



Testimony on SB 332
Senate Public Health and Welfare Committee
Submitted 2/8/18

WWW.RosewoodServices.com

Good Morning Chairwoman Schmidt and members of the Public Health and Welfare Committee. I am Tammy Hammond, Executive Director of Rosewood Services Inc. located in Great Bend.

I am submitting testimony in support of SB 332.

Background

Rosewood Services was founded 20 years ago. We are the largest Community Service Provider in Southwest Kansas, providing service to more than 200 individuals daily. We contract with four (4) Community Developmental Disability Organizations (CDDO's), and have nearly 400 staff and consumers on payroll. I mention this hopefully to bring perspective to the insights I will offer concerning I/DD Services, KanCare, and the possibility of "carve out" from managed care.

I have personally seen and experienced the differences between serving our clients in a State system managed thru local CDDO's, to the devastating effects of including I/DD Services in managed care. A system where Rosewood now has a large amount of unpaid claims, experiences constant additional administrative demands, and must consistently appeal consumer funding reductions by MCO care coordinators who will never spend a 24/7 day with the consumers they remove services from.

Current System

There is no resemblance to what inclusion of managed care promised, and what exists today on the ground. Managed care was promised to be a more efficient way of doing business, which would produce cost saving while providing healthy whole-person outcomes, without reduction of service, without loss of payment to providers. Nothing has been further from the truth.

The cost of administering a system to comply with the continual demands of three MCOs is indisputably greater. What we have experienced is movement from a reasonable State payer system, to a much more difficult system. The time and effort we spend chasing reimbursement money has gone up exponentially.

Consumers Funding Reductions

The “arbitrary” funding reductions place consumer lives at risk and must stop. Individuals with I/DD experience lifelong disabilities which presents unique daily needs and challenges. These challenges require ongoing, tailored supports to achieve and maintain skills necessary to live within their community. A medical model approach to service delivery of I/DD is solidly outside of established best practice, this is why it was not included the first year, and is not included in most states.

Reasons to Remove I/DD from Managed Care

- The removal of I/DD Services from Managed Care moves the care and control of daily service decisions for this vulnerable group of Kansans back to our State and local agencies, and providers who work with these individuals daily.
- Decisions being made locally by those who provide the daily care result in better community outcomes for these vulnerable, unstable individuals.
- The removal of I/DD from KanCare halts the many devastating effects managed care has proven to have on this program and the Kansans it serves.
- Applying a medical service model designed for occasional medical use to a 24 hour - 7 day per week care of chronically ill individuals does not produce cost savings. Instead it has caused increased cost as the 3 private insurers charge tens of millions of dollars in administrative fees to deliver a flawed system. Dollars which could be used to provide actual services, and move individuals from the waiting list into needed services.
- The economic ripple effect of returning monies sent out-of-state to these 3 MCO's back into the Kansas economy benefits all. **“As more of these imported dollars are spent over and over in our local economies, more employment is created and paid for. This results in more sales tax collection, more income tax collection...in our state rather than another state...while services for our most vulnerable are protected.”**
- KanCare and I/DD Service delivery simply does not work. It now has a proven failed track record. Why would this be extended.

SB 332 offers a positive solution to the failed experiment of including I/DD

into KanCare. I/DD Services were excluded from the first year of KanCare because it did not fit well into the managed care service model. I/DD was forced into managed care the following year claiming cost saving, better health outcomes, no loss of service to consumers, and no cuts in provider payments. Each claim has proven to be false. Extending this now proven failure with hopes of a different outcome does not work. Change is desperately needed now.

I ask for your support of SB 332.

Thank You for your time and consideration of this information. I welcome any questions.

Respectfully,

Tammy Hammond

Tammy Hammond, Executive Director
Rosewood Services, Inc.