



March 17, 2017

Chair Mitch Greenlick
House Health Care Committee
Oregon House of Representatives

RE: Proposed Statutory Changes to Managed Care Enrollment (HB 2979)

Chair Greenlick and Members of the Committee,

On behalf of KEPRO, I would like to thank you for the opportunity to add these comments into the official record on HB 2979. KEPRO is proud to serve as the care coordinator for Oregon's open card (fee-for-service) population and is committed to the continued success of the Oregon Health Plan and the transformation of the health care delivery system.

The care coordination program was established as a transitional vehicle and safety net supporting Medicaid transformation. In 2010, APS Healthcare (doing business today as KEPRO) was contracted to oversee coordination of open card members, ensuring the fee-for-service delivery system did not become a free-for-all. Our team of medical professionals and case workers work directly with patients in the program to make sure they are receiving the right care at the right place at the right time.

As a state contractor, we do not believe it is within our purview to support or oppose specific legislative actions. Instead, we wish to provide comments on the specific changes to Medicaid enrollment proposed in HB 2979.

1. Major Medical Coverage

Oregon's 1115 Demonstration Waiver requires Medicaid members with major medical coverage (third party liability insurance) to be excluded from managed care enrollment. Managing care for this population can be more challenging than the traditional or expanded populations because the state is payer of last resort and has less control over the treatments a member receives. In order to facilitate the change proposed in this legislation, the Oregon Health Authority would need to seek an amendment to the demonstration waiver from CMS.

2. Pregnant Mothers

The option for pregnant mothers in their third trimester to have elective enrollment into either managed care or open card is primarily the result of home-births being included as a covered benefit. The inclusion of home-births as a covered benefit has been widely debated throughout the Medicaid community, as some CCOs have decided not to contract with certain providers. The open card program



has become responsible for overseeing these births because of the limited number of managed-care contracts with direct-entry midwives.

3. Children in Foster Care

Children in state custody are enrolled into the open card program for physical health because of the itinerant nature of their home placement(s). Some children are enrolled into the foster-care system for only a short duration of time, limiting the ability for a managed care organization to integrate them into their rolls. Other children are enrolled into the foster-care system for longer periods of time, but are not stationary in the same home placement or geographic location. The open card program provides these children medical care coordination at a statewide level, allowing the state to coordinate care across geographic barriers. Ultimately, a one-size-fits-all approach to foster-care children would limit the ability of the state to determine the best placement for each individual child.

The legislative actions proposed in HB 2979 would change the underlining structure of the managed care and open card delivery models. Medicaid transformation demands constant attention and cannot be accomplished in a vacuum. We are concerned some of these changes would bring uncertainty to Oregon's Medicaid transformation by reopening the Medicaid waiver with CMS during a time of federal scrutiny of health care reforms. Additionally, we are concerned the proposed changes attempt a one-size-fits-all solution to complex populations without specified timelines for the transition to be completed.

Our role as a state contractor is to adapt to the continued transformation of the Medicaid delivery system. KEPRO is not immune to the same challenges faced by the Care Coordination Organizations or the Open Card members, care coordination works best with continuity and certainty.

Thank you for the opportunity to submit these written comments for the record on HB 2979.

Sincerely,

A handwritten signature in blue ink that reads 'Michael Wolf'.

Michael Wolf
Vice President of Government Affairs, KEPRO