has private drug insurance, contact the insurance company to see how the client's current drug insurance compares with the new Medicare prescription drug plans. Please note: KHC Program standard drug coverage is not as comprehensive as Medicare Part D coverage.
- If a client loses private drug insurance, they must apply for Medicare based on the ESRD diagnosis.
- Immunosuppressant medications (ISDs) for transplant clients will continue to be covered under Medicare Part B. KHC will cover the 20% co-insurance for ISDs that are on the KHC covered drug list for transplant clients if the client does not have supplemental coverage. This assistance will count towards the monthly 4 prescription limits provided by KHC.
- All KHC Program assistance depends upon the availability of funding.
Non Creditable Coverage Notice

Important Notice about Your Kidney Health Care Program Prescription Drug Coverage and Medicare

Please read this notice carefully, and keep it where you can find it. This notice has information about your standard prescription drug coverage with the Kidney Health Care (KHC) Program and prescription drug coverage available for all people with Medicare.

The KHC Program has determined that the standard prescription drug coverage offered through the KHC Program is, on average, for all clients, NOT expected to pay out as much as the standard Medicare prescription drug basic-level plan will pay.

If you have private insurance, contact your insurance company to see how your insurance coverage compares with the Medicare Part D drug plans. Please note: you may receive this notice at other times in the future, such as before the next time period you can enroll in Medicare prescription drug coverage, or if this coverage changes. You may also request a copy of this notice.

For more information about Medicare prescription drug coverage:

- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
- Talk to your dialysis or transplant social worker.
**Claims**

**Claims Submission**

How a claim is submitted depends on the type of claim.

**Drug Benefit Claims**

KHC clients can go to any KHC Program Participating Pharmacy to get their medications. The pharmacy submits the claim electronically to KHC for payment through the HHSC’s contracted pharmacy claims processor. Electronic coordination of benefits (COB) is required for clients with Medicare coverage. Most pharmacies in the state may provide drug services to KHC clients. Please ask your current pharmacy if they are a KHC participating pharmacy. If they are not, please call the KHC Program to get a listing of KHC participating pharmacies.

**Mileage Reimbursement Travel Benefit Claims**

Client will need to submit any changes of residential address to KHC, within 30 days of change, in order for client to be reimbursed at the correct round trip mileage.

For **In-center dialysis clients**, your dialysis Social Worker receives a monthly travel report on which they indicate the number of trips you have taken to receive dialysis treatment. This report is used to determine your travel benefits at the end of the month. Travel benefits are processed monthly based on the established RTM on record, the treatment status, and the number of round trips taken for treatment each month. You should expect payment within 2-3 weeks following the social worker’s submission of the monthly travel report. KHC does not cover travel that is provided free to you by other agencies or services.

**Home dialysis and transplant clients** submit travel claims to KHC on a KHC travel claim form. Please carefully follow the instructions on the KHC travel claim form to assure proper processing.

- 95 days from the last day of the month in which services were provided; or
- 60 days from the date on the KHC Notice of Eligibility. The travel claim form and instructions for home dialysis and transplant clients is available from the Information Resource Specialists at 1-800-222-3986.

**Medical Benefit Claims**

Medical claims must be submitted by the participating KHC provider. If you are eligible to receive medical benefits, please take your Notice of Eligibility to your dialysis and access surgery providers for billing and payment of allowable medical charges.

Travel and Medical claims must be received by KHC no later than:

- 95 days from the last day of the month in which services were provided; or
• 60 days from the date on the KHC Notice of Eligibility. The travel claim form and instructions for home dialysis and transplant clients is available from the Information Resource Specialists at 1-800-222-3986.

Termination of Benefits

KHC Program benefits may be terminated for any of the following reasons:

1. Failure to maintain Texas residency
2. Failure to provide income data as requested by KHC
3. Failure to reimburse the program (as requested) for overpayments
4. Failure to apply for Medicaid if the client meets Medicaid eligibility requirements
5. Failure to inform the KHC Program within 30 days of the following changes: permanent home address, treatment status, insurance coverage, location of treatment, round trip mileage to treatment location, changes in income, or financial qualifications affecting the client's eligibility
6. Client becomes incarcerated in a city, county, state or federal jail or prison
7. Client regains kidney function or voluntarily stops treatment for ESRD
8. Client becomes a ward of the state
9. The KHC Program determines the application (or supporting documents) contains material misstatements or misrepresentations
10. The KHC Program determines the client has submitted false claims
11. Claims for benefits on behalf of the clients have not been submitted for twelve consecutive months
12. Client becomes eligible for drug, transportation, and medical benefits under the Medicaid Program

Reconsideration and Fair Hearing

Client’s Rights

KHC clients have the right to request an Administrative Review and Fair Hearing for any decision KHC has made regarding benefits, eligibility and claims.

How to Request an Administrative Review

If for any reason, a client's benefits have been modified or terminated by Kidney Health Care (see Termination of Benefits), the client will receive a letter of termination. The letter of termination will include an explanation of the reasons for the action and an explanation of the client's right to request an administrative review.

The notice will also include the procedure by which a client may request an administrative review, including the address where written requests should be submitted and the phone number to call to request assistance for an administrative review. The notice will also state that the request for administrative review must be made within 30 days of the date of the notice and that failure to do so will mean that the right to an administrative review and fair hearing will be waived and the action will become final. When an administrative review has been requested within
the allowed time, KHC will have 30 days to review the action and make a decision. If it is decided the request for administrative review is not approved and that an action will be taken, the client will be notified of their right to a fair hearing.

**How to Request a Fair Hearing**

If KHC does not approve a client's request after an administrative review, then the client will receive a written notice of their right to a fair hearing. The right to a fair hearing notice will include the action KHC intends to take, an explanation of the reasons for the action, and an explanation of the client's right to request a fair hearing. The notice will include the procedure by which a client may request a fair hearing, including the address where the written request should be submitted. The notice will also state that the request for a fair hearing must be made within 20 days of the date of the notice and that failure to do so will mean the right to a fair hearing will be waived and the action will become final.
KHC Policy Information

Direct Deposit
Direct deposit is the means by which your benefit payment is electronically deposited into your bank account. It's the fastest and most convenient form of payment. To enroll, you and your financial institution must complete the Direct Deposit Form and return the signed original to Kidney Health Care (Mail Code 1938), P.O. Box 149347, Austin, Texas 78714-9347.

Travel Record Audit
KHC will periodically audit travel records including RTMs and the number of trips claimed. You should review your Explanation of Benefits (EOB) upon receipt. When you accept payment for travel, you acknowledge that the information the payment is based on is correct and that you are liable for any overpayments. Hemodialysis patients, your Social Worker will report the trips you take each month for dialysis. Please ensure the correct number of trips you take per month to receive dialysis is reported.

Other Coverage
Benefits available to KHC clients are dependent on treatment status and eligibility for benefits from other programs such as Medicare, Medicaid or private insurance. Kidney Health Care is the payer of last resort. KHC benefits are paid only after all other third-party payers have met their liability. Contact your Social Worker or call KHC for more information about specific coverage.

Change in Treatment Status?
When a client's treatment status changes, KHC must be notified within 30 days of the change. Failure to do so could result in modification or termination of benefits or denial of the claim. Your Social Worker will contact KHC and notify a Customer Service Eligibility Specialist of the change, in writing or by calling the KHC Helpline at 1-800-222-3986.

Moving?
Kidney Health Care must be notified when a client moves, KHC must be notified within 30 days of the change. Failure to do so could result in modification or termination of benefits or denial of the claim. Even if a change of address has been filed with the Post Office, any delay in notifying KHC of the new address could result in checks being mailed to the wrong address. A change in address can also affect travel benefits.
KHC Resources

Acronyms

CMS - Centers for Medicare and Medicaid Services - The federal agency that oversees the management and operation of Medicare and Medicaid.

COB - Coordination of Benefits - a method of determining which plan or insurance will pay first if two or more health plans cover the same benefits.

ESRD - End-stage renal disease. The irreversible loss of kidney function.

KHC - Kidney Health Care

OPSH - Office of Primary and Specialty Health, the state office that administers the Kidney Health Care Program at the Health and Human Services Commission (HHSC).

VDP - Vendor Drug Program. The HHSC program that oversees the designated claims contractor that processes drug claims for the Medicaid, Children with Special Health Care Needs Services Program (CSHCN), Children’s Health Insurance Program (CHIP), and Kidney Health Care Programs.

Medicare Part D Frequently Used Terms

Monthly premium - the monthly amount charged by plans for Medicare Part D (prescriptions) membership.

Annual deductible - the amount you have to pay each year before the plan begins to pay for your prescriptions.

Co-insurances - a percent of the cost of prescriptions that you pay after your annual deductible has been met.

Co-payment - a small dollar fee for each prescription that must be paid by the client.

Gap (or donut hole) - a period of time when there is no Medicare payment for drug costs and the patient is 100% responsible.

Catastrophic limit - when you have reached a certain level of out-of-pocket expenses, Medicare Part D will pay for 95% of your drug costs.

Excluded Drugs - drugs that are not covered by the Medicare Part D prescription drug program.
Contact Kidney Health Care

Phone
800-222-3986
8 a.m. to 5 p.m. Central Time
Monday through Friday

Austin Area Local Phone
512-776-7150

General Fax Number
512-776-7162

Email Address
khc@hhsc.state.tx.us

Mailing Address
Kidney Health Care
MC 1938
P.O. Box 149347
Austin, TX 78714-9347
Reference Page for Pharmacy Drug Claims

Please fill in your name and Kidney Health Care (KHC) ID number (begins with an 8) below and offer this reference page to provider pharmacies for billing claims to Kidney Health Care.

Your Name: _____________________________________
Kidney Health Care ID: ____________________________

KHC will pay for four (4) medications that are on the KHC formulary each month. You should pick the four (4) most expensive medications you are prescribed to get the most benefit from this service. Texas Kidney Health Care can be used at most pharmacies. KHC will pay the copay for prescriptions that are coordinated with Medicare Part D and Part B. If Medicare does not make a primary payment on your prescription and KHC pays the entire cost, you will have a $6 copay. If you are not eligible for Medicare coverage, there will be a $6 copay for each prescription.

For the Pharmacy staff:

For Kidney Health Care Drug Claims, use the following information:

BIN #: 610084
PCN: DRTXPRODKH
GROUP: KHC

For claims coordinated with Medicare:
The Other Payer ID for Medicare Part D must be MEDICAREX.
The Other Payer Qualifier for Medicare Part D must be 99 (Other).

The Other Payer ID for Medicare Part B must be MEDPARTB.
The Other Payer Qualifier for Medicare Part B must be 99 (Other).

For Questions regarding claims, call 1-800-222-3986. Have your KHC Client ID ready.