

Survey: Switching Medicaid to managed care leads to difficulties obtaining medical services

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LAWRENCE — States across the nation are moving to a managed-care model for Medicaid in order to reduce costs, but a new study from the University of Kansas shows that nearly half of a sample of beneficiaries with disabilities affected by the change in Kansas experienced difficulty receiving services. That number, and the experiences of those individuals, shows that states need to closely monitor such changes and that savings might not always be worth the human costs, the authors say.

Kansas was among the first states to switch Medicaid to a managed-care model, known as KanCare, in which private, for-profit companies manage not only medical services but also the long-term care services for individuals with all disability types. Researchers surveyed more than 100 Kansas citizens who received Medicaid services, including those with physical disabilities, traumatic brain injury and intellectual disabilities. Forty-five percent of respondents reported difficulty in getting services they had received before the transition to the managed care system.

The survey is the first to directly ask individuals who receive Medicaid services about their experiences and was conducted in April 2013, shortly after the KanCare model was put into place. Numerous states have made similar transitions since then.

“Managed care is trying to work across care categories to cut costs,” said Jean Hall, director of KU’s Institute for Health and Disability Policy Studies, and one of the study’s authors. “There were concerns before this went into effect, and the takeaway message from what we found is there were many problems when they switched to a managed-care model.”

Hall co-authored the study with Noelle Kurth, senior research assistant at the Institute; Shawna Chapman of the Duke University School of Medicine; and Theresa Shireman of the University of Kansas Medical Center. It was published in the *Disability and Health Journal*.

The individuals surveyed were eligible for Medicaid home- and community-based services and have disabilities that require long-term support and in-home care. The goal of home- and community-based services is to enable individuals to remain in their homes, improve their quality of life and avoid excessive hospitalization or placement in nursing homes or treatment facilities, the authors said. Nearly half reported they had experienced difficulties since the change, such as loss of transportation services for appointments, loss of coverage for needed medical supplies, loss of coverage for needed medications, loss of personal care managers, communication and trust difficulties with managed-care organizations, out-of-state providers that would no longer accept the individuals’ health coverage and many others.

Those problems lead not only to difficulties for the individuals but often to greater costs for families and the state when hospitalizations increase. The researchers say the numbers indicate that efforts to save costs may not work or come at the expense of individuals’ health.

“This population of people with disabilities is a small part of those who qualify for Medicaid, but their needs are often greater than others, and we don’t want to see them lose services or end up in nursing homes,” Kurth said.

Previous studies have shown that while costs may decline initially after a switch to managed care, they often increase later as hospitalizations and related difficulties rise. Some of the problems have been addressed since

the survey, the authors note, and managed care can have positive outcomes. However, the problems in Kansas can serve as an example to other states looking to make similar transitions in the name of cutting costs. The findings make it clear that policy makers need to closely monitor any such transitions or consider potential difficulties before making a switch. It is difficult, though not impossible, to return to state-provided care after switching to managed care, the researchers said.

“It’s a system that needs a lot of attention and monitoring,” Hall said. “We’ve seen a lot of problems, but we also think many other problems won’t be apparent for several years. There is an expectation that people will continue to receive their services, but that isn’t the case necessarily. States need to go into this with their eyes open for all populations, not just the largest ones.”

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