To: Chairperson Marvin Abney, House Finance Committee

Testimony of Kate McGovern in support of H. 5449 and 5628

Chairperson Abney, members of the Committee:

H. 5449: I urge you to require an audit of the privatization of Medicaid services and if supported by the findings, act to end the privatization.

Professionally, I am a trainer and practitioner of Lean process improvement techniques. The concept centers around value and efficiency. You may be familiar with Lean's use by Toyota, or by Vibco here in Rhode Island.

A Lean operation minimizes hand-offs that increase cost without adding value. Initially developed in manufacturing, the techniques have been successfully applied in other sectors, including public services. A Lean practitioner examining privatization would consider the time and effort to establish contracts, and the capacity to assure contractual compliance by multiple MCOs. You are likely to find that increased complexity means increased cost, without added value to Medicaid recipients or medical providers.

Connecticut found that the administrative cost of contracting out Medicaid services unnecessarily diverted program funds to MCOs. An audit can find out if we are experiencing a similar leakage of tax dollars here, paving the way for prudent action.

H. 5628: I urge you to implement a universal, single payer system in Rhode Island. We learned many lessons this past year about the importance of equal access to health care for everyone, regardless of race, ethnicity, or employment status. Aside from the moral imperative, there are many practical advantages to doing the right thing. I will briefly touch on two:

- Linking access to health care to employment is costly and inefficient. As we witnessed last year, it is also ineffective. More than 21,000 Rhode Islanders lost their jobs and their health insurance between February and May 2020. (pg. 15)
- As H. 5628 reports, "The state and its municipalities face enormous other post-employment benefits (OPEB) unfunded liabilities due mostly to health insurance costs. (pg. 16)

I urge you to pass H. 5628 to make health care a human right in Rhode Island.

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