

How will managed care affect us?

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We are all trying to form a picture of what the developmental services system will look like – and how services might change – when the implementation of Medicaid managed care happens. Because so much is undefined at this point it's a difficult exercise. But it is important to try, because our input has been requested and many decisions have yet to be made.

Remember, there are three phases or steps to the plan as described by Commissioner Toumpas. The first will enroll all 150,000 NH citizens who receive Medicaid (including those with developmental disabilities) in managed care *medical* services. An RFP issued this October invites bids from managed care companies (MCO) from across the country, and two or three will be chosen by January and will begin providing services on July 1 of 2012. National, for profit insurance providers have been visiting NH for months to find out how we do things and to prepare to compete.

While phase one has raised the concerns of some families (who fear they may have to change specialists, for example), most of us are used to getting our health insurance through HMO's so this is not such a drastic change. Phase two, however, has been described as the biggest change ever attempted by our state government: bidding out the entire social safety net. That will include all the *long term care* services provided through the DD system, like day and vocational services, residential programs, and practically everything else. We are now told that will begin July 1, 2013. It will require major changes both in state government and in the service system itself - all in a relatively short time. Adding to the challenge is the fact that few MCO's have any experience with long term care services.

Basically, what NH is doing is turning over all Medicaid services to an outside business to operate. But what might that look like?

Based upon conversations with the managed care companies visiting the state, and from learning about what has occurred in other states where they operate, it is likely that the MCO's would assume control of the system and contract directly with service providers. There are about fifty vendors who currently provide DD services in NH, and right now families have the right to choose any of them. It is not clear how many of these will successfully negotiate contracts with the MCO's, and if this broad choice will continue or be limited in order to create management efficiency (which is how MCO's deliver savings and earn profits). Service coordination will be done by the MCO's, and the role will likely become more gate-keeping and oversight and less personal support like driving someone to the doctor. With these two key components being taken over by the MCO's, it is not clear if there would be any need for area agencies except as service providers. It is possible to imagine the Bureau of Developmental Services and the area

agency system being dismantled as their management functions are taken over by the MCO. It is not clear, then, what becomes of the advocacy and public education missions of these organizations – or if the decades of progress toward equality and inclusion that they have spearheaded will continue. One wonders how much impact a statehouse rally would have on a corporation headquartered in Virginia. Local control, the heart and soul of the current system, would end. When asked about consumer and family participation, one visiting MCO exec assured us they would “have an advisory board.” Many of the rights that exist in the HeM regulations would probably have to change – for instance, the right to choose your own service coordinator even if it is someone from outside the system. Another question: would the Administrative Appeals Unit at HHS (where any individual or family can take a grievance) be replaced by the internal appeal process of the MCO?

To be sure, Medicaid rules provide a safeguard and the Centers for Medicare and Medicaid Services (CMS) must approve the move to managed care. Commissioner Toumpas has said he does not want to dismantle things that are working well, which presumably means the DD system since we are ranked # 4 in the country in quality and 34th lowest in relative cost. But no one can say what the service system will look like when all is said and done. Having an MCO run the developmental services system means that many of the practices that have worked so well – like area agency boards, financial decision making at the local level, and very personal service coordination-would be replaced by those of a for-profit business. It is hard to believe that that will make anything better.

Many states have made the decision to exempt their long term care services like DD from their managed care plans, and that is still possible in NH. Another possibility is to allow the DD system to become an Administrative Services Organization (ASO) within the larger managed care structure, thus keeping its strengths intact. Perhaps if we can get a clearer picture of what managed care means for DD we can make the best decision.