

Aetna Better Health® of Kansas

9401 Indian Creek Parkway
Overland Park, KS 66210



February 5, 2018

Rep. Dan Hawkins, Chair
House Health and Human Services Committee

RE: HB 2591 – Concerning the Kansas Medical Assistance Program

Chairman Hawkins and Committee Members,

Aetna opposes HB 2591 and we respectfully ask the House Health and Human Services Committee to reject the bill. HB 2591 unnecessarily stifles innovation in the Kansas Medical Assistance Program (KanCare) and prevents the state from exploring viable program improvement opportunities.

There is no question that many aspects of KanCare need improvement. To that end, Aetna supports Section 1(a) of HB 2591, which is laudable in its direction to pause the KanCare 2.0 process so the state can spend more time addressing current needs without incurring additional costs. However, HB 2591 not only adds checkpoints for future changes to KanCare, but it removes a key process needed to make improvements to the status quo. Specifically, Section 1(b) of the bill requires KDHE to renegotiate managed care contracts that were in existence on January 1, 2018. Limiting KDHE's contract management authority to only existing contracts eliminates all potential creativity and value that exists with other vendors. Managed care organizations consistently develop quality improvement and cost containment strategies that may benefit KanCare, but HB 2591 would prohibit KDHE's ability to explore new vendor relationships and leverage the value of competition.

Eliminating the opportunity for competitive bidding among potential vendors does nothing to improve the value or effectiveness of the current program. An open procurement process not tied to contracts already in existence on January 1, 2018 can maintain budget neutrality, and at least ensure that current vendors are still the right fit. Alternatively, a procurement process can potentially introduce vendors with new, fiscally responsible ideas and capabilities to significantly improve KanCare. A competitive bidding process provides the state with a win-win situation: either current relationships are validated, or new relationships can improve the current program.

Given that there is no upside to stifling KDHE's ability to maximize the effectiveness of managed care organizations, Aetna opposes HB 2591 and asks for your "no" vote. KanCare needs to improve, but HB 2591 is a step backward that eliminates the opportunity for the state to find increased value and innovation.

Thank you for your consideration. If you have any questions, please reach out to Marc Reece at the contact information below.

Best Regards,

A handwritten signature in black ink, appearing to read "Janet Grant".

Janet Grant
Regional Vice President
Great Plains Region
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A handwritten signature in black ink, appearing to read "Marc Reece".

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