

Senate Health and Human Services Committee

Kyle Baker 271-2609

SB 155, relative to implementation of the Medicaid managed care program.

Hearing Date: March 7, 2017

Time Opened: 2:30 p.m.

Time Closed: 6:00 p.m.

Members of the Committee Present: Senators Bradley, Avar, Gray, Fuller Clark and Hennessey

Members of the Committee Absent : None

Bill Analysis: This bill declares that step 2 of the Medicaid managed care program shall not be implemented until July 1, 2019.

Sponsors:

Sen. Sanborn

Sen. Avar

Sen. Birdsell

Sen. Fuller Clark

Sen. Kahn

Sen. Reagan

Sen. Watters

Rep. McNamara

Rep. T. Le

Rep. M. MacKay

Rep. LeBrun

Rep. Martin

Who supports the bill: Senator John Reagan, SD #17; Senator Regina Birdsell, SD #19; Senator Avar, SD #12; Don Raben; Mark Lataam, Pleasant View Center; Arthur O'Leary, Genesis; Brendan Williams, NH Health Care Association; Carolyn Virtue; Doug McNutt; Gary Cahoon, NH-Arch, Mary Roberge, Thomas Wood; Christopher Rose; Roger Desrosiers; Senator Martha Fuller Clark, SD #21; Craig Labore; Michael Fahey; Tina Paquia; Barbara Howland; John Richards; Karen Dorsch; Cathy Arnault; Erin Hall; Luanne Rogers; David Russ, Bedford Hills Center; Heather Daus, Exeter Center, Scott Wotkiewicz, Holy Cross Health Center; Mark McKeavey, Aurora Senior Living; Rich Lebueuf, Fairview; Thomas Ardgue; Patricia Martin; Rep. Lee Oxenham; Laura Davies; Beth Dylan; Bill Lamphier; Donna Buccchese; Regan Burke; Kim McNamara; Joelle Martin; Kathy Manfried; Audrey Gorkin; Rep. Tamara Le; Jill Prakop; Kristen Schmidt; Patricia Cummings; Brendan Williams; Brian Newman; Colleen Flynn; Kathryn Kindopp; Shelley Richardson; Ceara Tavares; Joe Bohuricky, Mt Carmel NH; Jed Roe; Lori Mctertiry; Cheryl Steinbery, NH Legal Assistance; Cindy Robertson, DRC; Lisa Beaudoin; Forrest Beaudoin, ABLE NH; Mikayla Fahey; Mollie White; Michelle Winchester; Amy Moore, Ascentria Care Alliance; Laurie Duff, Easterseals; Chris Rueggeberh, NH Council on Developmental Disabilities; Alyssa Gregg; Kyle Cunha; Sandrine Iyizire; Brian Sousa, Community Crossroads; Jeff Dickinson, Granite State Living; Mary Lou Beaver, Every Child Matters; Rep. Mary Heath; Rep. Linda Tanner, Sullivan Dist. 9; Rep. Patricia Cornell; Marla Soucy; Lisa DiMartino; Peter Marshall; Chris Collissen, Langdon Place of Keene; Shaun Qualter, Oceanside Center; Andrea Derrella, Community Crossroads; Rep. Suzanne Smith; Amy Girouard, LTC

Resources; Lisa Steadman; Rep. Timothy Horrigan; Rep. Don LeBrun; Rep. Mariellen MacKay

Who opposes the bill: Lisabritt Solsky, WellSense; Chris Kennedy, NH Healthy Families; Commissioner Jeffery Meyers, DHHS

Who is neutral on the bill: None

Summary of testimony presented in support:

Senator Andy Sanborn – Senate District 9

- Prime sponsor of this bill.
- There are many challenges between the managed care organization and the state and this is due to the state needing to take time to understand the law as passed and how to take care of the most-needy in our state.
- We have a fiscal obligation to our state to make sure we are not over extending what we can provide.
- In 2012, we spent over 1.23 billion dollars in our Medicaid expenditure. In 2013 our spending increased to 1.293 billion as we began to implement Medicaid expansion. They have been increasing every year since.
- Our costs are not decreasing, but increasing. We may not have the controls in place to check the increase on MCO spending.
- We do not know how to find a fair bidding process, three new companies want to come into our state and if we close the door to our state to these companies this problem will get more difficult.
- This bill would press the pause button and allow all of the stakeholders to continue their conversations on making sure that we are making the best care available to the citizens of our state.
- Long term care facilities do not want this program to be implemented yet.

Reagan Burke

- People are looking to push this program quickly and we cannot take that risk with our most vulnerable population.
- We need to allow the MCO time to form relationships with the vendors in the developmental disability network.
- Also need a system to track the care this population receives.

Kim Macnamara – Public Health Advocate

- There needs to be a better network for those with developmental disabilities.
- Rushing to implement an unknown could be catastrophic.
- Managed care is not the best system for those with developmental disabilities.
- Medically based managed care might have costs savings but the services available are not relevant to the developmentally disabled.

- This bill would give more time to better understand how we need to go forward.

Kathy Manfried

- Has a daughter with autism who receives care through MCOs.
- Daughter will never be able to live by herself and there is no residential care available for her through MCOs.
- There are no more cost savings for MCOs to find because the services that are currently being provided are already stretched as thin as they can go.

Audrey Gerkin – One Sky Community Services

- Have continued to opt out of Managed Care for her daughter.
- MCOs work for acute and chronic medical based treatment mode, but not for the developmentally disabled.
- Long term care services are for life, which is not the goal for medically based MCO treatment.
- The program needs to be delayed to continue to look at the best option for care.

Rep. Tamara Le – Rock 31

- This bill recognizes the need to help those who need assistance.
- There is no data to show any success in managed care organizations ability to help those with disabilities.
- These for profit companies are only interested in making a profit, they do not have ties to our communities.
- My daughter has autism, through our nonprofit area agency; we have been able to craft a plan to make her part of our community.
- This company lost its funding in favor of a big for profit company, losing our ability for local control of this issue.

Brendan Williams – NH Healthcare Association

- This would improve on the process established last year in SB 553.
- There are still a lot of questions that have not been answered.
- Rushing into this would lead to a lot of problems and would upset a lot of providers in the state.
- There are also concerns with the changes coming out of Washington.

Sen. Fuller Clark- Is there a date that the commission created by SB 553 needs to report to the legislature.

Williams – There is not a date for the commission that I am aware of but we have all been working under the proposed deadline for full implementation on July 1st, 2018. This rush proposed in the Governors budget address is faster than anyone expected.

Erin Hall – Brain Injury Association of NH

- The Brain Injury Association is the only advocacy group in NH for patients

with brain injuries.

- We saw first-hand how not having a smooth transition for step 1 caused an increase in stress for our constituents.
- The SB 553 working commission has not even begun to look at the possibility of different managed care models.
- The SB 553 working group still needs to look at many more things requested by the legislature.

Louanne Rogers – Corville Communities

- Manages long term care facilities.
- Transitioning to MMC is a very complex process and we cannot rush the process.
- The education on the complexities of this issue is a work in progress.
- We must be efficient, nursing organizations already provide good efficient care for our states citizens.

David Ross – Bedford Hills Center

- Skilled Nursing Facility in Bedford.
- Our center cares for over 100 residents, more than 65% are covered under the NH Medicaid program.
- The costs of care are rising, as well as labor shortages. Adding more parties to this process will make this problem bigger.
- The working group is still barely scraping the surface of the topics the legislature outlined and not ready to discuss specifics. They need time to do their work.

Thomas Ardgue – Seacoast at Rye

- The Legislature passed SB 553 last year and the working group has not had enough time to work out all of the issues.
- This switch to managed care is going to be very difficult and could put our states residents at risk.
- NH long term care facilities already have to be as efficient as possible because the state is already paying far below the cost of providing services. MCO would just worsen that.

Carolyn Virtue

- The implementation plan is already under development in SB 553 from 2016
- As DHHS has been directed to implement the contract amendment, we need to pass this bill, which makes fiscal sense.
- A contract amendment will not address the needs of the state. A competitive bidding process is needed to ensure the most cost effective outcome for the state.
- This bill will allow for the outcome that best protects the NH taxpayer

- Need to ensure that the care that is going to be provided is the best it can possibly be.
- If the process is rushed, there will be no gain for the state and no gain for the patients.
- We need to make sure that we are using our limited resources wisely.

Doug McNutt – AARP

- All of the advocates are here today unified in support of this bill and that is really rare.
- If we go forward without a procurement process, we will be providing an unfair advantage to our current two MCOs.
- The populations served by MMC are some of the most vulnerable populations that cannot advocate for themselves.

Gary Cahoon – NH Associate of Residential Care Homes

- Supports this bill
- Concerned with the lack of network adequacy for those served by MMC. There are almost no CFI providers in the southwest part of the state.
- The funding is not adequate in most cases and this prevents many residential care homes from accepting CFI residents.
- We do admit categorically needy individuals, but if we do not have a bed there is often no place for these people to go.

Thomas Wood

- There are a lot of hoops to jump through in order to get help.
- Concerned that people are often falling through the crack in the program.

Kate Horgan – Association of Counties

- Supports the bill and would like the SB 553 committee to continue their work.
- Concerned with contract development for the MCOs and have doubts that they would increase the quality of care would increase through this process.

Lisa Beaudoin – Able NH

- Concerned with the inability of the legislature to evaluate the effectiveness of the MCOs because the data has not been provided by the MCOs even after repeated requests from the SB 553 working group.
- Originally Commissioner Meyers testified that the implementation of step 2 would begin in July 2018 but now the Governor states that the program will begin in January 2018.
- Concerned that the law established by SB 553 in 2016 is being ignored and the working groups is not going to be able to continue to do its work.
- Long term care services are not necessarily about healthcare outcomes.

Forest Beaudoin – ABLE NH

- This bill just pushed pause on the implementation of step 2.
- Families have a strong voice in the current care system and that is the way it needs to remain
- Long term care services would not benefit from a managed care style.
- There has not been enough time to allow for the evaluation of the effectiveness of step 1 of the program.

Mikayla Fahey

- There needs to be more time to do more research before moving forward with step 2 supports and services to MCO.
- Families need personalized support to be successful.
- Local organizations are also the experts on the resources available in our community.

Molly White

- Management consultant for companies in the North Country
- Asked to please hit the pause button and to make sure the MCO model is appropriate for NH values of local control.
- Our current model has proven to be successful.
- Given that our current system is in sync with our state values, why would we outsource managed care to companies outside of New Hampshire?

Lisa Stedman

- Current care models are working and there is no reason to change what is not broken.
- If we are going to move into the managed care model we need time to make sure that the transition is going to be smoothly.
- MCO care has been rough since the get go and there is a lot of concern that this will get worse if step 2 is implemented quickly.

Summary of testimony presented in opposition:**Commissioner Jeff Meyers – DHHS**

- The Governor's intention is to include nursing services and home care service into the managed care program. The intentions do not include developmental disability services. There is no plan to move forward with these services.
- The Legislature passed the original legislation in 2012 and has not been fully implemented yet.
- In order for the department to meet the guidelines set by the Governor, we need to begin to act now.

- There are a number of questions that need answering from Washington DC. We need to understand the possible changes to the Medicaid program.
- MCO rates have increased at an average of 3% per year, which is considerably lower than the average of 10%
- It would be appropriate to extend the current contracts because they have only been operating 3 years.

Sen. Bradley – The Governor has requested the implementation for 1/1/18. That is a target. Is the department confident that they can make that target?

Meyers – Yes, he has asked us to be ready for this date. There is a lot of work to be done, but we will be able to do it.

Sen. Bradley – Would you agree that is an aggressive time frame?

Meyers – Yes, but we do not need until July of 2019 to complete this.

Sen. Bradley – When will the report you need to do on this subject be completed?

Meyers – We are holding a meeting of all the stakeholders later this month where I will ask them to finalize their pieces. We plan to work on it and get it finalized between April and June.

Sen. Bradley – When would the department at the earliest start with the implementation of the rest of Stage 2?

Meyers – Not until the nursing and CFI are fully operational. Then we would start convening and see how the other waived services are operating. I think the department should look at alternative models for these services.

Sen. Bradley – How much of this entire process is going to rely on the possible changes coming out of Washington?

Meyers – Believe that anything effecting 2017 or 2018 coming from congress would be a big stretch.

Sen. Fuller Clark – Can you speak to the increases outlined by the prime sponsor?

Meyers – The biggest shift in funding was the implementation of the NHHPP. Our first managed care contract was in excess of 500 million dollars and has gone up by about 3% per year. I do not have the exact numbers with me but that is the biggest increase.

Lisabritt Solsky – WellSense Healthplan

- Goal at WellSense is to provide integrated healthcare for patients.
- Need to look at the whole person model.
- There have been multiple false starts for different programs and this gives WellSense a running start because they are already prepared to implement some of the integrated health plans.
- On one hand, January may feel aggressive, but we can re-use work we have already done on this issue.
- New Hampshire recently revived a great deal of money for federal waivers, in years 4 and 5 NH needs to move 50% of those funds into alternative payment

models such as bundled care, pay for performance, etc.

Chris Kennedy – NH Healthy Families

- Based in Bedford NH.
- 150 Employees across the state.
- Have been providing services since 2013.
- 63,000 members.
- Integration of the services would provide the best outcomes for patients.
- We need to keep focused on the whole person approach to best treat our patients.
- We understand the anxieties of those testifying in support of the bill and are continuing to work to better understand our membership.

Karen Kimball – NH Healthy Families

- Our integrated care model is very good, we do not have an extensive network but we do have individuals going out and working with those who need it.
- We are working with many different organizations, this needs to be done with a partnership approach.
- Right now, the current system sees the needs of the individuals, but does not know the acute care side. Neither side has the whole view of a given situation.
- Services can sometimes be duplicated, knowledge is not always shared or properly distributed.
- There must be a partnership between both sides.

Sen. Avard – This bill pauses the implementation. Does that not help everyone?

Karen Kimball – MC has already been delayed 6 or 7 years. SB 553 establishes a good plan for moving forward.

Sen. Avard – Why is stretching this out and waiting a bad thing?

Karen Kimball - We are missing the whole person care. We would be able to facilitate access to individuals as fast as possible.

Neutral Information Presented: None

Future Action: Pending

KRB

Date Hearing Report completed: March 9, 2017