TEXAS
Health and Human Services

Kidney Health Care (KHC)
Client Handbook

April 2024

Contents

Welcome to the Kidney Health Care Program

This booklet introduces newly-approved clients to the Kidney Health Care (KHC) program. It includes information on the benefits covered by the KHC program; claims and policy information; additional resources on end-stage renal disease; and a list of often-used acronyms and terms.

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

For help, call 800-222-3986 or email khc@hhs.texas.gov.

What is the KHC Program?

In April 1973, the Kidney Health Care Act established the KHC program under the Texas Department of Health. This law allows state funds and resources to be used for the care and treatment of people with chronic kidney failure, also known as end-stage renal disease (ESRD). The KHC program became operational in September 1973.

The impact and cost of ESRD on Texans can be significant. 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.

Eligibility

The KHC program is available to anyone who:

- Lives in Texas.
- Has a gross annual income of less than $60,000 per year.
- Has a diagnosis of ESRD from a licensed doctor.
- Gets regular dialysis treatments or has had a kidney transplant.
- Meets Medicare's definition of ESRD.
- 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 program received a complete application.

KHC Identification Number

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

Program Benefits

Benefits available to qualified clients include standard KHC program drug coverage; coordination of benefits with Medicare for prescription drugs; certain Medicare premiums; coinsurance for immunosuppressant drugs; and 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 they're not eligible to receive Medicare or Medicaid benefits.

Medical claims must be submitted by the service provider. If you're eligible to receive medical benefits, take your Notice of Eligibility to your dialysis provider and 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. Surgeons must be contracted providers with the KHC program.

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.

Medicare A and 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 Part A" (hospital) insurance under the Social Security system, and who are not eligible for Medicaid

payment of Medicare premiums. Call KHC to verify you're 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 provided for 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 plan.

Round-trip mileage (RTM) is based on shortest driving distance from the client's home to a 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 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 to establish the correct round-trip mileage.

The travel payment may not exceed $200 per month, per client. The current reimbursement rate is 25 cents ($0.25) per mile. This rate is subject to change as program budget limitations allow.

In-center dialysis clients may be reimbursed a maximum of 14 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 first day of the month following their KHC eligibility effective date, unless the KHC effective date is on the first of the month.

Home dialysis and transplant clients may be paid up to four 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 appointments.

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, where KHC pays the total costs of covered drugs, is available to all eligible program clients, except for:

1. People receiving full Medicaid prescription drug benefits.
2. People with drug coverage through a private or group health insurance plan (unless the client provides proof that drug coverage under a private or 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 copay 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 (Page 20) to your participating pharmacy to help them bill claims to the KHC program.

Medicare and KHC Drug Benefits

Medicare is the primary payer for prescription drugs for Medicare-eligible clients in the KHC program. KHC clients must enroll in a Medicare Part D plan or a Medicare Advantage plan (Part C) that includes coverage for prescription drugs.

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 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'll receive the standard KHC drug benefit. When you're approved for Medicare, you must then select and enroll in a Medicare plan that has prescription drug coverage.

Your standard KHC drug coverage will end three months after your Medicare effective date, or when you become enrolled in Medicare Part D or a Medicare Advantage (Part C) plan, whichever comes first.

- If you already have Medicare, you must enroll in a Medicare prescription drug plan. You'll receive the standard KHC drug benefit for three months from your KHC eligibility effective date, or until you become enrolled in Medicare Part C or Part D, whichever comes first.
- If you apply and are denied Medicare Parts A and B, take your denial letter to your social worker. If you're not eligible for Medicare, you'll receive the standard KHC program drug benefit. KHC will cover four ESRD-related drugs per month with a 34-day supply and a $6 copay per prescription.
- Depending on the level of Extra Help you receive from the SSA, KHC will provide limited assistance for Medicare prescription drug premiums, deductibles, coinsurance amounts and coverage during the gap period.
- KHC will assist eligible Medicare Part D clients with premium payments, minus any SSA subsidy assistance, up to a maximum allowable amount of $35 per month.

The following is a list of important things to keep in mind about KHC and Medicare drug coverage.

- When coordinated with Medicare, your KHC program drug coverage is still limited to four prescriptions per month. These drugs must be on both the KHC formulary and the prescription drug plan's formulary (list). KHC will provide limited assistance for Medicare prescription drug premiums, deductibles, coinsurance amounts and coverage during the gap period.
- The KHC program will not pay Part D premiums for plans not enrolled with KHC and can't provide premium 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. If the client becomes eligible for Medicare, the client will need to enroll in a Medicare prescription drug plan.
- The KHC program cannot assist clients with private drug insurance.
- If a client has private drug insurance, contact the insurance company to see how their current drug insurance compares with the new Medicare prescription drug plans. Note: KHC program standard drug coverage is not as comprehensive as Medicare drug coverage.

- If a client loses private drug insurance, they must apply for Medicare based on the ESRD diagnosis.
- Immunosuppressant drugs (ISDs) for transplant clients will continue to be covered under Medicare Part B. KHC will cover 20% of the coinsurance for ISDs on the KHC-covered drug list for a transplant client if the client does not have supplemental coverage. This assistance will count towards the monthly four prescription limit provided by KHC.
- All KHC program assistance depends on available funding.

Noncreditable 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 the standard prescription drug coverage offered through the KHC program is, on average and 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 drug plans.

You may receive this notice again in the future before the next time you can enroll in Medicare prescription drug coverage or if this coverage changes. You may also request a copy of this notice.

To learn more about Medicare prescription drug coverage:

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

Claims

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 HHSC's contracted pharmacy claims processor. Electronic coordination of benefits (COB) is required for clients with Medicare coverage. Most pharmacies can provide drug services to KHC clients.

Ask your current pharmacy if they're a KHC-participating pharmacy. If they're not, call the KHC program to get a list of participating pharmacies.

Mileage Reimbursement Travel Benefit Claims

The client will need to submit any residential address changes to KHC within 30 days of change so they can be reimbursed at the correct round-trip mileage.

For in-center dialysis clients, your dialysis social worker receives a monthly travel report where they record the number of trips you've 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 round-trip mileage on record, the treatment status, and the number of round trips taken for treatment each month. You should expect payment within two to three weeks following the social worker's submission of the monthly travel report. KHC does not cover free travel provided to you by other agencies or services.

Home dialysis and transplant clients submit travel claims to KHC on a KHC travel claim form. Follow the instructions on the form to help ensure proper processing either:

- 95 days from the last day of the month in which services were provided.
- 60 days from the date on the KHC Notice of Eligibility for newly-enrolled clients.

Home dialysis and transplant clients can request the travel claim form and instructions from a Customer Support Specialist at 800-222-3986.

Medical Benefit Claims

Medical claims must be submitted by the participating KHC provider. If you're eligible to receive medical benefits, 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 either:

- 95 days from the last day of the month in which services were provided.
- 60 days from the date on the KHC Notice of Eligibility for newly-enrolled clients.

Newly-approved KHC providers must ensure that KHC receives their claims 60 days from the date on the agreement approval letter but not later than 180 days from the date of service.

Termination of Benefits

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

- Failure to maintain Texas residency.
- Failure to provide income data as requested by KHC.
- Failure to reimburse the program (as requested) for overpayments.
- Failure to apply for Medicaid if the client meets Medicaid eligibility requirements.
- 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, and changes in income or financial qualifications affecting the client's eligibility.
- Client becomes incarcerated in a city, county, state or federal jail or prison.
- Client regains kidney function or voluntarily stops treatment for ESRD.
- Client becomes a ward of the state.
- The KHC program determines the application or supporting documents contain material misstatements or misrepresentations.
- The KHC program determines the client has submitted false claims.
- Claims for benefits on behalf of the clients have not been submitted for 12 consecutive months.
- 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 KHC (see Termination of Benefits above), the client will receive a letter of termination. The letter will include an explanation of the reason or reasons for the action and an explanation of the client's right to request an administrative review.

The notice will also explain how a client can request an administrative review, including the address to send written requests to and the phone number to call to ask for help for an administrative review.

The notice will say the request for administrative review must be made within 30 days of the date of the notice or 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 time allowed, KHC will have 30 days to review the action and make a decision. If KHC decides 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, 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 explain how a client may request a fair hearing and include the address to submit written requests. The notice will also say the request for a fair hearing must be made within 20 days of the date of the notice or the right to a fair hearing will be waived and the action will become final.

KHC Policy Information

Direct Deposit

Your benefit payment is electronically deposited into your bank account by direct deposit. It's the fastest and most convenient form of payment. To enroll, you and your financial institution must complete the Direct Deposit Authorization Form and return the signed original to:

Kidney Health Care Program
Mail Code 1938
P.O. Box 149030
Austin, TX 78714-9947

Travel Record Audit

KHC will periodically audit travel records including round-trip mileage (RTM) and the number of trips claimed. You should review your explanation of benefits (EOB) upon receipt. When you accept payment for travel, you acknowledge the information the payment is based on is correct and you are liable for any overpayments.

Hemodialysis patients: Your social worker will report the trips you take each month for dialysis. Make sure 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. KHC 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 800-222-3986.

Moving?

KHC must be notified of the change of address within 30 days when a client moves. **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. Also known as end-stage kidney disease.

KHC (Kidney Health Care)

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

Medicare Part D Often-Used Terms

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

Annual deductible: The amount you must pay each year before the plan begins to pay for your prescriptions.

Coinsurance: A percent of the cost of prescriptions you pay after your annual deductible has been met.

Copayment (or copay): A small fee for each prescription that must be paid by the client.

Gap (or donut hole): The coverage gap is a temporary limit on what most Medicare Part D prescription drug plans or Medicare Advantage prescription drug plans pay for prescription drug costs, where the patient must pay a higher out- of-pocket cost up to a yearly limit.

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.

Contact Kidney Health Care

General Phone Number

800-222-3986
8 a.m.–5 p.m. Central
Monday–Friday

For Austin-Area Clients

512-776-7150

General Fax Number

512-776-7162

Email Address

khc@hhs.texas.gov

Mailing Address

Kidney Health Care Program
Mail Code 1938
P.O. Box 149030
Austin, TX 78714-9947

Reference Page for Pharmacy Drug Claims

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

Your Name: _____

Kidney Health Care Client ID: _____

KHC will pay for **four medications** on the KHC formulary each month. You should pick the four 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. If Medicare does not make a primary payment on your prescription and KHC pays the entire cost, you'll have a $6 copay. If you're not eligible for Medicare coverage, there will be a $6 copay for each prescription.

For pharmacy staff:

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

BIN #: 025417
PCN: DRTXPRODKH
GROUP: KHC

For claims coordinated with Medicare:

The **Other Payer ID** for Medicare Part D must be **MEDICARERX**.

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** about claims, call **800-222-3986**. Have the **KHC Client ID** ready.

hhs.texas.gov

Dear Kidney Health Care (KHC) Clients:

Please read below for important information about:

- KHC and your Medicare Part D premiums (what you pay every month).
- Your KHC drug benefits.

KHC and Your Medicare Part D Premiums

Here's how KHC can help you pay for your Medicare Part D plan every month:

First, you **must** be enrolled in a Medicare Part D stand-alone plan to get help with Part D premiums.

- KHC **will not** help people who have Medicare Advantage (Part C) plans, private or group health coverage, or any other third-party plan.
- KHC **will not** help people who have a Medicare Part D stand-alone plan and other insurance.

Next, you **must** choose the "direct bill" option for your monthly payment. This lets your Part D plan bill KHC for the cost of your insurance every month.

- KHC **will not** pay you back for monthly payments you make directly to your Part D plan.
- KHC **will not** pay for your Part D plan if you pay for it from your social security benefit, bank account or credit card account.

Here are the limits to what KHC can do to help you with Medicare Part D costs:

KHC will only pay up to $35 per month for your Medicare Part D monthly payments. You'll have to pay any amount still owed after KHC makes its payment. If you just started on a Part D plan, or you have made changes to your Part D plan, call 800-222-3986 to update your account.

Here's what you need to know about Extra Help from Social Security:

The Social Security Administration can give you Extra Help to pay for the cost of your Medicare drug plan. Ask your social worker to see if you could get Extra Help.

- If you're eligible and want Extra Help, you must apply for it. Call 800-772-1213 for an application or go to ssa.gov to apply online. For deaf or hard of hearing, the toll-free TTY number is 800-325-0778.
- If you do get Extra Help from Social Security, and you have a stand-alone Part D plan, KHC will take away that amount from the $35. For example, if you get $10 in extra help, KHC will pay the remaining $25.

Go to the KHC website at hhs.texas.gov/services/health/kidney-health-care or call 800-222- 3986 to find out how much KHC can pay every month if you get Extra Help.

Your KHC Drug Benefits

KHC has three types of drug benefits:

- KHC standard drug benefit
- Drug benefit for clients with Medicare Part C (Advantage plans) or Part D
- Drug benefit for transplant clients with Medicare Part B and Medicare Part C or D

If you can't get Medicare, you will get the KHC standard drug benefit. (See below.)

If you're a new KHC client waiting to qualify for Medicare, you'll get the KHC standard drug benefit for up to three months from your KHC effective date.

If you don't fit in one of these groups, call 800-222-3986.

Standard KHC Drug Benefit:

- KHC will pay for up to four drugs per month.
- The drugs must be on the KHC drug list.
- You can get up to a 34-day supply of each of the four drugs.
- Your cost is **$6** for each of the four drugs.

Drug Benefit for Clients with Medicare Drug Coverage:

KHC will pay for up to four drugs per month after Medicare makes its payment. This includes immunosuppressant drugs for transplant clients that are paid through

Medicare Part B. The drugs must be on the KHC drug list **and** the Medicare Part D plan's drug list.

You can get up to a 90-day supply of each of the four drugs, if that is what your prescription says, and Medicare pays for a 90-day supply.

Note: Part B will only pay for a 30-day supply of immunosuppressants.

Your cost is **$0** for drugs on KHC and Medicare drug lists **and $6** for drugs on the KHC drug list when KHC is the sole payer for the claim and Medicare pays zero.

This is true even when you are in the deductible or "gap" period of Medicare coverage.

Important: No matter what type of plan you have, KHC can only pay for four drugs per month. Be sure to choose the four drugs very carefully. You'll have to pay for any drugs after KHC pays for those four.

Please tell your drugstore to bill KHC. You will need to give them your KHC client number. If they need help billing KHC, tell them to call us at 800-222-3986. We are here to answer the phone Monday–Friday, from 8 a.m.–5 p.m.

If you have any questions about this letter, talk to your social worker or call KHC at 800-222-3986.

Sincerely,

Kidney Health Care
Texas Health and Human Services Commission