

January 30, 2018

Senate Bill 300 Testimony

Madame Chair and members of the committee.

I am here today to speak for information only.

Amerigroup is expressing its confidence that, as noted in the Governor's announcement on January 24th, 2018, "the Administration will work with the Kansas Legislature to determine the best path forward and provide certainty and improvements to the current program."

Towards that end, Amerigroup would like to provide our perspective and interpretation on the requirements and dependencies that would be required to meet the legislative intent contained in the bill.

The requirements of bill are substantial, requiring significant effort by the Administration, legislature, and stakeholders in the KanCare program including members, community advocates, providers, federally recognized Indian Tribes, and industry associations.

Federal statutes and rules have requirements designed to promote greater consistency, ensure meaningful public input, and drive transparency in the submission, review, and approval of demonstration applications.

In Amerigroup's estimation the steps required to adhere to SB 300 provisions and meet federal requirements would be:

- Terminate and withdraw the application presently submitted to CMS

For the extension application: (no legislative involvement)

- Develop the application for an extension of the current demonstration project
- Conduct the required public notice process for the extension application (30 days)
- Revise, as necessary, the application extension to incorporate public comment
- Submit the application for an extension to CMS for review and approval
- Negotiate with CMS for any changes to the application (5 months)
- Develop and negotiate contract extensions representative of the extension application

For the new demonstration project application:

- Collaborate with demonstration project stakeholders for ideas, best practices, program improvements, and innovations
- Develop Section 1115 demonstration project application draft (5 months)
- Submit application draft for legislative review
- Incorporate recommended legislative changes into the application
- Conduct the required public notice process for the application (30 days)
- Revise, as necessary, the application to incorporate public comment
- Submit application, with all incorporations, for legislative review
- Receive legislative prior authorization, as required by the bill, for submission of the application

- Submit the authorized application for Section 1115 demonstration project to CMS (12 months prior to implementation)
- Negotiations and discussion with CMS regarding development of Special Terms and Conditions (STCs) (11 months)
- Receive final CMS approval of application – begin approved Section 1115 demonstration project on time, and in conjunction with the end of the application extension

For the Request for Proposals for the Section 1115 demonstration project:

- Using the Section 1115 demonstration project, create a framework for public input on RFP content and provisions
- Conduct public meetings to solicit input
- Develop RFP and incorporate public comment
- Submit RFP for legislative review
- Incorporate recommended legislative changes into the RFP
- Receive legislative prior authorization, as required by the bill, for the agencies to take action to enter into a contract for the administration and provision of Medicaid services
- Release RFP to solicit bidder interest and proposals
- Evaluate proposals (6 months) including contract negotiations, as necessary
- Contract award
- Awardees conduct implementation processes (6 months)

In the governor's announcement on the plan to stop KanCare 2.0, he expressed the desire to make improvements to the current program either by:

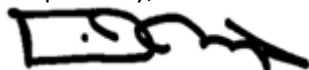
- 1) Extending the contracts of the current three managed care companies for a period of three years, or
- 2) Evaluating proposals received in response to the current bid solicitation without the cost increase drivers

Amerigroup urges the committee, as the Administration and Legislature work together and as debate ensues on SB 300, to take into consideration the complexity and effort that will be required to accomplish the steps articulated above. Amerigroup believes, on reflection, to achieve the legislative intent and engage stakeholders effectively in this process that it would be prudent to consider an extended length of time in which to accomplish these tasks and secure your objectives.

Regardless, whatever path the legislature and the administration choose to take, we at Amerigroup are excited about the KanCare program and look forward to its successful future in delivering quality care, improved outcomes, and a human touch to our fellow citizens and neighbors in Kansas.

Thank you for your time today.

Respectfully,



Frank Clepper
President & CEO
Amerigroup Kansas, Inc.