



September 13, 2012

To: Legislative Budget Committee

From: Maury L. Thompson, Executive Director
Johnson County Developmental Supports (JCDS)

RE: KanCare

Chairperson McGinn, and members of the Committee, I appreciate the opportunity to provide this testimony on behalf of Johnson County, Kansas.

Our opinion has not changed. We are as convinced as ever that the inclusion of long term non-medical services and supports into a medical-model insurance program will be an expensive mistake. We will continue to advocate that the State permanently exclude developmental disabilities (DD) services from KanCare.

This opinion has been shared and acknowledged by 56 other counties who went on record signing resolutions of concern. County Commissioners, board members of community-based agencies, families, and those with disabilities have all expressed skepticism that a plan to turn \$3 billion over to private insurance companies can do as promised.

That is – that eligibility will not be altered, services will not be reduced, rates will not be lowered, health outcomes will improve, and we'll save money! Where that savings will come from – when insurance companies are injected into the service delivery system with their administrative costs and need for profit – remains difficult for many to fathom.

This includes County Commissioners – the State's partners in the provision of aging, developmental disability and mental health services – who in many cases have made significant financial investments in their local service delivery systems; (more than \$25 million in Johnson County alone).

However, with the release of the financial components of the contracts with the three insurance companies this week, perhaps a better understanding of the underpinnings of this managed care plan can be understood. For instance, we should be able to determine the administrative costs that will be incurred and the profits that will be allowed. We can then begin to make comparisons – such as to the current statewide administrative cost of less than three percent in the current DD system.

As we enter these “uncharted waters” of KanCare, fraught with so much opportunity for so much to go awry, I again today encourage you to consider formalizing your oversight role in this endeavor.

A \$3 billion transaction questioned by so many surely warrants that level of oversight. We need your assurance that you will be actively engaged with us in protecting the interests of those we jointly serve.

Joint Legislative Budget Committee
September 12 and 13, 2012
Attachment: 27

Before I conclude today, I would like to bring a developing issue to your attention. As you may recall, at the end of this year's session the legislature adopted language that stated in part,

"... any state agency . . . may . . . offer pilot programs for the demonstration, testing and evaluation of the delivery of services through the home and community based waiver for individuals with developmental disabilities or targeted case management for individuals with developmental disabilities under any managed care system or any managed care oversight or any function that is determined to be managed care oversight . . ."

A pilot is defined as, "an experimental program designed to test administrative and operational procedures and to collect information on service demands and costs that will serve as a basis for operating programs efficiently."

Since this proviso was adopted, I and other members of InterHab have been engaged with significant numbers of hours, in an advisory role agreed upon with the Department for Aging and Disability Services. We agreed to the establishment of a committee to determine how a pilot program would be constructed with an ensuing Request for Information (RFI) being issued. However, this effort quickly became troublesome as the purpose of a pilot program was discussed. The Department stated their purpose was to prove that non-medical, long-term services and supports for those with DD do work using a managed care system, rather testing how they might work best.

As one respondent to the RFI stated, "Our first reaction to the stated considerations (*in the RFI*) is that KanCare was put in place as the only consideration, and prior to conducting any pilot site studies of how the changes could be implemented without risk to the persons served or the current I/DD system. Again, pilot projects are to be small-scale projects to see whether a large scale project will work."

And, another respondent indicated, after reading the RFI, "I have not been convinced that the pilot projects will have enough substance to serve any real comparative process."

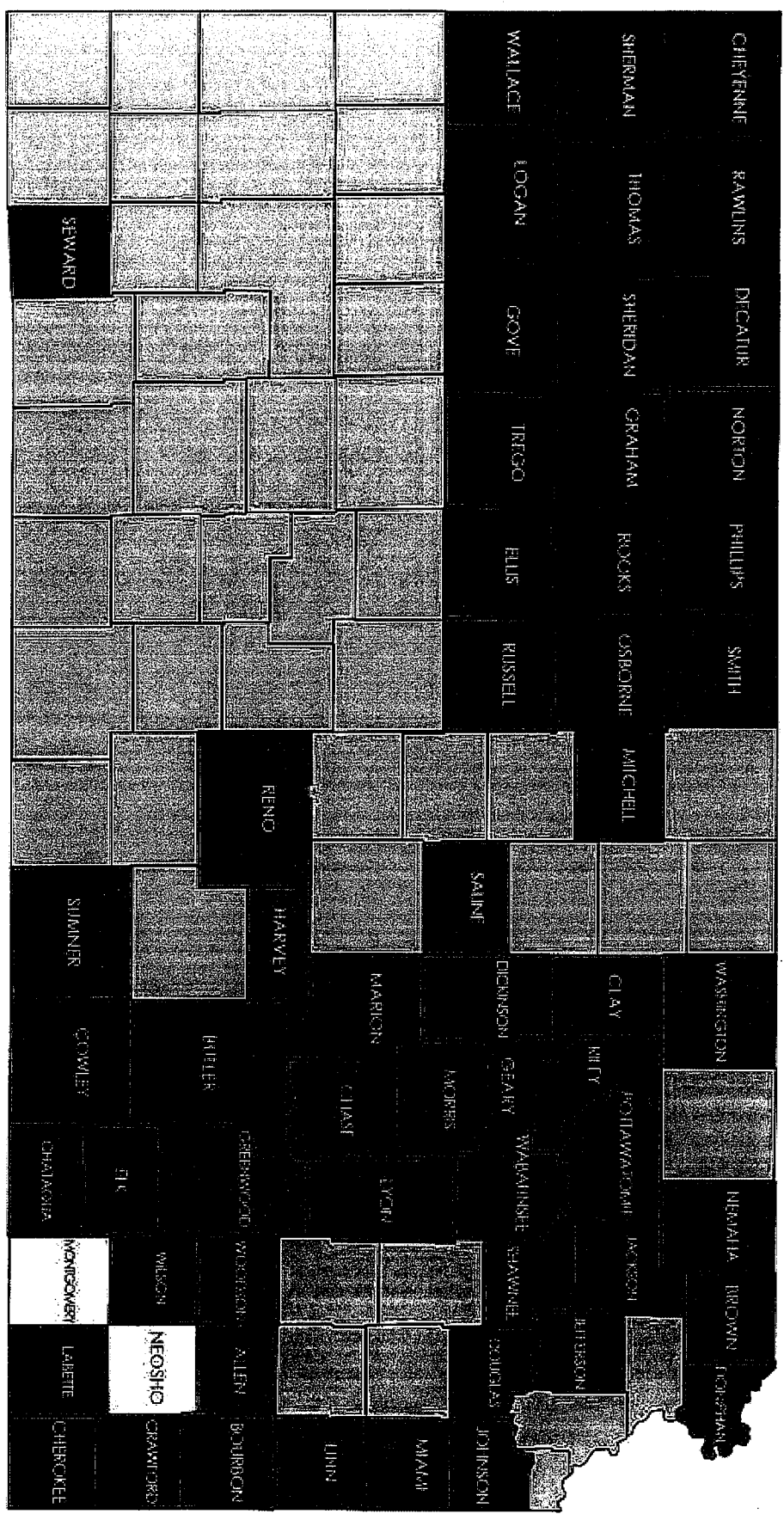
Perhaps this is because the Committee has failed to define any "program" that meets the definition of a pilot. Neither identifying substantive methods of measuring non-medical long-term services and supports nor defining any comparative measures has occurred. Goals, measures and indicators of medical care spring readily to mind – but are not helpful in this endeavor as all persons with intellectual and developmental disabilities will have their medical care provided through KanCare - when it is implemented. The goal should be to test the delivery of **non-medical**, long-term services and supports under a managed care system.

Until a program, with a shared purpose and legitimate procedures to test the delivery of non-medical services is defined, a true pilot program as authorized by the legislature will not occur.

KANSAS COUNTY SUPPORT

CARVE OUT LONG-TERM DD SERVICES FROM KANCCARE

27-3



= SIGNED RESOLUTION (57)
 = CONSIDERING RESOLUTION (2)