



To: Senator Carolyn McGinn, Chair, and Members,
Legislative Budget Committee
From: Rachel Monger, Director of Government Affairs
Date: September 13, 2012

KanCare: A Long Term Care Perspective

Thank you, Madam Chair and Members of the Committee. I am Rachel Monger, Director of Government Affairs for LeadingAge Kansas, formerly known as KAHSA. Our 160 members include not-for-profit nursing homes, retirement communities, hospital long-term care units, assisted living and residential health care residences, homes plus, low income housing, licensed home health agencies and other community based service programs.

Medicaid in the Long Term Care Setting

In SFY 2011 LeadingAge Kansas members provided nearly 1.5 million days of Medicaid-funded nursing home care. In addition, at least 15% of the assisted living care they provided was funded by the Medicaid program.

The Medicaid program is a growing burden that is unsustainable for our State and nation. Our members who provide care for Medicaid beneficiaries are very concerned about the precarious state of the program.

Nearly three fourths of Kansans aged 65 and older will need long term services and supports sometime; one-fifth of these will need help for five years or more. The cost of formal long term services and supports is high. Private long-term care insurance is inaccessible and/or unattractive for most Kansans. As a result, our nation and State's major long term care "insurance" plan is, by default, Medicaid.

LeadingAge Kansas supports a Medicaid system that is focused on quality outcomes, consumer choice and increased care coordination for individuals across health care settings.

Preparing for KanCare

For more than a year we have closely followed the State's development of the KanCare program, and we appreciate the numerous opportunities we have had to ask questions and provide input to State officials along the way.

We believe we have so far had a successful partnership with the State and selected MCOs in making our concerns known, as well as providing as much information as possible to our members as we go down this new road. We have provided numerous education sessions and opportunities for the State and MCOs to talk directly to our members about preparing for managed care. We have also worked hard to dispel for our members any misinformation about

the new program which could lead to needless distraction and clouding of legitimate concerns about how KanCare will operate.

KanCare Questions and Concerns Remain

1) KanCare Implementation Timeline

According to the State's timeline, the MCOs must have 90% of their network in place by October 12th. There have been significant delays in contract and provider manual approval by the State, which has severely compressed the time available for our members to review provider contracts and to have their questions and concerns addressed. This has created anxiety and resistance among providers who risk being punished for missing an unreasonable deadline through no fault of their own.

We understand "readiness reviews" are currently underway to assess whether each MCO is prepared to launch the program January 1st. Due to the many implementation delays we have seen, we have concerns about the threshold for what is considered "ready", and whether the State will be able to meet their promise of a smooth transition in January.

2) Lack of Operational Details

We are increasingly anxious about the lack of specific answers concerning how KanCare will actually operate. Our members have continued to ask for specific details on billing procedures, policy manuals, care managers, care coordination, record keeping requirements, quality measure tracking, credentialing, support of community based services, and resident information counseling. Thus far, the details have been lacking.

With less than four months until launch, we find the inability to provide detailed answers worrying.

3) Medicaid Program Savings

KanCare represents a sweeping change in our State's system to provide health care for impoverished Kansans. The State has ambitiously projected an \$853 million dollar savings to the Medicaid program over 5 years with KanCare.

What happens to providers and consumers if those savings are not realized through this program? If the savings do materialize, how will those funds be used? Our strong recommendation is that any savings should be reinvested to improve service access, service quality and service options for Medicaid beneficiaries.

We applaud this Committee's commitment to creating policy to meet the health care needs of Kansans who rely on Medicaid. We stand ready to assist you and the Administration in moving toward the vision of serving Kansans with a "transformed, fiscally sustainable Medicaid program that provides high quality holistic care and promotes personal responsibility."

Thank you Madam Chair. We would be happy to meet with you and other members of the Committee any time during the coming Session to answer questions and discuss KanCare further.