

KanCare Contracts EXECUTIVE SUMMARY

The State of Kansas has awarded contracts for the provision of KanCare program services to three managed care organizations: Amerigroup Kansas, Inc., Sunflower State Health Plan, and United Healthcare of the Midwest, Inc. Each of the three contracts includes a number of provisions that will ensure the managed care organizations (MCOs) meet the expectations of the State.

The contracts incorporate the Request for Proposals (RFP) and a detailed proposal from each MCO, demonstrating how they will meet every RFP requirement. The information provided during face-to-face negotiations and follow-up question and answer sessions is also incorporated into the contracts.

As part of the contracting process, the selected MCOs were also asked to explicitly agree with a number of “simple assurances.” These assurances included plainly stated requirements that the State has publicly committed to:

- The State expects KanCare networks to include all current Medicaid providers.
- The State will conduct readiness reviews of each contractor prior to implementation.
- Clean claims must be processed within 30 days. A pay for performance measure establishes a standard of 100% of clean claims processed within 20 days.
- Persons with developmental disabilities will continue to work with their current case managers if they choose. The statutory role of Community Developmental Disability Organizations will be maintained.
- Contractors will use established community partners to deliver care and services.
- Health homes will revolve around consumers’ core providers.

The KanCare contracts ensure that the current level of services for consumers and reimbursement to providers will not be reduced. A number of new services were also added into the contracts, which will improve coverage for Medicaid consumers.

New services added through the KanCare program include:

- Heart, lung, and heart/lung combination transplants for adults
 - None of these transplants are currently covered in Medicaid for adults.
- Bariatric surgery
 - The State identified specific requirements that must be met for an individual to receive this previously non-covered service.
- Value-added services
 - Each MCO agreed to provide a set of additional, previously non-covered services to beneficiaries at no cost to the State.
 - All three MCOs will provide an adult preventive dental benefit as part of their value-added services.
 - Other services provided by one or more MCOs include things such as rewards programs for healthy behaviors, additional respite care for certain beneficiaries, and career development services for people with disabilities.

The KanCare contracts include all major provisions of the RFP, with an explicit explanation of how the MCOs will meet the requirements. This includes all of the performance measures, the Pay-for-Performance program, the grievance and appeals process, and Member Advisory Councils.

Selection Process

Staff from three state agencies currently involved in the Medicaid program – the Department of Health and Environment, Department on Aging, and Department of Social and Rehabilitation Services – formed evaluation teams to review each submitted technical and cost proposal.

Members of those teams also formed the evaluation committee, which participated in face-to-face negotiations with all five bidders, after it was determined that all five proposals warranted further consideration. The face-to-face negotiations allowed the bidders to present website demonstrations and answer questions submitted to them by the State. The sessions were carefully planned and controlled by the evaluation committee to provide each bidder an equal opportunity to showcase its approach and experience, and to ensure fair and unbiased comparative evaluation.

The State conducted a second round of face-to-face negotiations in order to fully understand and evaluate each of the bidders' approaches and experience. The evaluation committee then submitted final follow-up questions and requested final revised offers from each bidder. The questions and responses from each round are incorporated by reference in the final contracts.

After the thorough evaluation process, the committee recommended the three contractors ultimately selected because they met all technical requirements and expectations of the State, and they were also the lowest-cost proposals.

Signed contracts will be submitted to CMS for review and approval. In the meantime, the selected KanCare contractors will begin working with the State, providers and stakeholders on implementation activities, including standardization of certain work processes such as provider credentialing, network documentation, and billing processes.

###