



National Association of Social Workers

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To: House Finance Committee

Re: Global Medicaid Waiver Application - Rhode Island: Opposition and Comments

I have heard hours of testimony and have been reviewing the Global Waiver materials for months in order to make as fair of a judgement on our position as possible. There remains a sufficient number of questions and concerns to oppose to this application. Following is a rationale for our current position written succinctly as possible.

#### I. Do No Harm

Both the Governor and Department of Human Services spokespersons have stated that the Global Waiver will include services for children and adults in the RIte Care, RIte Share, Katie Beckett, Rhody Health Partners, ConnectCare Choice, and Long Term Institutions. What is not clear is eligibility for optional services or even which optional services will be maintained. Even after all testimony provided up to this point, it remains unclear to this writer the answer to the above question and which services require an act of legislature to change. Lack of detail in the proposal and grave concern of exceeding the 12.1 billion dollars remains an obstacle for our support.

Recommendation if the Global Waiver Passes:

A clearly written plan be presented for public comment, especially from consumers, and changes are fully vetted through the legislative process.

#### II Selective Contracting Process

Selective contracting, in our opinion, can be both efficient and worthwhile or can be detrimental to the consumers by restricting choices. If selective contracting is made based primarily on the “lowest bidder” without proper safe guards, **the service system becomes weakened and ineffective**. For example, in states where I have consulted regarding de-institutionalization of mental health recipients where lowest bidder contracting occurred, the result was an uncoordinated and ineffective system. **Lowest bidders often paid their staff the lowest with the least amount of benefits to**

**consumers. Through yearly competitive bidding processes, contracts were given and taken away without providing agency services an opportunity to mature, greatly affecting staffing and agency capacity. Consumers were left with little to no choice and often needing to coordinate services among several agencies. Generally, these states were the states that ranked lowest in national survey's for effectiveness.**

Recommendation if the Global Waiver Passes:

Selective contracting should be used only when quality of care and agency effectiveness are the driving forces behind the contracting. In the long run, the system will operate more efficiently and effectively saving tax payers money. This contracting process should have strict oversight by task groups comprised of consumers, professionals and department personnel.

### III. Consumer Choice

Other than choosing between an institutional setting and community based services for elderly and individuals with disabilities, I found little language regarding how Consumer Choice would be implemented. In all services, public and private, choice and availability of expertise are always two key factors. Full choice can not be implemented if quality services are not available from a provider. This is particularly true in meeting specialized needs.

Recommendation if the Global Waiver Passes:

Clearly specify how choice is achieved and show how this choice will be provided across service populations before implementation. Also, require how specialty needs will be met; what level of expertise is being used for each service; and determine if wages are commensurate with expected levels.

### IV: DHS Flexibility vs. Consumer, Provider and Community Leadership Input Mechanisms.

A major area of concern with the way the application is currently structured, is to what degree are consumers, providers, and community leaders going to be involved in looking at changes in the system?

Recommendation if the Global Waiver Passes:

DHS should outline a system of input from key stakeholders that is beyond "Advisory" status. With the Global Waiver and pressure from budgetary constraints, an atmosphere of quick decision making may be created that could result in fundamental changes to critical programs that would cause undue hardship on service recipients. Traditionally, the vetting for most of these kind of changes occurs through the legislative process during budget hearings. Regulation changes do not necessary go

through this process however can be just as damaging. The joint Oversight Committee will help, however, misinformation and outright damaging changes could be avoided if the most critical stakeholders are involved from the beginning of all phases.

#### V. The Real Savings Plan

The Global Waiver purports to save 20 million dollars a year. From the limited amount of detail available, it would appear that some of these savings may occur without the waiver or others may be inaccurate. ie; Transition from nursing home care to community which will most likely cost more in the first three years. Another goal is removing 10% (300) of children from 24 hour care. (It is unclear how the number of 3000 children is ascertained.)

The real savings appear to be in adding a federal share to the CNOM (Cost Not Otherwise Matchable). Although this is extremely attractive to help with terrible budget problems in the next fiscal year, we may be blocking creative use of new federal dollars. From testimony it is not clear how Rhode Island would be held harmless under these conditions. It is doubtful that the federal government would agree to picking up some cost associated with programs that were previously state funded, then also providing full shares of increased funding. In better economic times, this idea could be very attractive because the state would have more funding available for unforeseen factors. We are very worried that our need will outstrip the five year cap of 12.1 Million dollars due to ever increasing needs related to the poor economy.

It is unclear how much of this application is driven by ideology. Under well thought out and consumer driven ideology, the waiver could make sense in some areas although it still would be risky.

Recommendation if the Global Waiver Passes:

Legislatively, closely monitor Medicaid expenditures in relation to service need. Take corrective action when needed. Very closely monitor consumer complaints.

#### VI: Transition Planning within DHS, the Community and by Consumers

There appears to be little guidance in the application devoted to the process of transition planning regarding the “Who, What, Where and When” processes. Taking shortcuts in any of these stages could have unforeseen and dramatically negatively impact on service recipients.

Recommendation if the Global Waiver Passes:

DHS capacity will need to be immediately ramped up and a process to “map” service expertise, service delivery, and geographic capacity needs to be developed and continuously monitored.

**Due to the numerous areas that lack detail and enormous changes that may occur which could**

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**lead to potentially severe service disruptions, we cannot support the application as it now stands. We would recommend, that since the deadline of January 19 appears to be self imposed by the legislature, an extension be considered to see what the new federal administration is planning in relation to economic stimulus legislation and economic policy as it relates to Medicaid.**

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Executive Director