

Kansas

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1. MANAGED CARE OPPORTUNITY ASSESSMENT (UPDATED 7-19-24)

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. The current managed care organization (MCO) contracts expire on December 31, 2024. The KanCare Medicaid & CHIP program covers approximately 458,000 beneficiaries in the traditional Medicaid populations as well as individuals eligible for long-term services and supports.

In 2024, the state is reprocurring the managed care contracts and announced awards to three health plans: incumbents Centene/Sunflower Health Plan and UnitedHealthcare Community Plan, and non-incumbent Elevance/Healthy Blue. New contracts will be effective January 1, 2025, through December 31, 2027, with up to two one-year renewal options. Incumbent bidder CVS/Aetna and non-incumbent Caresource filed separate protests over the awards which were both denied by the state.

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 developing a community support waiver option that would allow a limited set of services for Medicaid eligible individuals on the Intellectually and Developmentally Disabled (IDD) and Physically Disabled waitlists who do not need a comprehensive waiver slot. The waiver includes supported employment and respite care services with a maximum service payment cap, and implementation is scheduled for 2026.

Kansas is not currently a Medicaid expansion state. Governor Laura Kelly's fiscal year 2025 budget included a \$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">• Kansas renewed coverage for more than 318,000 enrollees as of May 2024.	<ul style="list-style-type: none">• The state's Section 1115 demonstration program allows mandatory enrollment of nearly all covered populations in managed care for most services.
Negative Metrics	Weak Indicators
<ul style="list-style-type: none">• Kansas Medicaid enrollment declined by 93,436 from redeterminations during March 2023 to May 2024.• The costs per enrollee (\$9,666 in FY 2022), are higher than the national average (\$8,484) in FY 2022.	<ul style="list-style-type: none">• Kansas is not an expansion state, and a majority of state lawmakers opposed expansion bills in 2024.

Source: HMA and Kansas Health Institute, 2024

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., TANF, 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 5-30-24)

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. Seven MCOs submitted bids during the RFP process: Aetna Better Health, United Healthcare of Kansas, Sunflower State Health Plan, Molina Healthcare of Kansas, UCare Kansas, Healthy Blue, and CareSource.

In May 2024, the state announced its intent to award KanCare Medicaid & CHIP capitated managed care contracts to three health plans: incumbents Centene/Sunflower Health Plan and UnitedHealthcare, and non-incumbent Elevance/Healthy Blue. The state did not award a contract to incumbent bidder Aetna, which intends to protest the state's contracting decision. The program covers approximately 458,000 beneficiaries. 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 particularly for behavioral health and home and community-based services; improving access to non-emergency medical transportation (NEMT) services; 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 May 14, 2024 Contract Term: January 1, 2025, through December 31, 2027	~460,000
Source: KS Dept. of Health, HMA		

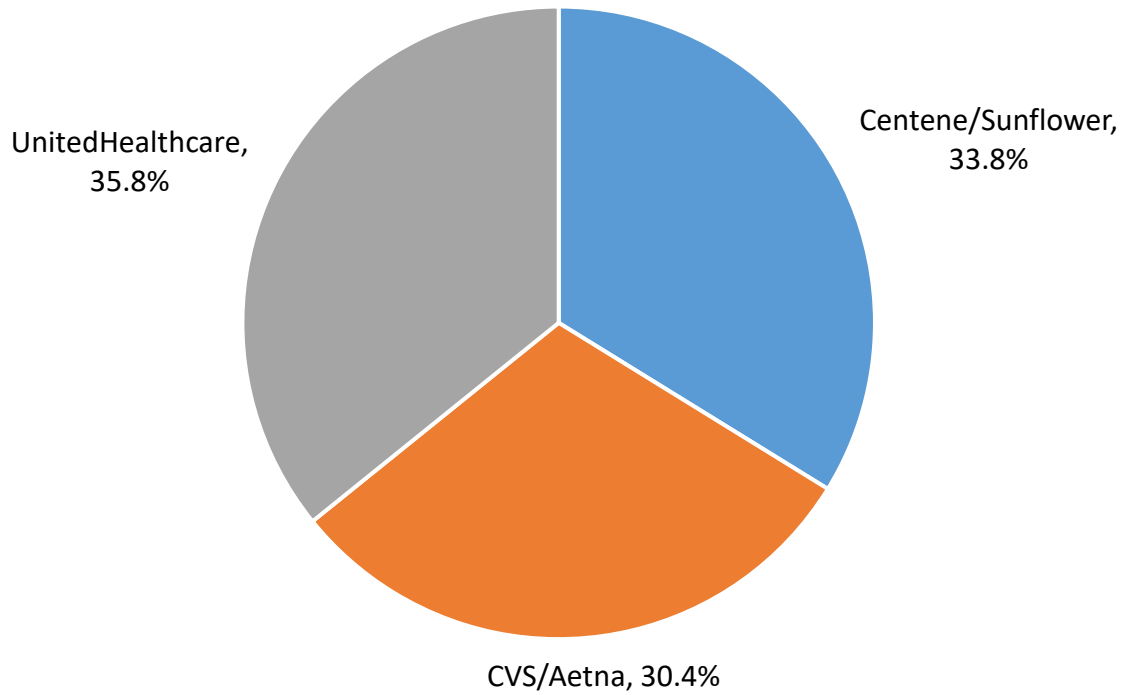
4. MANAGED CARE ENROLLMENT UPDATE

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, 2013-23, March 2024					
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 437,155 in September 2023. Total Medicaid expenditures in Kansas was \$4.9 billion in 2023, with about 94.5% through managed care and the rest through fee-for-service.

Kansas Fiscal Expenditures and Enrollment for Total Medicaid vs. Medicaid Managed Care, 2014-23						
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 ⁽²⁾
2023 ⁽³⁾	\$5,193,350,486	\$4,908,493,285	94.5%	437,155	435,922	99.7%
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.

(2) Medicaid managed care penetration may be greater than 100% due to differences in timeframes from multiple sources or other factors.

(3) MCO Enrollment as of September 2023.

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

6. SNPs AND DUAL ELIGIBLES

Kansas had 28,701 individuals enrolled in one of the three types of Special Needs Plan as of March 2024, which is a 5.5 percent increase since November 2023. CVS Health/Aetna's SNP experienced the largest percentage increase in enrollment across all health plans between November 2023 and March 2024, at 25.6 percent.

Kansas SNP Enrollment by Plan, March 2024					
Plan	Total SNPs	DSNPs	CSNPs	ISNPs	Share
UnitedHealthcare	12,829	12,829	0	0	44.7%
CVS Health/Aetna	9,900	9,900	0	0	34.5%
Centene	2,022	2,022	0	0	7.0%
Humana ¹	3,141	0	3141	0	10.9%
Kansas Superior Select (KHA)	809	0	0	809	2.8%
Total	28,701	24,751	3141	809	100%

¹ Humana CSNP enrollment includes members from Missouri

Source: CMS, HMA