

Kansas

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1. MANAGED CARE OPPORTUNITY ASSESSMENT (UPDATED 4-2-24)

Kansas is a Medicaid managed care state, with more than 90% of the state’s \$3.6 billion in Medicaid expenditures flowing through three health plans: Aetna, Centene/Sunflower State Health Plan, and UnitedHealthcare. Medicaid plans in Kansas cover both traditional Medicaid populations as well as individuals eligible for long-term services and supports. In 2022, the state legislature delayed the procurement until 2023 to ensure that it occurred after the gubernatorial election and extended current MCO contracts through calendar year 2024.

In October 2023, the state released a Medicaid managed care request for proposals. The state plans to contract with three MCOs. Awards are expected April 12, 2024, and new contracts are planned to go live January 1, 2025.

The state’s Medicaid program is administered largely under Section 1115 demonstration authority. The current demonstration program allows mandatory enrollment of nearly all covered populations in managed care for most services and is authorized through calendar year 2028.

The state uses its MCOs as lead entities to contract with select providers, to offer core services for Kansas’ health home opt-in program for KanCare members with chronic conditions like diabetes, asthma, or mental illness. The program, called OneCare Kansas, provides wrap around services that include care management, care coordination, and patient and family support. The program launched in April 2020.

Hot Topics

Kansas is not currently a Medicaid expansion state. Governor Laura Kelly’s (D) fiscal year 2025 budget includes \$715 million funding proposal to expand Medicaid, with a work requirement, to an additional 150,000 individuals. A majority of lawmakers rejected a bill to advance Medicaid expansion.

HMA Managed Medicaid Opportunity Assessment for Kansas	
Positive Metrics	Strong Indicators
<ul style="list-style-type: none">Total Medicaid/CHIP enrollment increased by 36,983 in 2022 compared to 2021.	<ul style="list-style-type: none">A Section 1115 demonstration allows mandatory enrollment of nearly all covered populations in managed care for most services.
Negative Metrics	Weak Indicators
<ul style="list-style-type: none">Average MLR among the three Kansas Medicaid plans was 83.7% in 2021.The costs per enrollee (\$9,666 in FY 2022), are higher than the national average (\$8,484) in FY 2022.Medicaid managed care enrollment in Kansas was down 13% in September 2023 compared to year-end 2022.	<ul style="list-style-type: none">Kansas is not an expansion state, and a majority of state lawmakers opposed expansion legislation in 2024. <p style="text-align: right;"><i>Source: HMA and Kansas Health Institute, 2024</i></p>

2. MANAGED MEDICAID PLAN FINANCIALS

Average medical loss ratio among Kansas Medicaid plans was 82.8% in 2022. Per member per month premiums among the plans was \$828.80.

(Note: Financial metrics and comparisons presented in this overview are based on health plan NAIC filings in the state. Measures like per member per month premiums and medical loss ratios may vary greatly by plan and by state depending on the mix of business (e.g., TANE, ABD, etc.), scope of the state's Medicaid benefit package, geographic variations in the cost of care, and other factors.)

Kansas Medicaid Health Plan Financials, 2022							
Plan	Publicly Traded	Enrollment	Member Months	PMPM	Premiums Earned (000)	Medical Costs (000)	MLR ⁽¹⁾
CVS Health/Aetna	Y	139,692	1,588,239	\$794.37	\$1,261,643	\$1,058,745	83.9%
Centene/Sunflower State Health Plan	Y	151,861	1,800,316	\$879.73	\$1,583,785	\$1,274,356	80.4%
UnitedHealthcare of the MW	Y	162,215	1,923,362	\$809.57	\$1,557,088	\$1,313,284	84.3% ⁽²⁾
Total, KS plans		453,768	5,311,917	\$828.80	\$4,402,516	\$3,646,386	82.8%

(1) After reinsurance recoveries. (2) Before reinsurance recoveries.

Source: S&P Global Market Intelligence, NAIC, HMA

Kansas Medicaid Health Plan Financials, 2021							
Plan	Publicly Traded	Enrollment	Member Months	PMPM	Premiums Earned (000)	Medical Costs (000)	MLR ⁽¹⁾
CVS Health/Aetna	Y	123,237	1,377,807	\$739.99	\$1,019,558	\$853,057	83.7%
Centene/Sunflower State Health Plan	Y	144,946	1,703,464	\$842.75	\$1,435,587	\$1,192,385	82.9%
UnitedHealthcare of the MW	Y	152,742	1,795,785	\$801.23	\$1,438,838	\$1,215,245	84.5% ⁽²⁾
Total, KS plans		420,925	4,877,056	\$798.43	\$3,893,983	\$3,260,687	83.7%

(1) After reinsurance recoveries. (2) Before reinsurance recoveries.

Source: S&P Global Market Intelligence, NAIC, HMA

3. RFP DEVELOPMENTS AND ANALYSIS^(UPDATED 4-02-24)

Kansas released in October 2023, the KanCare Medicaid & CHIP capitated managed care request for proposals (RFP). The program, with more than 460,000 members, covers integrated physical, behavioral, and home and community-based services, including long-term services and supports. Incumbents are Centene, CVS/Aetna, and UnitedHealthcare. Awards are expected April 12, 2024. Contracts will be effective January 1, 2025, through December 31, 2027, with up to two one-year renewal options.

The RFP includes a renewed focus on integrated, whole-person care, workforce retention, and accountability measures for the MCOs. The main goals for the KanCare procurement include improving member experience and satisfaction; improving health outcomes by providing integrated, holistic care with a focus on the impacts of social determinants of health; reducing healthcare disparities; expanding provider network and direct care workforce capacity; encouraging provider participation in Medicaid; increasing the use of cost-effective strategies to improve health outcomes and the service delivery system; and leveraging data to promote continuous quality improvement.

Kansas Medicaid RFP Calendar		
Contract	Key Deadlines	# of Beneficiaries
Managed Care	RFP Release: October 2, 2023 Contract Award Announced April 12, 2024 Contract Term: January 1, 2025, through December 31, 2027	~460,000
Source: KS Dept. of Health, HMA		

4. MANAGED CARE ENROLLMENT UPDATE

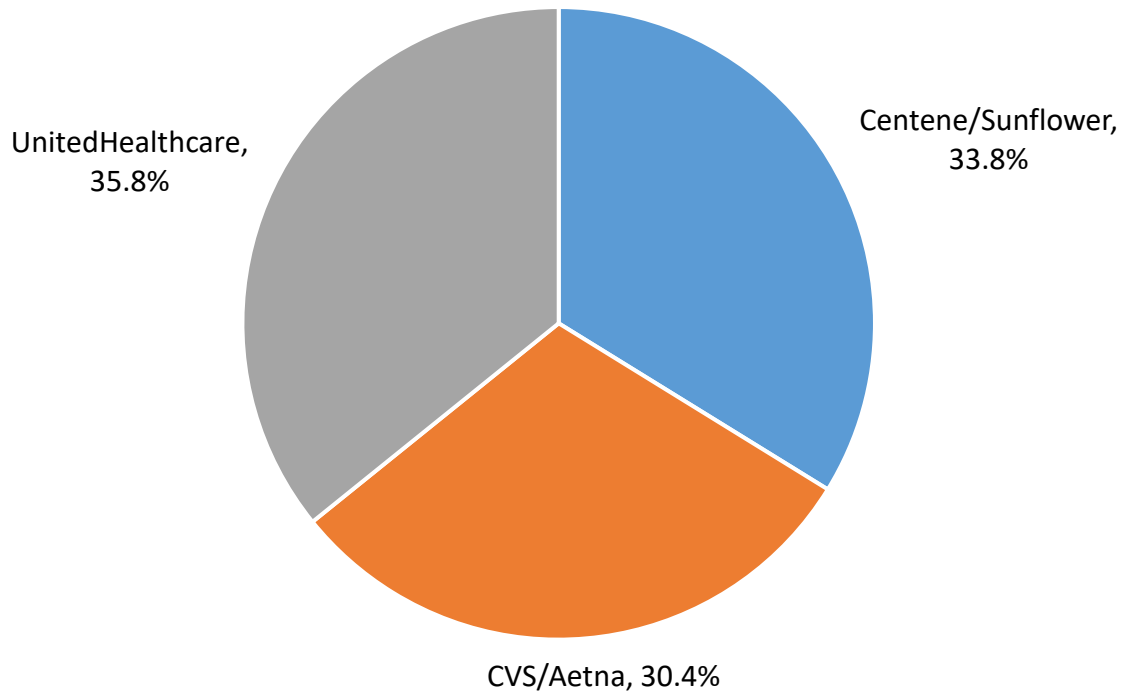
Medicaid managed care enrollment in Kansas was down 13.0% in September 2023, compared to year-end 2022, after a 6.3% increase in 2022, a 10.8% increase in 2021, a 10.5% increase in 2020; and a 2.9% decrease in 2019.

Enrollment in Kansas Managed Medicaid by Plan, 2013-21, June 2023

Plan	2019	2020	2021	2022	Sep-23
Centene/Sunflower State Health Plan	138,531	151,945	163,892	169,723	147,147
<i>+/- between reporting periods</i>	1,542	13,414	11,947	5,831	(22,576)
<i>% chg. between reporting periods</i>	1.1%	9.7%	7.9%	3.6%	-13.3%
<i>% of total</i>	36.0%	35.7%	34.8%	33.9%	33.8%
UnitedHealthcare of the MW	141,807	158,392	172,772	180,638	156,257
<i>+/- between reporting periods</i>	446	16,585	14,380	7,866	(24,381)
<i>% chg. between reporting periods</i>	0.3%	11.7%	9.1%	4.6%	-13.5%
<i>% of total</i>	36.8%	37.2%	36.7%	36.1%	35.8%
CVS/Aetna	104,615	115,100	134,520	150,453	132,518
<i>+/- between reporting periods</i>	NA	10,485	19,420	15,933	(17,935)
<i>% chg. between reporting periods</i>	NA	10.0%	16.9%	11.8%	-11.9%
<i>% of total</i>	27.2%	27.1%	28.5%	30.0%	30.4%
Anthem/ Amerigroup	0	0	0	0	0
<i>+/- between reporting periods</i>	NA	NA	NA	NA	NA
<i>% chg. between reporting periods</i>	NA	NA	NA	NA	NA
<i>% of total</i>	NA	NA	NA	NA	NA
Total, 3 KS plans	384,953	425,437	471,184	500,814	435,922
<i>+/- between reporting periods</i>	(11,554)	40,484	45,747	29,630	(64,892)
<i>% chg. between reporting periods</i>	-2.9%	10.5%	10.8%	6.3%	-13.0%

Source: 2013-15 Data: SNL Financial, NAIC; 2016-21 Data: Kansas Department of Health and Environment

Kansas Medicaid Managed Care Market Share by Total Enrollment, 3 Plans, September 2023



Source: Kansas Department of Health and Environment

5. MEDICAID FEE FOR SERVICE VS. MANAGED CARE PENETRATION

Total Medicaid enrollment in Kansas was 503,665 in 2022. Total Medicaid expenditures in Kansas was \$4.3 billion in 2022, with about 95% through managed care and the rest through fee-for-service.

Kansas Fiscal Expenditures and Enrollment for Total Medicaid vs. Medicaid Managed Care, 2014-22

Year	Total Medicaid Expenditures	Medicaid Managed Care Expenditures(1)	Medicaid Managed Care Expenditures as % of Total	Total Medicaid/CHIP Enrollment	Medicaid MCO Enrollment	Medicaid MCO Enrollment as % of Total
2022	\$4,301,338,042	\$4,086,605,104	95.0%	503,665	500,814	99.4%
2021	\$4,061,376,155	\$3,777,921,368	93.0%	466,682	471,184	101.0%
2020	\$3,829,902,734	\$3,583,151,019	93.6%	429,274	425,437	99.1%
2019	\$3,601,873,235	\$3,383,923,230	93.9%	376,289	384,953	102.3%
2018	\$3,437,703,549	\$3,129,701,596	91.0%	389,535	396,507	101.79%
2017	\$3,214,420,673	\$3,006,926,775	93.5%	389,441	388,139	99.70%
2016	\$3,252,725,194	\$3,029,662,373	93.1%	423,320	396,843	93.70%
2015	\$3,010,910,864	\$2,839,384,760	94.3%	396,270	338,302	85.40%
2014	\$2,727,710,336	\$2,387,393,114	87.5%	404,608	344,415	85.10%

(1) Includes evaluation and management, vaccine codes, Community First Choice, and preventive services Grade A or B, ACIP vaccines and their administration, Prepaid Ambulatory Health Plans, and Prepaid Inpatient Health Plans.

Sources: CMS64 for expenditures. CMS for total Medicaid/CHIP enrollment. States, NAIC for Medicaid managed care enrollment.

6. SNPs AND DUAL ELIGIBLES

Kansas had 27,209 Special Needs Plan members as of November 2023.

Kansas SNP Enrollment by Plan, November 2023

Plan	Total SNPs	DSNPs	CSNPs	ISNPs	Share
UnitedHealthcare	13,625	13,625	0	0	50.1%
CVS Health/Aetna	7,948	7,948	0	0	29.2%
Centene	2,117	2,117	0	0	7.8%
Humana ¹	2,714	0	2714	0	10.0%
Kansas Superior Select (KHA)	805	0	0	805	3.0%
Total	27,209	23,690	2714	805	100%

¹ Humana CSNP enrollment includes members from Missouri

Source: CMS, HMA