

March 21, 2012

To: House Appropriations
From: Shannon Cotsoradis, President & CEO

Good afternoon Mr. Chairman and members of the committee. It is my pleasure to submit testimony in support of House Bill 2789.

Nearly 1 in 3 Kansas kids relies on Medicaid or CHIP for Health Coverage

In Kansas, nearly 1 in 3 children rely on the Medicaid or CHIP program, known as HealthWave. This means the transition from HealthWave to KanCare will impact the lives of more than 230,000 children in our state. In fact, children comprise 57 percent of Medicaid beneficiaries in Kansas and, as such, are the single largest group of stakeholders in KanCare. Hundreds of thousands of Kansas children stand to reap the consequences or the benefits of the proposed changes.

Reducing Costs and Improving Outcomes will Require Oversight

The KanCare proposal includes a commitment to reducing costs and improving health outcomes for Kansas consumers. While we applaud the intentions, Kansas Action for Children strongly believes that legislative oversight will be necessary to ensure these goals are achieved without penalizing beneficiaries or providers and without compromising the quality of care for Kansas children. Furthermore, given the number of young lives that will be affected by the transition to KanCare, we believe there must be a clear plan for transitioning existing HealthWave beneficiaries to the new program that reduces the likelihood of families dropping coverage for their children, minimizes disruptions in coverage, and ensures continuity of care for children with an established medical home. Establishing a joint oversight committee increases the likelihood that a transition will not occur before a clear plan is in place that minimizes disruptions in coverage and care.

New Managed Care Providers Introduce Uncertainty for Families with Children

While HealthWave beneficiaries have been in managed care for some time in Kansas, it is important to recognize that the transition to new managed care providers creates uncertainty for families with children. First, many families will be forced to transition to a new managed care provider and, unlike their previous experiences, they will not have the initial opportunity to select the managed care company that they feel is best equipped to meet the needs of their children. Second, when they are given the option to change the managed care company that has been auto-assigned to them, they will be limited to a 45-day window of time in which to make a new selection. For families dealing with three new managed care providers and the confusion of the transition to KanCare, it is likely that many families will feel ill-equipped to select a different company. Ultimately, this has the potential to disrupt coverage and care for children in Kansas and is among the reasons we feel strongly that legislative oversight is necessary. In fact, given the magnitude of this transition for Kansas families with children, we would encourage the legislature to request a specific and detailed transition plan before allowing the implementation of KanCare to move forward.

Provide Legislative Oversight and Redirect Savings for Medicaid's Primary Beneficiaries

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House Bill 2789 identifies specific actions concerning certain populations and earmarks savings. We would strongly encourage this body to consider broadening the language to include providing legislative oversight on behalf of the primary beneficiaries of Medicaid. Furthermore, we would urge this body to consider broadening the proposed HCBS savings fund to include redirecting any savings achieved as a result of the provision of managed care to children and pregnant women into prevention and health education programs that will benefit that population. We would also encourage the joint oversight committee to include periodic review of any new programs initiated under KanCare. For example, proposed “off-ramps” will require careful monitoring to ensure that the transition from public insurance to private insurance is smooth and that beneficiaries do not lose services or face an increased cost burden.

Transparency is Critical to the Successful Reform of Medicaid in Kansas

A commitment to study the implementation of KanCare, reflected in HB 2789, is critical to the willingness of advocates to embrace a new model of care on behalf of the constituencies they represent. We believe that regular monitoring of progress toward the stated goals of KanCare provided through a joint oversight committee will assist policymakers and advocates on behalf of vulnerable Kansas consumers in determining if the transition is delivering the promised cost savings and improved health outcomes. Additionally, we would encourage this body to ensure that data regarding cost savings and health outcomes is not only regularly reviewed, but also publicly available.

HB 2789 is a Step in the Right Direction

On behalf of Kansas Action for Children, I would like to thank you for the opportunity to address our concerns regarding the implementation of KanCare. We support HB 2789 and ask the committee to keep the specific concerns of children, the primary beneficiaries of Medicaid, in mind as they consider this legislation and any other provisions regarding Medicaid reform.