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The Honorable Brenda Landwehr, Chair
House Health and Human Services Committee

Reference: House Bill 2573 –Enacting KanCare Accountability Act

Good afternoon Chairperson Landwehr and members of the House Health and Human Services Committee. My name is David Wilson and I am currently a volunteer and the immediate past state president for AARP Kansas. We represent more than 340,000 members in Kansas. Thank you for this opportunity to express our written comments on enacting a KanCare Accountability Oversight Committee. AARP Kansas supports the efforts in HB 2573.

As states grapple with increased Medicaid spending and the expansion of the Medicaid program in 2014, governors are moving more rapidly into Medicaid managed care. In most cases, this means contracting with private managed care organizations (MCOs) to coordinate care in the state's Medicaid program. While many states already use managed care for the bulk of the Medicaid population including pregnant women and children, only 11 states operate managed long-term care programs.

Increasingly, states are looking to capitated payments for managed long-term care as a way to gain greater control of Medicaid spending. A recent Kaiser Commission study estimated that Medicaid long-term care users represented only 6 percent of the Medicaid population in 2007, but accounted for nearly half of the total Medicaid spending. For the same reason, states are looking at new capitated reimbursements for those individuals covered by Medicaid and Medicare. These dual eligible individuals represent 15 percent of Medicaid enrollees, but 39 percent of total Medicaid spending.

This transition to Medicaid Managed Long-Term Care causes concern for consumers because of fears private MCOs will limit choices for individuals and pursue profits rather than provide care for enrollees.

States must seek waivers from Medicaid in order to make the change to managed care plans. Recently, the Center for Medicare and Medicaid Services (CMS) granted such waivers in Kentucky and Texas. Waiver proposals in Florida and New Jersey continue to await federal approval.

Last month, CMS announced new regulations for 1115 Waiver applications. While these regulations create an opportunity for a more transparent process with greater consumer involvement, the operation and implementation of a managed care system should be overseen by an entity outside the Medicaid system. An independent oversight body would allow consumers an opportunity to air concerns about the operation of the managed care system and MCOs.

The purpose of HB 2573 is to provide such transparency to the operation of the program that will allow consumers to review quality measures, contract requirements and network capacity and access. Therefore, AARP Kansas supports HB 2573 and respectfully requests this committee's support of HB 2573.

Respectfully,
Dave Wilson