
State Demonstrations Group

October 13, 2017

Michael Randol
Director, Division of Healthcare Finance
Kansas Medicaid Director
Landing State Office Building
9800 SW Jackson, Suite 900N
Topeka, KS 66612-1220

Dear Mr. Randol:

I am pleased to inform you that the Centers for Medicare & Medicaid Services (CMS) is granting a 12-month temporary extension for Kansas' section 1115(a) demonstration (11-W-00283/7), entitled "KanCare." On July 31, 2017, Kansas submitted a request for a 12-month extension of KanCare. Approval of this extension is under the authority of section 1115(a) of the Social Security Act, and is effective from the date of this letter through December 31, 2018.

This temporary extension allows Kansas to continue its existing demonstration, which provides statewide managed care to almost all Medicaid state plan populations for their physical, behavioral, and long term care services and supports. The temporary extension also continues the managed care authority for Kansas' concurrent section 1915(c) home and community based services (HCBS) waivers and authority for a Safety Net Care Pool, which is comprised of two sub-pools: an Uncompensated Care (UC) Pool and a Delivery System Reform Incentive Payment (DSRIP) Pool.

As part of this temporary extension, Kansas must comply with the following:

1. Kansas will demonstrate continued progress in implementation of the corrective action plan as approved by CMS on May 22, 2017.
2. Kansas will continue to operate and report on the demonstration in accordance with the current Special Terms and Conditions (STCs).
3. The state agrees to respond in a timely manner to requests for additional information.
4. The Safety Net Care Pool (UC sub-pool and DSRIP sub-pool) existing funding levels specified in the current STCs for demonstration year five will remain for an additional twelve months as provided in the chart listed below.

	Demonstration Year 5 (Calendar Year 2017)	Demonstration Year 6 (Calendar Year 2018)
UC Pool: the Health Care Access Improvement Program	\$41,000,000	\$41,000,000
UC Pool: the Large Public Teaching Hospital/Border City Children's Hospital	\$9,856,550	\$9,856,550
DSRIP	\$30,000,000	\$30,000,000
% Uncompensated Care Pool	62.9%	62.9%
% Delivery System Reform Incentive Payment	37.1%	37.1%
Total	\$80,856,550	\$80,856,550

5. The without waiver per member per month (PMPM) costs for demonstration year six are provided in the following chart. The PMPMs have the same trend rate as is provided in the current STCs.

Demonstration Eligibility Groups	Trend Rate	Demonstration Year 5 (Calendar Year 2017)	Demonstration Year 6 (Calendar Year 2018)
ABD/SD Dual	0.00%	\$192.83	\$192.83
ABD/SD Non	1.92%	\$1,156.90	\$1,179.11
Adults	4.87%	\$763.38	\$763.38
Children	2.67%	\$242.75	\$249.23
DD Waiver	1.11%	\$4,047.85	\$4,092.78
LTC	4.35%	\$4,136.26	\$4,316.15
MN Dual	4.35%	\$1,636.31	\$1,707.48
MN Non Dual	4.35%	\$2,117.40	\$2,209.49
Waiver	4.35%	\$3,071.96	\$3,205.56

During the twelve-month temporary extension period, CMS will work with Kansas towards agreement on a full extension of Kansas' section 1115(a) demonstration. We expect the state to submit its full extension application to CMS by December 31, 2017 and that the application will include all of the necessary information to review the extension request and reflect reforms that the state is proposing to improve Medicaid payment systems, funding mechanisms, and the quality of health care services for Kansas' Medicaid beneficiaries. This twelve-month period will also provide the time needed for CMS to review the independent analysis of the UC pool and DSRIP submitted by the state on September 15, 2017. As noted in the letter to Kansas from CMS on November 20, 2015, this report will help CMS understand the role of the pool in promoting the objectives of Medicaid. We will also take into account this temporary extension as part of the overall renewal request.

CMS approval of this extension is contingent on compliance with the criteria outlined in this temporary extension letter and continued compliance with the approved STCs defining the nature, character, and extent of anticipated federal involvement in the project. This temporary extension is subject to your written acknowledgement within thirty days of the date of this letter.

Your project officer for this demonstration is Ms. Linda Macdonald. She is available to answer any questions concerning your section 1115 demonstration. Ms. Macdonald's contact information is:

Ms. Linda Macdonald
Centers for Medicare & Medicaid
Services Center for Medicaid & CHIP
Services Mail Stop: S2-01-16
7500 Security Boulevard
Baltimore, MD 21244-1850
Telephone: (410) 786-3872
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E-mail: linda.macdonald@cms.hhs.gov

Official communications regarding this demonstration should be sent simultaneously to Ms. Macdonald and Mr. James Scott, Associate Regional Administrator for the Division of Medicaid and Children's Health in our Kansas City Regional Office. Mr. Scott's contact information is as follows:

Mr. James Scott
Centers for Medicare & Medicaid Services
601 E. 12th Street, Suite 235
Kansas City, MO 64106

If you have any questions regarding the temporary extension, please contact me at (410) 786-9686.

Sincerely,

/s/

Judith Cash
Acting Director

cc: James Scott, Associate Regional Administrator, Region VII