

MINUTES OF THE HOUSE HEALTH AND HUMAN SERVICES COMMITTEE

The meeting was called to order by Chairperson Brenda Landwehr at 1:30 PM on Wednesday, March 14, 2012 in Room 784 of the Docking State Office Building.

All members were present except:

Representative Hermanson – Excused
Representative Winn – Excused
Representative Trimmer - Excused

Committee staff present:

Norm Furse, Office of the Revisor of Statutes
Katherine McBride, Office of the Revisor of Statutes
Martha Dorsey, Kansas Legislative Research Department
Jay Hall, Kansas Legislative Research Department
Joseph Leiker, Kansas Legislative Research Department
Debbie Bartuccio, Committee Assistant

Conferees appearing before the Committee:

Richard Shank, Alliance for Kansans with Developmental Disabilities
(Attachment 1)
Allison Lemons, Guardian, Wichita, Kansas (Attachment 2)
Kay Soltz, Parent, Wichita, Kansas (Attachment 3)
Tom Laing, Executive Director, Interhab (Attachment 4)
Jim Coopersmith, Parent (Attachments 5 and 6)
Gayle Richardson, Parent (Attachment 7)
Ron Pasmore, Executive Director of KETCH (Attachment 8)
Jane Rhys, Ph.D, Disability Advocate (Attachment 9)
Dr. Ira Stamm (Attachment 24)

Others in attendance:

See attached list.

HB 2457–MR/DD waiver programs; exemption from the managed care system

HB 2573–Enacting the KanCare accountability act

Chairperson Landwehr opened the hearing on the bills.

Richard Shank provided testimony in support of **HB 2457**. The Alliance for Kansans with Developmental Disabilities is made up of organizations in communities throughout the state that provide care for hundreds of Kansans with intellectual developmental disabilities (I/DD). The

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clients have stated the current methods of serving the developmentally disabled is a unique part of state government that is working well. The I/DD population of Kansas is not the normal Medicaid recipient where, for instance, wellness programs and preventive care will reduce or eliminate the need for medical services. Many clients need 24-hour per day services.

It has been said that the costs for serving Kansans with developmental disabilities is growing at an astronomical rate when, in actuality, the administration of the I/DD program in Kansas is barely three percent of the total dollars expended annually on the program. Under the current system, payments to providers are normally made in a timely manner, which is a real credit to those who run these programs in Kansas. Reports from other states that operate under managed care tell of horror stories of organizations waiting weeks and even months for payment. The Alliance strongly supports carving out I/DD long-term care from the KanCare proposal. (Attachment 1)

Allison Lemons provided testimony in support of **HB 2457**. She stated she is the sister and guardian of a 60 year old man with cerebral palsy, chronic depression and bouts of paranoia. He is currently receiving very good residential and day program services here in Kansas through the HCSB waiver. Because of these services, her family is staying in Kansas rather than moving away in retirement. She believes the quality and continuity of these services is severely threatened under KanCare. It is entirely inappropriate to put long term care for the developmentally disabled (DD) into a managed care system run by health insurance companies as these companies know nothing about the problems faced by people with DD. The DD community does not belong in KanCare, and those on the HCBS DD waiver should not be made part of the managed care experiment. (Attachment 2)

Kay Soltz provided testimony in support of **HB 2457**. She is the parent of a 30 year old son who has an autism spectrum disorder. He receives services through the Medicaid HCBS waiver and would be impacted by the proposed Medicaid reform. She recently attended the Summit on Medicaid and Managed Care arranged by the Kansas Health Consumer Coalition and shared concerns that were expressed by Joan Alker, a professor at Georgetown University Health Policy Institute, whom she stated was an expert on state-specific analyses of Medicaid changes. She also shared concerns about what happened in Kentucky when managed care was implemented. (Attachment 3)

Tom Laing provided testimony in support of **HB 2457**. He stated after more than a year of careful review of the Administration's plans, and managed care models all over the country, our members have come to the following conclusions:

- The undertaking is so complex and unprecedented, and is moving so fast, that many unanswered questions and unaddressed challenges will still be on the table in January, when this program is intended to go on line, which assures enormous unnecessary disruption in the lives of people currently served in the community DD systems.

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- The proposal promises to be more costly and administratively complex, at the expense of persons in need of disability services, by replacing the current single State agency oversight process with three MCOs plus the State agency. Replacing one administrative role with four administrative entities is an obvious flaw in this proposal.
- The insurance companies which have bid on the KanCare proposal have inadequate experience with which to address long term services and supports, and there has been inadequate vetting as to their capacity to overcome this lack of experience.
- The role of the State elected leaders should be to lead and to maintain their roles and responsibilities for the administration and financing of the community DD system. The KanCare proposal off-loads that responsibility into the hands of unelected corporate leaders of for-profit insurance companies.

A separate memo with detailed information was provided by Mark Fletcher, Associate Director, of Interhab as part of the testimony. (Attachment 4)

Jim Coopersmith provided testimony in support of **HB 2457**. (Attachments 5 and 6) He provided information on the following items:

- A ranking structure of the five commercial companies selected for review as part of the outsourcing of the Kansas Medicaid program.
- A historic look at the mission and performance of these companies.
- Verification of recent actions that have occurred with some of these companies.
- A brief look at the history of long-term care coverages sold on a commercial basis in this country.

Gayle Richardson provided testimony in support of **HB 2457**. She highlighted four main points that Kansas families find untrue and injurious to the long-term care of our children with developmental disabilities.

- This proposal as it relates to our kids' care will NOT save the State of Kansas any money.
- The rationale for this radical change is filled with inaccuracies.
- The proposal would remove local control and responsibility for the care of our kids.
- The proposed system will be harmful to our children with developmental disabilities.

As parents, they are rightfully proud and grateful for the care their children receive from the State of Kansas and prefer to keep the funds and responsibility for care of their children in Kansas. (Attachment 7)

Ron Pasmore provided testimony in support of **HB 2457**. He referred to Kentucky's Medicaid managed care program. He said since its implementation on November 1, 2011, the Kentucky legislature has fielded complaints from hospitals, doctors, mental health providers, and patients because of delayed payments and complicated prior authorization processes. Medicaid patients in Kentucky continue to experience tremendous hurdles in getting needed care. Thus far

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Kentucky's version of KanCare has resulted in reduced access to medical care, compromised the quality of the care provided, and reduced the efficiency of Medicaid over the fee-for-service program that existed prior to managed care. Providers and advocates state that the managed care companies promised all kinds of things that have not happened – and the problems appear to be getting worse. The one benefit emphasized by the administration – coordination of health care by treating the whole person – largely already exists within the ID/DD service network; and could have been built upon instead of starting from scratch. He also expressed concerns about the many requests to sign letters of intent with managed care companies competing for a contract with Kansas. ([Attachment 8](#))

Jane Rhys provided testimony in support of **HB 2573**. She stated the proposal is to contract with three companies, some or all of which may not be Kansas companies. Because this is a new way of funding and managing these programs, accountability is needed. This bill provides an accountability method that will provide the state with information regarding the use of both state and federal funds. ([Attachment 9](#))

Written only testimony in support of **HB 2457** was provided by:

Jon Zehnder, President, The Alliance for Kansans with Developmental Disabilities, McPherson, Kansas ([Attachment 10](#))

Brenda Sherwood, President, Quest Services, Inc., Sabetha, Kansas ([Attachment 11](#))

Linwood Sexton, Chair, Sedgwick County Developmental Disabilities Advisory Board ([Attachment 12](#))

Anna Lambertson, Kansas Health Consumer Coalition ([Attachment 13](#))

Linda Misasi, Executive Director, Creative Community Living, Inc. ([Attachment 14](#))

Tonya Dorf Brunner, Oral Health Kansas ([Attachment 15](#))

Sharon Spratt, Executive Director, Cottonwood ([Attachment 16](#))

Barb Conant, Kansas Advocates for Better Care ([Attachment 17](#))

Dave Wilson, Volunteer and Immediate Past President – AARP ([Attachment 18](#))

Doug Stallbaumer, Volunteer, Capper Foundation Easter Seals ([Attachment 19](#))

Kerrie Bacon, CPM, Interim Executive Director, Kansas Council on Developmental Disabilities ([Attachment 20](#))

Mark Bitter, Business Owner, Community Developer, Concerned Citizen, Great Bend, Kansas ([Attachment 21](#))

Written only testimony in support of **HB 2457** and **HB 2573** was provided by:

Nick Wood, Disability Rights Center of Kansas ([Attachments 22 and 23](#))

Dr. Ira Stamm provided neutral testimony concerning **HB 2573**. He shared his experiences with managed care companies as it has related to mental health treatment since the 1990's when the Menninger Clinic was in the process of deciding whether or not to enroll in managed care networks. He also suggested an alternative to the current proposed model of KanCare. He recommended that KanCare incorporate itself as a not-for-profit health care company. The

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prototype for this model currently exists with Kansas Health Solutions. KanCare would then be wholly owned by the citizens of Kansas. Most services, including administrative services, would be provided by Kansans in Kansas. If additional skill sets are required by KanCare but are not available in Kansas, KanCare, like any business, could outsource those functions. (Attachment 24)

Written only testimony neutral to the bill was provided by:
Scott Brunner, Kansas Health Institute (Attachment 25)

After all questions from the committee were addressed, Chairperson Landwehr announced the hearings on the bills would be continued on Thursday, March 15.

The meeting was adjourned at 3:10 p.m.

The next meeting is scheduled for March 15, 2012.

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