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Sam Brownback, Governor

August 6, 2012

The Honorable Kathleen Sebelius, Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

RE: Kansas Section 1115 "KanCare" Demonstration Application

Dear Secretary Sebelius:

The State of Kansas (State) is pleased to submit to the Department of Health and Human Services (HHS) a formal application for a section 1115 demonstration waiver that will enable us to fundamentally reform Medicaid in Kansas (KanCare 1115 Demonstration). Our vision is to serve Kansans in need with a transformed, fiscally sustainable Medicaid program that provides high-quality, holistic care and promotes personal responsibility.

This application revises and builds on the proposal outlined in the State's January 26, 2012 concept paper, and the informal application submitted on April 26, 2012, and reflects additional consultation and public comment over the last several months. As laid out in the concept paper, this application is the first step in a two-track process.

The first track focuses on developing and implementing by January 1, 2013, a comprehensive, integrated care coordination program called "KanCare," developed with the input of thousands of Kansans over a year and a half. KanCare will offer vibrant options, including newly covered services such as bariatric surgery and adult heart transplants, and value-added services including adult preventive dental. KanCare offers more choice, does not cut provider rates, and does not reduce eligibility. It is projected to save more than \$1 billion over the next five years and move Kansans towards rewarding health outcomes.

The second track will begin longer-term discussion with CMS regarding future implementation of a global waiver that will administer an outcomes-based Medicaid and CHIP program under a per-capita block grant.

We appreciate the assistance your department has offered thus far and look forward to your continued support in meeting our January 1 timeframe and working with us to develop and implement innovative solutions to improve outcomes, strengthen the safety net, and manage costs.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Brownback".

Sam Brownback
Governor of Kansas

Enclosure

cc: Marilyn Tavenner, Acting Administrator, Centers for Medicare and Medicaid Services
Cindy Mann, Director, Center for Medicaid and CHIP Services