



TO: Senate Committee on Ways and Means

FROM: Rachelle Colombo
Director of Government Affairs

DATE: February 6, 2017

RE: SB 94; increasing the MCO privilege fee

The Kansas Medical Society appreciates the opportunity to offer these comments in support of SB 94, increasing the health maintenance organization (MCO) privilege fee and extending the medical assistance fee fund. SB 94 restores the funding of Medicaid provider reimbursement cuts that were implemented in 2016 by increasing the MCO privilege fee to 5.77 percent.

Kansas physicians participate in the KanCare program because they believe all Kansans should have access to high quality care. Despite the difficulties of implementing the KanCare program and the lack of realized goals to simplify administrative burdens, physicians have continued to partner with the state to support and participate in serving the Medicaid population. Though KanCare was intended to improve health outcomes and ensure adequate provider reimbursement, the recent cuts further undermine the sustainability of provider participation and could result in reduced access for vulnerable Kansans.

The Kansas Medical Society supports the restoration of funds reduced by the provider reimbursement rate cut and believes that additional funds received through the increase in the MCO privilege fee should be allocated to the Medicaid program. We respectfully request your favorable consideration of SB 94. Thank you.