



**House Committee on Health and Human Services  
HB 2457  
March 14th, 2012**

Thank you for the opportunity to present testimony on the proposal to contract out all of Medicaid to managed care companies. My name is Nick Wood, I am an Advocate at the Disability Rights Center of Kansas (DRC). The DRC is a public interest legal advocacy agency, part of a national network of federally mandated and funded organizations legally empowered to advocate for Kansans with disabilities. As such, DRC is the officially designated protection and advocacy organization for Kansans with disabilities. DRC is a private, 501(c)(3) nonprofit agency, organizationally independent of state government and service providers, whose sole interest is the protection of the legal rights of Kansans with disabilities.

***Services for people with Developmental and Intellectual Disabilities are unique; require experienced and compassionate management.***

The Balanced Budget Act of 1997 and subsequent federal regulations have established expectations for ongoing quality assessment and performance improvement programs. Unfortunately, the tools most commonly used for monitoring quality in Medicaid managed care (External quality review organizations (EQROs), Healthcare Effectiveness Data and Information Set (HEDIS), Consumer Assessment of Healthcare Providers and Systems (CAHPS), Accreditation, and Pay for performance) are primarily focused on acute care and **are not relevant to the provision of long term supports and services for people with disabilities.**

Use of published performance standards, requirements or terms and conditions specific to long term supports and services for non-elderly people with disabilities are similarly absent in KanCare.

There is good reason why other states have taken such a deliberate and evaluative approach to including DD services in managed care. If its done too quickly, we just can't make sure that what we are losing is exactly what is truly essential to future success and cost efficiency.

***Kancare: Unprecedented scope and shift to contract out all of Medicaid to managed care corporations.***

No state has done this extensive of a switch of Medicaid to managed care in such a condensed timeframe. Administration officials have proposed an 'all-in' HMO (Health Maintenance Organization) style managed care arrangement with mandatory enrollment that will not only be a first for many individual Kansans—in that many, many more of them will now be required to chose a managed care health plan—but it's also the first managed care contract in the nation that seeks to include ALL of Medicaid long-term personal care services, ALL medical care and treatments, ALL behavioral health services, crisis diversion, respite services for caregivers, ALL Home and Community Based Services (HCBS) under Medicaid Waivers and every other type of support or service the state ensures under Medicaid, into one plan, contracted out and managed (most likely) by for-profit, out-of-state managed care corporations.

***Slow down Kancare implementation: phase it in and evaluate it; ensure access to services***

Of the states with Managed Care systems that are comparable to Kansas, all of them have moved deliberately and have taken great care to ensure they weren't making big mistakes that hurt their citizens with disabilities.

Almost all states have instituted managed care within some aspect of Medicaid, with most of the initiatives focusing on some smaller part of Medicaid. However, no other state has pushed ALL of Medicaid into a managed care system managed by out-of-state, for-profit corporations.

Although states like Arizona, Michigan, Vermont, Wisconsin and many others can provide us some information and context when thinking about how a large Managed Care expansion will affect Kansans, none are Kansas. The old adage holds true with this issue, when you look at one states managed care plan ... you have seen one states managed care plan. Over many years, some states have transitioned, or are transitioning, out of a traditional fee-for-service model managed directly by the state, to expand managed care across populations. However, what is true among all the states is that NONE have made a switch to managed care for all of Medicaid, and none have successfully made the change in such a condensed timeframe (less than one year).

One common theme is that States that have moved parts of Medicaid into managed care have done so slowly and carefully. Again, you will not find a single state that has moved ALL of Medicaid into managed care, let alone at the speed in which Kansas is proposing. All of the states that have moved more into managed care have relied on pilot programs and applied lessons learned as they expanded. Even after decades of evaluation, these states have still not 'carved in' ALL Medicaid services in the way Kansas is proposing, even after decades of evaluation. After years since it first announced a managed care expansion, Wisconsin is still applying lessons they've learned county by county. Vermont, a state that can boast a long history of quality services to people with long term care needs, is implementing an expansion cautiously. These are just a couple of examples of states that have focused on pilot projects and slow transitions of Medicaid programs toward managed care.

Another concern of people with disabilities is how the profit motive of a for-profit corporation will conflict with the need for members to access life sustaining services and supports. Many decisions affecting patients with high needs involve continuation of services—for example, psychiatric medication or in-home nursing, which, due to their high cost, invite especially aggressive utilization review from health plans and are often the target of arbitrary policies which end up denying services. If one reduction, denial, or termination of coverage is not attended by due process and the recipient's condition materially worsens forcing them to risk their independence, health, or even their life—the entire Medicaid Redesign will have been a failure. The state must ensure that there is quality support for Members, who are Kansans who rely on Medicaid, is available to ensure quality information is available to consumers as well as effective mediation and conflict resolution to ensure access to services and supports.

### ***Carve Out All HCBS Waivers from Managed Care***

HCBS Waivers represent a handful of Medicaid codes. DRC is recommending that all Waiver services be carved out from the contracting out of Managed Care, and instead the state and policymakers devote time to ensuring that the right models are examined for provision of community based services. Even under a ‘carve out’ of HCBS, these Waivers can clearly be integrated with whatever managed care changes are made within the traditional medical portions of Medicaid.

### ***Focus on Eliminating Waiting Lists First***

Before Kansas starts even discussing the unprecedented process of including all HCBS Waivers within a contracted out Medicaid managed care program, Kansas must first ensure that community-based services are available and accessible **WITHOUT WAITING on YEARS-LONG WAITING LISTS**. Many states have made elimination of waiting lists part of their Medicaid “transformation” efforts. Kansas must first focus on making community-based services available without waits, statewide, as other states have done.

Thank you for your time and attention to our comments and concerns.