

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, Maryland 21244-1850



State Demonstrations Group

JAN 17 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:

This letter is in response to your December 8, 2016 request to extend the Kansas KanCare section 1115 Medicaid demonstration (Project No. 11-W-00283/7) for one additional year beyond the scheduled expiration date of December 31, 2017, until December 31, 2018. For the reasons outlined below the Centers for Medicare & Medicaid Services (CMS) cannot grant the state's request at this time.

As you indicate in your correspondence, Kansas submitted the December 8th letter in response to Special Terms and Condition (STC) #8(a) that requires the state to submit a request to extend the demonstration by no later than 12 months prior to the expiration date of the demonstration. However, STC #8(b) outlines the requirements that the state's extension submission must meet prior to submission to CMS. Specifically, Kansas must comply with federal transparency requirements for application procedures listed at 42 C.F.R §431.412(c), which includes completion of a state public notice process that meets the minimum standards listed at 42 C.F.R §431.408 and an annual post-award public forum as outlined in 42 C.F.R §431.420(c). Kansas' December 8th correspondence was not submitted in accordance with these requirements. As we discussed with the state on December 16, 2016, CMS cannot formally consider the state's request for a one-year extension until the state conforms to all requirements in STC #8. Following on our discussion on December 16th, we have considered whether this extension request meets the limited exception outlined in the transparency regulation, whereby CMS would consider a temporary extension of a demonstration that has a pending application under review for renewal, and we have determined that this limited exception is not applicable. There is no successor demonstration under review, because Kansas has not submitted an application for an extension of the demonstration.

Further, CMS has substantive concerns about the implementation of the KanCare demonstration. As communicated to Dr. Susan Mosier, Secretary, Kansas Department of Health and Environment, in a January 13, 2017 correspondence from Mr. James G. Scott, Kansas City Associate Regional Administrator for Medicaid and Children's Health Operations, CMS received a significant number of complaints and concerns from beneficiaries, providers, and advocates regarding the

operation of the KanCare demonstration that were substantiated during a CMS onsite review in October 2016. In light of these concerns, we request that Kansas' post-award forum, which as noted is part of CMS' section 1115 extension transparency requirements, include an opportunity for public input on the implementation of corrective actions to address concerns described in the January 13 correspondence.

CMS is happy to work with the state to provide flexibility on the application submission timeframe to develop an extension application that addresses our concerns and a corrective action plan, as well as to complete the state public notice and input process.

We look forward to continuing to work with you and your staff, and are available to provide technical assistance as you prepare to submit an extension application. If you have additional questions or concerns, please contact your project officer, Linda Macdonald at (410) 786-3872, or by e-mail at Linda.Macdonald@cms.hhs.gov.

Sincerely,

A solid black rectangular box used to redact the signature of Eliot Fishman.

Eliot Fishman
Director

cc:
James G. Scott, Associate Regional Administrator, CMS Kansas City Region