

Testimony: HB2180 – MCO Privilege Fee Increase House Appropriations Committee February 15, 2017 By: Carolyn Gaughan, CAE, Executive Vice President (Written only)

Chairman Waymaster and members of the Committee:

Thank you for the opportunity to submit testimony **supporting HB2180.** This bill would increase the MCO privilege fee from 3.31- to 5.77-percent of premium revenue on January 1, 2017.

The Kansas Academy of Family Physicians (KAFP) represents over 1,660 active, resident, student and life members across the state. The mission of KAFP is to promote access to, and excellence in, health care for all Kansans through education and advocacy for family physicians and their patients. Quality health care and health outcomes for our patients guide our public policy work. As family physicians, we see people of all ages, both men and women, and we work with almost every type of ailment and illness that afflict our patients.

Our purpose in supporting this bill is to ensure **restoration of the four-percent reductions made to made to provider reimbursement rates for KanCare services** last summer. Those cuts added significant stress to providers' ability to serve KanCare patients.

The fiscal note for HB2180 anticipates revenues in amount able to restore the provider cuts, with additional revenues of \$103.9 million in FY2018 and \$212.0 million in FY2019. We would urge this committee to consider using those additional revenues to shore up the Medicaid assistance fund, rather than for offsetting State General Funds.

It is critical to KanCare providers and recipients that the reimbursement rates are restored. Thank you for your consideration of our comments. We urge your support for HB2180

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