

Health and Human Services Committee
LB 649
March 17, 2017

Calder A. Lynch, Director
Division of Medicaid and Long-Term Care
Department of Health and Human Services

Good afternoon, Senator Riepe, and members of the Health and Human Services Committee. My name is Calder Lynch (C-A-L-D-E-R L-Y-N-C-H) and I am the Director of the Division of Medicaid and Long Term Care in the Department of Health and Human Services (DHHS). I am here to testify in opposition to LB 649, a bill that would prohibit additional services and populations under the Medicaid managed care program.

LB 649, as written, would prevent Nebraska Medicaid from integrating any additional services or populations into our primary delivery model, Heritage Health, until January 1, 2019, or after a study is performed showing the success of managed care in Nebraska. As written, the bill would prevent Medicaid from adding new services, like dental services or peer support, into managed care in the future. Medicaid has already been planning on adding these services this year. We are doing this not only to improve the predictability of Medicaid costs, but also to improve the quality of care to our Medicaid members.

I have additional concerns with the language used in the bill, which prohibits additional services or populations in managed care, “until a critical evaluation is performed of the at-risk capitated managed care program of the medical assistance program and the success of such managed care program is proven.” It is unclear what counts as a “critical evaluation” and “the success of the at-risk managed care program” is a subjective measure. It is also unclear who would judge when this would be “proven.”

We understand that this bill was proposed due to the concern from nursing facilities about managed care for long-term care. The previous administration was once moving quickly toward implementing managed long-term services and supports. We are committed to taking a deliberate and comprehensive approach to the improvement of the long-term care system in our state, making it sustainable for the future. In early 2016, DHHS launched the long-term care redesign project. We held listening sessions with impacted stakeholders across the state this fall. On March 7th, we released a preliminary redesign plan that outlines a proposed careful migration toward managed long-term services and supports system along with other systemic improvements. This is being followed by a state listening tour seeking feedback from stakeholders kicking off next Monday. As outlined in the proposed plan, implementation is not planned until 2019.

The services provided to the state's most vulnerable population can be improved and MLTC is committed to making these improvements. We would ask that the solutions not be eliminated before they can be fully explored.

For all of these reasons, I oppose LB 649.

Thank you for the opportunity to testify before you today. I'm happy to answer any questions you may have. I also have representatives from Mercer and the National Association of States United for Aging and Disabilities (NASUAD) with me to answer any question you may have about the Department's long-term care redesign plan and the ongoing stakeholder outreach they are conducting.