

March 19, 2019

**VIA EMAIL**

The Honorable James C. Justice, II  
Office of the Governor  
State Capitol, 1900 Kanawha Blvd. E  
Charleston, WV 25305

**RE: Support H.B. 2010 – Foster Care Reform**

Dear Governor Justice:

On behalf of the members of the West Virginia Association of Health Plans (WVAHP) I encourage you to support and sign H.B. 2010 into law.

“This may be the single most important pieces of legislation we vote on as a body this session.” That statement was made by Senator Mike Maroney (R-Marshall County), chairman of the Senate Health and Human Services Committee, before the Senate voted 33-1 in favor of passage of the foster care reform bill (H.B. 2010). The bill took a long path to passage – heard in five different standing committees, one public hearing, two floor votes, and countless stakeholder discussions. To say this bill was carefully considered would be an understatement.

H.B. 2010 makes several reforms to the state’s foster care system. However, one of the most discussed provisions was transitioning the foster care system to a managed care model. During the legislative process some groups resorted to attacking managed care organizations to defeat the bill. The WVAHP represents the four managed care companies currently doing business in West Virginia. Although the foster care bill was not pushed or developed by WVAHP, we fully support it because our members feel they can aid the Department of Health and Human Services (DHHR) in serving our most vulnerable population.

In defense of managed care, we would like to bring to your attention a few facts that refute some of the positions taken by opponents of managed care.

**Managed care is a trusted partner**

Opponents of managed care would have you believe that managed care is a dangerous, unknown step in the wrong direction. However, facts and history tell a completely different story. Since 1996 West Virginia has partnered with MCOs to deliver the services of the Medicaid Program. Today, roughly 400,000 West Virginians (43% of whom are children) are being served through managed care in the Medicaid Program. Managed care is not new to West Virginia.

**Managed care for foster care is a proven model**

Forty-one (41) states' foster care systems are currently in some form of managed care. West Virginia would not be the only state to transition foster care to managed care. The Department has done its homework and has incorporated what works from other states into its draft RFP for the foster care system.

**WV's MCOs are staffed by West Virginians**

We heard it over and over during debate – “DHHR is handing its problems over to an out-of-state, for-profit corporation.” There are three points that refute this argument. First, the four members of WVAHP employ roughly 800 people in West Virginia – many of whom are medical or mental health professionals. All have offices in West Virginia. In fact, within a five-minute drive of the capitol one can get to all four MCOs in Charleston. One WVAHP member has its national corporate headquarters in Wheeling. Second, not all MCOs are for-profit. Two WVAHP members are not-for-profit entities. Third, H.B. 2010 requires that the successful bidder have at least 80% of its workers in West Virginia.

**MCOs provide better care management and coordination**

In public testimony during legislative interims it was stated that the current foster care system is bifurcated, and services sometimes are duplicated or not delivered. Further, record management is a challenge given the high mobility of the children moving in and out of foster care. Managed care is a solution for these issues. Selecting one MCO provides more accountability and management than the current system.

**Coordinating services versus denying services**

One of the chief fears articulated by opponents of a managed care system is that essential services will be denied – that foster parents are best to decide the medical care for children. MCOs cannot deny services for any reason. MCOs are held by strict standards in federal and state law as well as the terms of their contract with DHHR. In some cases, services that are ordered may not be medically necessary or conflict with other medical procedures or treatments that have been ordered. Yes, there is an important role for managed care to ensure the proper care is being delivered and that unnecessary services are not (i.e. double immunizations)

We agree that foster parents most likely know best. However, we know through testimony by the DHHR and others that many times the foster parent does not know the medical history of a child. We also heard testimony during interim legislative meetings that foster parents do not have a resource to help them set up appointments and find specialists, etc. This is exactly what managed care does. MCOs want to serve as a resource and help to foster families. In fact, H.B. 2010 requires that the successful bidder form a stakeholder group and meet quarterly in the first year, every six months thereafter, and report those findings to the Legislative Oversight Commission on Health and Humans Resources Accountability.

Finally, when considering who is caring for children, we sometimes forget that many children are with relatives who may not have the training or resources needed to identify medical conditions. Who is there to help the child with preventative care and treatment? Care managers employed by the MCO are there to do just that.

In closing, the WVAHP fully recognizes that transitioning foster care to managed care is not the silver bullet to our problems – but it is a big first step. The problems with foster care in West Virginia are rooted in broken families, substance abuse, and a feeling of no hope. Managed care cannot fix those problems. Managed care can provide solutions to the system once children are placed in foster care. We can bring accountability and better coordination. The transition will not be perfect, but we know for sure that the current system is not working.

Governor Justice, we hope you will consider the facts and historical performance surrounding managed care when deciding the fate of H.B. 2010. The members of WVAHP are ready to continue our partnership with the state in assisting with this great need. We recognize the task at hand. We encourage you to not let fear paralyze a system in crisis. Rather, allow the hope of potential solutions, a new direction, guide you. For these reasons, please support and sign H.B. 2010.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ben R. Beakes".

Benjamin R. Beakes  
Executive Director

Cc: The Honorable Bill Crouch, Cabinet Secretary – DHHR  
The Honorable Mitch Carmichael, President of the Senate  
The Honorable Roger Hanshaw, Speaker of the House