

Thursday, January 19, 2012

TO: Senate Committee on Public Health and Welfare  
FROM: Gayle V. Richardson  
RE: Family Concerns about KanCare

Thank you Senator Schmidt and members of the Committee for providing me this opportunity to speak on behalf of people with developmental disabilities and their families on the issues relating to the KanCare proposal.

Four main points:

1. This proposal as it relates to our kid's care will not save the state of Kansas any money.
2. The result will be less money for services for our people.
3. The proposal will remove local control over care management.
4. Some states have already take back local government control of their DD programs from the insurance companies, including Oklahoma, Connecticut (Missouri?) and some have never included our cohort in the managed care system..

The Administration has proposed a huge change in the system of care for people with developmental disabilities. In fact, he has, without legislative consultation or adequate notice to families, submitted proposals to transfer care decisions for our kids away from local control to out-of-state, for-profit insurance companies that have no experience with our care needs. This change would be disruptive to our families and the people who currently care for our adult children. It would not improve the system of care nor would it save money for the state of Kansas.

This is a change looking for a reason. We parents have worked with people in the community and state government over many years to develop comprehensive care for our young people with developmental disabilities. It is a very lean system and due to inadequate funding, we have a long waiting list of people needing care.

The current system is local. Parents meet several times a year with their providers and case managers to coordinate all services – day programs, residential programs, transportation and medical care. In between, we often contact our child's case managers to discuss issues that pop up and make required changes in their program of care.

Now suddenly we have a newly cobbled-together state agency, The Department of Aging and Disability Services, which will be expected to manage the transfer of funding and oversight of this system of care to out-of-state insurance companies who have no experience with providing 24/7 care.

This proposal would add another layer between the parents and those who make decisions for our vulnerable kids. We have all experienced the frustration of dealing with insurance companies who have denied medical care, restricted medications and obliged us to use a doctor on their list. The new proposal goes way beyond insurance companies making medical decisions. Now these

representatives will be making decisions on our kid's day-to-day care. They simply do not have experience in this area

We were told that this new system would save money and enhance care for our kids. When we asked how sending money to for-profit companies would save money, the state backed down and said it was not meant to save money, merely that we would now have one great big "silo" (their mumbo jumbo) for all Medicare and Medicaid payments, instead of separate funding for people with different needs. It would be very tidy, very neat. We parents feel our kids' needs are being sacrificed on this altar of neatness.

The Secretary of this new department, Shawn Sullivan, states that the insurance companies will only make a profit if they can administer better care better than the current fee-for-service. Our present system is not fee-for service. It is a capitated system, in which a care provider is paid a fixed amount for the care of all persons in the same level of disability. Surely, the Secretary is not suggesting that these vendors will lose money on these contracts unless they demonstrate better outcomes.

Some in the administration have told us that this is a done deal, but we find this unfair. The Secretary states that there has been a great effort to meet with those affected by the proposed change. The people who attended such meetings stated that there was no indication that care for developmentally disabled people would be a part of this proposal, only that there would be changes in the Medicaid reimbursement for medical care.

Medical care for our folk is a small part of the funds used to care for them. They are not primarily sick, and their health care costs are often no greater than the general population. This is a misconception that is prevalent in the community. My son, for example, takes medications and sees a doctor once in awhile, but he has no costly medical needs. What he does need is a continuum of care for his day program, transportation, and residential needs. This is not the sort of care that an insurance company is equipped to administer.

We are in favor of one piece of this proposal, the inclusion of our population in the medical care management, which is the insurance companies' area of expertise.

It seems, then, that no one is convinced there are savings to be made by turning over the present system of care to a for-profit entity. Reimbursement from Medicaid is already tight and has led to the closing of several providers over the past few years. Most organizations that provide care can survive only by receiving charitable contributions from the public or additional funds provided by the county. We parents prefer to keep the funds for care of our kids in Kansas and not send them to companies who will use part of the money to pay their shareholders.

We urgently ask you to stop this ill-considered inclusion of responsibility for our children's care by insurance companies in the Kan Care system. It will not save money and it will not enhance their care.

If it ain't broke, don't break it.