

Remarks by Senator Dick Kelsey to the Senate Health and Welfare Committee regarding the proposed KanCare RFP 1/25/2012

Madam Chairlady, as we conclude this phase of the discussion of KanCare, I would like to make the following observations: First the proposal set forth by the administration is very ambitious. We all share the goal of containing costs and delivering better service in our Medicaid program. The question is how do we reach those goals with the least amount of disruption to delivering good health care to our poorest population.

These hearings show there are many unresolved issues in what is being proposed. Eleven hundred questions by the possible bidders to a 170 page RFP show that even the professionals don't understand what is being suggested, let alone the providers of Medicaid services and those receiving those services. The one example to managed care in Kansas this past year is the PRTFs (Psychiatric Residential Treatment Facility). KHS (the group that stole 2 million dollars from the state) was given a contract that pays them a bonus of 2.9 million dollars for not using the system. PRTF usage has dropped by 40 percent by denying admissions resulting in many poor young people with severe emotional and mental problems not getting the help they need. Many people have doubted the reality of real savings and nothing was presented to the committee to show how the proposed savings would be realized.

For the many reasons brought out by these hearings I would suggest the administration consider the following:

- A. Delay the execution of the KanCare program until July 1 of 2013.
- B. During this time hold hearings around the state to get feedback on the specific RFP that is being considered by the bidders.
- C. Remove the DD population from the proposal and continue their care as it is effectively being done. Consider including this population after two years of the new plan actually operating.
- D. Reconsider the idea of having three companies doing the same thing over the entire state thus causing admitted hardship on small rural providers. Consider taking the state and divide it into three regions and have one different company do each region.

These suggestions are being made in hopes of helping to assure a wider acceptance of these massive changes and to have a more effective implementation of the plan.