February 26, 2020

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
Hubert H. Humphrey Building, Room 445-G
200 Independence Avenue, SW
Washington, DC 20201

Dear Administrator Verma:

On behalf of the members of the Kansas Medical Society and the Kansas Hospital Association, we are writing you today in order to encourage you to approve without delay a technical amendment recently filed by the Kansas Department of Health and Environment that would make changes to the State of Kansas’ Health Care Access Improvement Program (HCAIP), the provider assessment element of the state’s Medicaid plan. Health care providers and hospitals function best when our funding streams are well-known and stable, and although HCAIP was changed by an act of the Kansas Legislature in the first half of 2019, we are still awaiting an answer from CMS as to the federal government’s approval. This delay puts budgetary pressure on the very health care providers and hospitals that provider assessments were designed to help: those that provide services disproportionately to low-income Kansans, often in rural areas.

As you may know, Kansas current provider assessment rate is low by any reasonable comparison. At 1.83% of 2010 inpatient net revenue, it is completely misaligned with other states’ rates; by contrast, many states have assessment levels much greater than Kansas. The Kansas Legislature acted to help address this imbalance last year by increasing our provider assessment rate to 3% of 2016 total net revenue. We are aware that when other states have increased their rates, CMS has generally responded quickly to approve of them.

Kansas has a unique situation in that the bulk of our state’s Medicaid services are paid for by managed care organizations who contract with the state under a very broad 1115 waiver from CMS that allows for this arrangement. Our position is that
changes to the HCAIP should be treated as similar changes to other states’ provider assessment programs, and the KanCare 1115 waiver should not be used as a reason to either delay or reject the change. Indeed, providers in Kansas have put in a tremendous amount of effort to make KanCare work, and we worry that delays in CMS’ approval of changes to the HCAIP will give other states reasons to be wary generally of Medicaid managed care programs.

We respectfully ask that CMS work quickly with KDHE to address any technical concerns surrounding changes to Kansas’ HCAIP and approve of them in good order. Kansas’ hospitals and providers stand ready to answer any questions or concerns that you or anyone on your staff might have regarding this request. Thank you for your kind attention to this important matter!

Sincerely,

Thomas L. Bell  Rachelle Colombo
President and CEO  Executive Director
Kansas Hospital Association  Kansas Medical Society