

March 15, 2012

To: Public Health and Welfare
From: Suzanne Wikle, Director of Policy and Research

Good afternoon Madam Chairperson and members of the committee. It is my pleasure to appear before you in support of Senate Resolution No. 1831.

Critical issue for kids

Kansas' Medicaid and CHIP program for poor and low-income children, collectively known as HealthWave, provides health insurance for more than 230,000 children. In fact, nearly one in three Kansas children receives his or her health insurance through HealthWave. Children comprise 57 percent of the Medicaid beneficiaries in Kansas, so any decisions affecting the Kansas Medicaid program will have significant consequences for children.

More Time Needed for Transparency

Kansas Action for Children supports SR 1831 because we believe additional time is needed to allow for a full understanding of the KanCare proposal by the public, including an opportunity for public input and transparency. As outlined on page 2, lines 15-18, Kansas must obtain a waiver from the federal government to move forward with provisions of KanCare. We believe the waiver process should be fully transparent and abide by the recent regulations enumerated by the Department of Health and Human Services. Under these regulations, the state will be required to hold a 30-day public comment period regarding the waiver application. The process of obtaining a waiver and allowing for public transparency is likely to take much longer than the current KanCare timeline allows for.

Transition from HealthWave to KanCare

HealthWave provides health insurance for 230,000 Kansas children. The transition of these children to KanCare must be done in a way that reduces the likelihood of children dropping coverage or experiencing disruptions in coverage. A rushed transition to KanCare, without the appropriate education and outreach to current HealthWave beneficiaries, will potentially result in lost or disrupted coverage for many Kansas children.

Although the HealthWave program for children has been administered successfully through two managed care companies, there are elements of the shift to three managed care companies that concern us. The use of auto-assignment reduces consumer choice and places additional burden on the beneficiaries to change MCOs if they believe a different provider is in the best interest of their children. Notably, the federal standard for a timeframe to change MCOs is 90 days. Under KanCare, it is proposed that this timeframe be shortened to 45 days, but the reasoning for this has not been publicly stated. Because provider network adequacy is a critical issue for children, parents should be free to pursue the providers they are familiar and comfortable with instead of being auto-assigned into a plan.

The change in name, policy and likely MCOs will be significant for current and future child beneficiaries of the Medicaid program. Despite the vital role of the

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Medicaid and CHIP programs in health care for children, a plan for transitioning existing HealthWave beneficiaries into the KanCare program has not been shared publicly. We encourage the Legislature to ask for a specific and detailed transition plan. A shift of this magnitude necessitates a thoughtful a transition plan that is shared with stakeholders and allows for ample public education, consumer choice and diligent implementation.

Support SR 1831

We thank you for the opportunity to weigh in on the implementation of KanCare. We support SR 1831 and ask the committee to keep the specific concerns of children, the primary beneficiaries of Medicaid, in mind as they consider this resolution and any other provisions regarding Medicaid reform. Kansas Action for Children respectfully asks you to support SR 1831.