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*FOR IMMEDIATE RELEASE*

## **Children's Mercy Establishes New Integrated Pediatric Network to Coordinate Care for Pediatric Medicaid Patients**

*The new network will be funded by sale of assets of hospital's Medicaid Health Plan to Coventry Health Care*

**Kansas City, Mo – October 26, 2011** – Children's Mercy Hospitals and Clinics today announced the creation of a new organization to serve the region's pediatric Medicaid patients. The "Integrated Pediatric Network," or IPN, will be funded by the sale of assets of the hospital's Medicaid health plan, Family Health Partners (FHP), to Coventry Health Care, Inc.

"The creation of this Integrated Pediatric Network is our effort to shape our future rather than having our future shape us," said Randall L. O'Donnell, PhD, President and Chief Executive Officer of Children's Mercy. "That is very much the same reason we helped create Family Health Partners 15 years ago. Family Health Partners helped us serve our mission then, and the Integrated Pediatric Network will better serve our mission now and in the future."

Children's Mercy and Truman Medical Center created Family Health Partners 15 years ago in order to better serve vulnerable populations including the children covered by Medicaid and the Children's Health Insurance Program (CHIP). Children's Mercy became the exclusive operator of FHP in 2002 and has since grown to serve more than 210,000 Kansans and Missourians who participate in Medicaid and CHIP.

The Affordable Care Act (ACA), the health care reform legislation passed by Congress in 2010, will expand Medicaid-eligibility to hundreds of thousands more Kansans and Missourians. This influx of new Medicaid-eligible individuals – mostly single adults – will dramatically alter the makeup of FHP's population. Such a shift from pediatric to adult care would require very significant changes in FHP's structure, resources and mission to manage more adult health care issues.

Under the ACA, Family Health Partners could also be required to play a major role in coordinating and managing the transition of coverage between Medicaid and the Qualified Health Plans (QHPs) that will operate in Health Insurance Exchanges. This responsibility to work more closely with QHPs, which will look very much like commercial insurance carriers, could pose a significant strain on FHP resources that would divert Children's Mercy from its primary mission.

"It was imperative to us that we find a solution that would allow us to continue to do what we do best – provide the highest quality health care for our area's children. That solution was our Integrated Pediatric Network," Dr. O'Donnell said. "We will use the proceeds from the asset sale to fund the startup of the IPN. The IPN, in turn, will enter into a risk-based contract with Coventry to serve approximately 110,000 Medicaid-covered children in the Greater Kansas City metropolitan area."

**MORE**



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The IPN, which will serve the 13-county Greater Kansas City metro area, will bring together a network of physicians who provide medical care to children. The IPN will provide leadership and resources to support patient outreach, medical home development, care coordination, and disease management and prevention.

The transaction, which is subject to customary closing conditions and regulatory and other approvals, is expected to close in the first quarter of 2012. Financial terms of the transaction were not disclosed.

### **About Children's Mercy Hospitals and Clinics**

Children's Mercy Hospitals and Clinics, located in Kansas City, Mo., is one of the nation's top pediatric medical centers. The 317-bed hospital provides care for children from birth through the age of 18, and has been recognized by the American Nurses Credentialing Center with Magnet designation for excellence in nursing services, and ranked by *U.S. News & World Report* as one of "America's Best Children's Hospitals." Its faculty of 600 pediatricians and researchers across more than 40 subspecialties are actively involved in clinical care, pediatric research, and educating the next generation of pediatric subspecialists. For more information about Children's Mercy and its research, visit [childrensmercy.org](http://childrensmercy.org) or download our mobile phone app *CMH4YOU* for all phone types. For breaking news and videos, follow us on [Twitter](#), [YouTube](#) and [Facebook](#).

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