A Message from the President Regarding Managed Care

At this time of year, it is normal to look at what we are doing in our lives and make changes to improve our situation. New Years’ resolutions, at their core, are good and intentions to improve our health, our relationships, etc. are usually a step in the right direction. Change, however, is not always as good as it is intended to be. I am compelled to comment on one: the proposed implementation of Managed Care for Kansas Medicaid programs. I am supportive finding the most efficient ways of doing things; however, I believe including our locally managed long term care services into the State’s Managed Care Model will have a negative impact on the lives of people with developmental disabilities (DD).

The State’s proposal to move DSNWK’s services for persons with disabilities into an experimental managed care model called KanCare is planned to take effect in January 2013, but it will begin long before that, and that time is now. National insurance companies are currently in Kansas today working with the Administration to bid for these KanCare contracts. Under KanCare, Kansas will shift responsibilities and resources from state and community oversight into to private health insurance companies. Roughly one third of the State’s entire budget, under this plan, will be handed over to private health insurance companies to manage and oversee. That includes Community DD Services such as those offered by DSNWK. I am concerned by this. The core purpose of this new approach is to save money, but will it?

Not only do these national companies have little or no experience in serving long term needs of persons with DD, they also acknowledge there is little to no anticipated savings to be found by including community DD services under the Managed Care model. Why? Because Kansas has been ahead of this issue for many years, and our current State/Local management model is effective.

In the mid-’90s, Kansas passed the Developmental Disability Reform Act (DDRA) which incorporated many managed care principles into the community DD service system (capitated rates, quality measurement, service access, eligibility determination and on and on). Under that system, local - mostly not-for-profit organizations like Developmental Services of Northwest Kansas partnered with Kansas to administer long term services for persons with disabilities. Under the current Kansas model, this community system has effectively managed program costs for persons with DD and their services.

Here is an interesting perspective: Nationally, the average cost per person spending (for persons in community DD services) went up nearly 18% (for the period 1993 to 2009). In sharp contrast, the average cost per person spending (for persons in Kansas in community DD services) went down nearly 18% since 1993. DSNWK and its State and Local partners have worked hard to be good stewards of the resources we have and we oppose and will continue to oppose handing off effective State/Local partnerships into the management of Insurance companies with no experience in our field.

DSNWK does support and will continue to support the use of those contractors to improve the outcomes for all persons who receive Medicaid medical services. We believe this lies within their area of expertise, and we will work with the Administration to enable that to happen. Shifting oversight of long term services for persons with DD into an experimental program like KanCare in our opinion will place our most vulnerable population at risk, and is therefore not the right thing to do. The right thing to do, for Kansans, would be to urge the Administration to reconsider the direction it is planning, regarding the inclusion of DD long term care services under KanCare, and avoid a misstep which could have adverse consequences for many years to come.

Jerry Michaud
DSNWK President