

Chairman Suellentrop and Committee,

Thank you for allowing me the opportunity to provide written testimony in opposition of Senate Bill 122 - Implementing Medicaid and educational services for foster care youth and certain former foster care youth.

My name is Jon Hamdorf and I am the Executive Director of the Kansas Association of Medicaid Health Plans. I am also the former State Medicaid Director and Director of the Division of Health Care Finance and I am currently completing my PhD in Health Policy. My experience and education provide me a unique perspective on health policy as I have both created and implemented policy and understand the potential negative outcomes of a policy if implemented. Senate Bill 122 is fraught with negative implications to the state, providers and to individuals on the program if implemented.

This bill would **negatively impact the state** in the following ways:

1. *There would be significant cost incurred to write a new RFP for a new MCO.*
The state would need to procure a vendor to write the RFP; invest staff time and agency resources to draft and release an RFP; pay a vendor and spend staff time and resources scoring and awarding an RFP; tie up legal staff and state staff to defend award of RFP in court.
2. *This bill would require the state to apply for a new 1915 b/c waiver to meet the obligations of the bill.*
Because this bill specifies that a single MCO would serve this population, CMS would require that the state would need to apply for a waiver for choice (to allow a member to choose a managed care plan. This waiver would need to be a 1915 b/c waiver. Currently the state has seven (7) 1915 c waivers (I/DD, PD, TA, BI, Autism, FE, and SED). Each one of these waivers has significant administrative reporting requirements that CMS puts on the state. A new waiver would require the state to draft the waiver, have public hearings, incorporate feedback from public meetings, and negotiate special terms and conditions with CMS before being in place. This process would take at minimum 9-12 months. This waiver would also add to the existing workload and at a critical time when the state is currently renewing 4 of the 7 waivers with CMS.
3. *This bill could create a waiting list for foster care children.*
1915 c waivers, if not fully funded, could lead to having a waiting list for waiver services. Currently the state has a waiting list for two (2) 1915 c waivers (I/DD and PD). If the foster care waiver was not fully funded every year by the legislature, a waitlist for services could develop. Waivers are funded outside of the Consensus Caseload process, so they are not always funded in entirety.

This bill would **negatively impact providers** in the following ways:

1. *Providers would need to credential and contract with four (4) MCOs.*

Feedback from all providers during the KanCare 1115 Waiver Extension renewal process was clear that providers did not want the administrative burden of having to credential and contract with four (4) MCOs.

2. *Differences in prior authorizations and processes across plans would increase.*
During my tenure as Medicaid director, a ton of time and energy was put into aligning and reducing prior authorizations to make things easier for providers. Adding a fourth MCO would add additional confusion and burden for providers.

This bill would **negatively impact members** in the following ways:

1. *Members in the foster care system would no longer can choose which MCO they want.*
Members would not be able to compare Value-Added Benefits and specific programs that individual MCOs offer and would be forced to be assigned to a single MCO.
2. *Foster children and their parents could be forced onto different plans.*
If a child that is in foster care has parents that qualify for Medicaid, the child would not be allowed to be in the same plan as the parent. The state tries to align parents and children within the same plan, so they have access to the same benefits and programs which make things easier for parents.
3. *Foster care children could have to be put on a waiting list.*
As with any 1915 c waiver, if the waiver isn't fully funded, a waitlist could have to be established (like we have with I/DD and PD waivers). This would further delay services to foster care children.

I appreciate the committee's willingness to admit my written testimony in the hearing for Senate Bill 122 and if the committee has any follow up questions for me, I would be happy to appear in committee for questions or provide additional written comments to questions.

Respectfully,

Jon Hamdorf
Executive Director
Kansas Association of Medicaid Health Plans