

First Quarter Report to CMS Regarding
Operation of 1115 Waiver
Demonstration Program
– Quarter Ending 03.31.2025



State of Kansas
Kansas Department of Health and Environment
Division of Health Care Finance

KanCare
Section 1115 First Quarter
Demonstration Year: 13 (1/1/2025-12/31/2025)
Federal Fiscal Quarter: 2/2025 (1/1/2025-3/31/2025)

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2025 First Quarter Report

I. Introduction

On August 6, 2012, the State of Kansas submitted a Medicaid Section 1115 demonstration proposal, entitled KanCare. That request was approved by the Centers for Medicare and Medicaid Services (CMS) on December 27, 2012, effective from January 1, 2013, through December 31, 2017. The State submitted a one-year temporary extension request of this demonstration to CMS on July 31, 2017. The temporary extension was approved on October 13, 2017. On December 20, 2017, the State submitted an extension request for its Medicaid 1115 demonstration. On December 18, 2018, CMS approved a renewal of the Medicaid Section 1115 demonstration proposal entitled KanCare. On June 17, 2022, CMS approved an amendment to the Medicaid Section 1115 demonstration to adjust the budget neutrality cap to account for changes in the Health Care Access Improvement Program (HCAIP) payments. On August 15, 2022, CMS approved an amendment to the Medicaid Section 1115 demonstration for continuous coverage for individuals aging out of CHIP for the period March 1, 2020 through the end of the COVID-19 Public Health Emergency (PHE) unwinding period, or until all redeterminations are conducted during the unwinding period as discussed in SHO #22-001. On September 29, 2022, CMS approved an amendment to the Medicaid Section 1115 demonstration to enable the State to provide twelve-month continuous eligibility for parents and other caretaker relatives. The State submitted an amendment and five-year renewal for its 1115 demonstration on December 28, 2022, to extend certain features of the demonstration. The State simultaneously submitted an application for a 1915(b) waiver to move the State's managed care program out of the 1115 authority. On December 14, 2023, CMS approved a renewal of the Medicaid Section 1115 demonstration proposal entitled KanCare.

This five-year demonstration will:

- Maintain twelve-month continuous eligibility for parents and caretakers;
- Maintain continuous eligibility for the duration of the COVID-19 PHE unwinding period for CHIP enrollees who turned nineteen during the COVID-19 PHE unwinding period (and therefore lost eligibility for CHIP due to age) and who are otherwise ineligible for Medicaid;
- Continue federal financial participation for services provided in an Institution for Mental Diseases (IMD) for Medicaid beneficiaries who have Substance Use Disorder (SUD); and
- Continue federal financial participation for physician consultation and personal care services for individuals with behavioral health needs.

The current demonstration is effective from January 1, 2024 through December 31, 2028.

The KanCare demonstration will assist the State in its goals to:

- Provide better access to services and reduce ineffective disenrollment for certain populations:
 - Reduce churn or inefficient disenrollment with continuous eligibility for parents and caretakers; and
 - Reduce churn or inefficient disenrollment with continuous eligibility for CHIP enrollees who turned nineteen during the COVID-19 PHE unwinding period.

- Improve access to appropriate SUD services, including:
 - Increase rates of identification, initiation, and engagement in treatment for SUD;
 - Increase adherence to and retention in SUD treatment;
 - Reduce overdose deaths, particularly those due to opioids;
 - Reduce utilization of EDs and inpatient hospital settings for treatment where the utilization is preventable or medically inappropriate through improved access to other continuum of care services;
 - Fewer readmissions to the same or higher level of care where the readmission is preventable or medically inappropriate; and
 - Improve access to care for physical health conditions among beneficiaries with SUD.
- Improve behavioral health outcomes for members who have a diagnosed serious mental illness (SMI), including:
 - Enhance community integration; and
 - Reduce psychiatric hospital admissions.

This quarterly report is submitted pursuant to item 8.7 Monitoring Reports, of the Centers for Medicare and Medicaid Services Special Terms and Conditions (STCs) issued regarding the KanCare 1115(a) Medicaid demonstration program.

II. Continuous Eligibility Period for Parents and Other Caretaker Relatives.

The State is authorized to provide a twelve-month continuous eligibility period to Parents and Other Caretaker Relatives specified in STC 4.2(a) regardless of the delivery system through which they receive Medicaid benefits. The twelve-month period shall begin on the effective date of the individual's eligibility under § 435.915 or most recent redetermination or renewal of eligibility under § 435.916 and extend for twelve months.

The table below outlines enrollment activity for the “Parent and Caretaker Relative” population.

Month	Current Enrollment	Disenrollments	New Enrollments	Total
January 2025	36,706	967	1,398	39,071
February 2025	36,320	1,855	872	39,047
March 2025	36,766	1,490	1,015	38,271

The top reasons for disenrollment include:

- Failure to return a signed review;
- Failure to provide requested information;
- Does not meet program requirements; and
- Does not meet residency requirements.

III. Continuous Coverage for Individuals Aging Out of CHIP

The State is authorized to provide continuous eligibility for CHIP enrollees who turned nineteen during the COVID-19 PHE (and therefore lost eligibility for CHIP due to age), specified in STC 4.2(b), through the end of the COVID-19 PHE and subsequent unwinding period, or until all redeterminations are conducted during the unwinding period.

PHE unwinding ended April 30, 2024. The State submitted the COVID-19 PHE Amendment Evaluation Final Report to CMS on February 25, 2025.

IV. Demonstration Evaluation

The entity selected by KDHE to conduct KanCare Evaluation reviews and reports is the Kansas Foundation for Medical Care, now known as KFMC Health Improvement Partners (KFMC). The revised evaluation design was submitted to CMS on January 8, 2025.

V. State Contacts

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VI. Date Submitted to CMS

May 30, 2025