February 20, 2013

To: Brian Weber, Chair, and Members of the House Social Service Budget Committee

From: Ron Pasmore, President/CEO, KETCH

RE: HB 2029

Chairman Weber and committee members, thank you for the opportunity to speak in favor of HB 2029. My opposition to placing the Home and Community Based Services (HCBS) for persons with Intellectual and Developmental Disabilities (I/DD) within KanCare stems from fears that doing so will disrupt and diminish these needed services.

Although Medicaid is the mechanism by which support services for persons with I/DD are funded – **these services are not medical**. Rather HCBS seeks to promote individuals' with I/DD potential to increase their independence, productivity, and integration into the community. I believe the underlying premise of KanCare is flawed, to assume that non-medical services can be managed via mechanisms created to manage health care.

There have been a handful of states that have implemented managed care for HCBS services for persons with I/DD; including Arizona, Michigan Vermont and Wisconsin. The programs in these states have used the traditional community service provider system already in place or the state entity that provides oversight to the community service system as the managed care entity. Connecticut has recently reversed their managed care program, taking back management from contracting with managed care organizations, stating that Connecticut had a 15-year history with managed care organizations and there has been a diminishing confidence in the value of what they were providing. Michael Sparer, a Columbia University professor of health policy stated that "good research is surprisingly thin, and reaches the same conclusion: Medicaid managed care hasn't yet produced the hoped-for results of lowering costs and raising quality in states where the concept has been tried."

Despite assurances that plans of care will go forward unchanged, current rates will be paid, and individuals can keep their case managers; I fear that this will not be the case over the long term. This was not the experience in states like Wisconsin in which managed care has resulted in severe disruption of services.

Under managed care, health plans must be able to reduce fee-for-service utilization by a large enough margin to cover the additional administration costs and profit targets. Health care services may be able to be managed successfully because they are episodic in nature. Chronic health issues may be prevented with early intervention. Some enrollees never seek care, some seek only basic care.

KETCH 1006 East Waterman · Wichita, KS 67211 | 316.383.8700 | 316.3

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In contrast, HCBS services for persons with I/DD are not episodic, they are ongoing. Prevention of the disability is not the aim of services, but rather the provision of ongoing support services that often require intense levels of service on a 24 hour, 7 day a week basis. The opportunities to manage cost are not inherent to these types of services. Despite this, the HCBS service system will be required to adapt to the medical model inherent to managed care.

We have been told that integration of our services into KanCare will lead to better coordination of health care services. Thus far, that has not been our experience. We have diligently worked with the State and the three managed care organizations to help the individuals we serve transition into KanCare for their health care services. When trying to coordinate health services for the persons we serve, the most frequent response has been a refusal to talk with the person's case manager or our health care professionals, saying they need to talk directly with the member – our client. The problem involved here is that the member – our client – does not have the communication capabilities to interact with the staff of the health plan via the phone. Persons with I/DD do not always have a guardian; and when they do, the guardian is not always the person who coordinates health care – that role falls to us. We have yet to successfully schedule non-emergency medical transportation for medical trips with any of the health plan transportation providers. These organizations do not appear to have made their services accessible for persons who have the communication barriers that are inherent to persons with I/DD.

I ask that you seriously consider a permanent carve-out of HCBS services for persons with I/DD from KanCare. The community service system that is already in place has been successful in accomplishing many of the same goals that KanCare aspires to achieve for many years.

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