



TO: CEOs and CFOs

FROM: Tish Hollingsworth, Vice President of Reimbursement

DATE: October 16, 2017

RE: KanCare Update

Over the past few months, KHA has provided members with periodic updates on the KanCare program. Now that the current program is reaching the end of the five-year demonstration period, we thought it would be helpful to provide a summary of all of the current events with KanCare.

General: KanCare is the program through which the State of Kansas administers Medicaid. After a long period of study, the State determined that contracting with multiple managed care organizations (MCOs) would result in the provision of more efficient and effective health care services to the populations covered by Medicaid and Children's Health Insurance Program (CHIP) in Kansas and would ensure coordination of care and integration of physical and behavioral health services with the home-and community-based services (HCBS). On August 6, 2012, the State of Kansas submitted a Medicaid Section 1115 demonstration proposal to the Centers for Medicare & Medicaid Services (CMS). CMS approved that proposal on December 27, 2012, effective from January 1, 2013 through December 31, 2017. The current program consists of more than 400,000 beneficiaries, of which more than half are children. In addition to traditional medical services, the program covers seven different groups receiving HCBS, beneficiaries with mental health or substance abuse disorders, and patients in nursing facilities. Over 95% of the total population of Medicaid beneficiaries are covered under KanCare, with the remaining being served under the traditional fee-for-service program. The current managed care plans in KanCare are Amerigroup, Sunflower Health Plan, and UnitedHealthcare.

KanCare Waiver Extension: The Kansas Department of Health and Environment (KDHE) recently submitted to the Centers for Medicare & Medicaid Services (CMS) a request to extend the KanCare program, which is set to expire on December 31, 2017. KDHE is requesting a one-year extension of the current KanCare demonstration, including the Uncompensated Care (UC) Pool and the Delivery System Reform Incentive Payment (DSRIP) Pool for the period of January 1, 2018 through December 31, 2018. KDHE did not request any changes to the program for the one-year extension. The purpose of the one-year extension was to allow the Agency time to evaluate changes being considered at the federal level with the Affordable Care Act as well as to allow sufficient time to develop the Request for Proposal (RFP) for the renewal of the KanCare program, which is being called KanCare 2.0. To date, CMS has not approved the one-year extension, however, KDHE reports positive discussions with CMS and remains confident that the approval will soon be granted. KHA submitted [comments](#) to CMS regarding the extension of the KanCare program.

KanCare RFP and Renewal: KDHE plans to release a Request for Proposal (RFP) in mid-November of 2017 to allow managed care plans, including the current KanCare MCOs, an opportunity to bid on the renewal of the KanCare program. KanCare 2.0 will be for a five-year period beginning on January 1, 2019. Public meetings were held in June of 2017 to provide input to the Agency on the design of the renewal application. Additional public meetings are scheduled for October 17 via [conference call](#) to provide additional comments prior to the submission of the application to CMS. Responses from the bidders are expected to be due in January of 2018. The State will review and evaluate the proposals from the bidding health plans through early 2018 and indicate they will award the new MCO contracts by June of 2018. Throughout 2018, CMS will provide additional public notice on the Waiver renewal and must approve the Special Terms and Conditions of the Waiver of KanCare 2.0 prior to December 31, 2018 for the program to begin on January 1 of 2019.

KHA and the Kansas Medical Society recently met with KDHE to provide comments and [recommendations](#) to the Agency regarding the design of the KanCare 2.0 program. These recommendations are consistent with comments we have heard from KHA membership, from KHA's KanCare Technical Advisory Group (TAG) as well as other KanCare provider associations.

Timeline: Below is a summary of the timeline for KanCare.

KanCare 2.0 Timeline

2017

August: KDHE submits request for one-year extension to KanCare
September: KDHE meets with KanCare provider groups to receive input on KanCare 2.0
October: Public meetings on KanCare 2.0
November: Request for Proposal released for KanCare 2.0
December 31: Current KanCare Waiver ends

2018

January 1 through December 31: KanCare one-year extension period
Mid-year 2018: KDHE announces successful bidders for KanCare 2.0

2019

January 1: KanCare 2.0 begins

Potential New KanCare Bidders: Over the course of the last year, KHA has been approached by four health plans that have expressed an interest in bidding on the RFP for KanCare 2.0, including Molina Healthcare, AmeriHealth Caritas, Aetna, and WellCare. Last fall we heard from members indicating that AmeriHealth had distributed notices to asking hospitals to sign letters of intent to contract with AmeriHealth should the plan be a successful bidder for KanCare 2.0. Just within the past week, we were notified that Aetna distributed letters dated September 29, 2017 to providers that were contracted with Children's Mercy Family Health Partners (CMFHP) for Medicaid prior to the KanCare program (see letter attached). The letter indicates that Aetna Better Health would like to use the CMFHP agreement, which was purchased by Coventry Healthcare and then

sold to Aetna, to demonstrate provider willingness to participate in their network for KanCare 2.0. The letter further indicates that providers must submit written notice to Aetna no later than October 31, 2017 to “opt out” of the network.

Hospitals and other providers are certainly under no obligation to sign letters of intent or to agree to “opt in” for incoming KanCare bidders. We do recommend that you review any contracts that you may have had with CMFHP, Coventry, Aetna and other managed care plans to prepare you for contracting discussions as you are approached by the current health plans (Amerigroup, Sunflower Health Plan, or UnitedHealthcare) or any new health plans planning to bid on KanCare 2.0.

Resources: A number of resources regarding the KanCare program are available on KHA’s [Website](#).

If you have any questions, please feel free to contact me. Thanks!

Tish Hollingsworth
Vice President of Reimbursement
Kansas Hospital Association
215 S.E. Eighth Ave.
Topeka, KS 66603
(785) 233-7436
Fax: (785) 233-6955
thollingsworth@kha-net.org