



INDEPENDENCE
INCLUSION
INNOVATION

January 19, 2011

TO: Representative Bob Bethell, Chair, and
Members of House Committee on Aging and Long Term Care

FR: Tom Laing, Executive Director, on behalf of
InterHab: The Resource Network for Kansas with Disabilities

I am grateful to the Chair and the committee for this chance to discuss the developmental disability service network of Kansas. The House has often been the strongest voice in the Statehouse asking government to re-order its priorities to address the needs of Kansans with disabilities, their families, and the organizations that meet their service and support needs in the community. We thank you and urge your continuing interest in the lives of these important citizens and the organizations that help them.

Today I will walk you through three documents:

1. The telling of the numbers which illustrate the challenges we face.
2. An outline of our organization's agenda, our platform of ideas, for your consideration.
3. A briefing on a financing matter that we will ask you to consider this session.

But before we do that, I would ask that as you listen, you remember the human face of the issue, by considering this:

The world has changed for persons with intellectual disabilities more than it had previously changed during the entire history of humankind. We cannot go backwards. The era is over when families were encouraged to abandon their children born with disabilities. The era is over when states invested all of their service dollars in locked and isolated custodial institutions. The era is over when persons with intellectual disabilities were dismissed from the slightest consideration as valued persons in our society.

Today we are more true to the promise of our nation, that we are all equal in the eyes of the law. Kansans with disabilities who testify annually before the legislature prove this point. They represent humanity as much as you, or me, or anyone else.

We are one people. Denial of their opportunities we now understand is a denial of who we are as a people. If they are denied, we are denied. You can make a difference in these continuing efforts.

Please consider these matters and support our work to address them this session.

HOUSE AGING & LTC

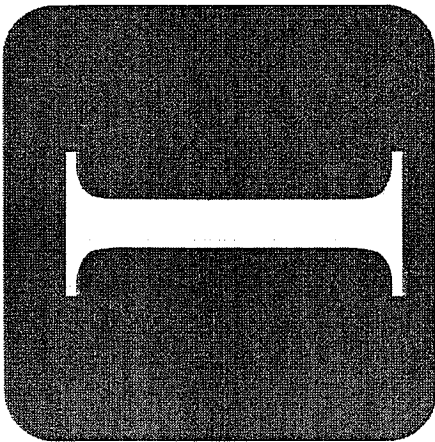
DATE: 01/20/11

ATTACHMENT #4

|F|785.235.0020

WWW.INTERHAB.ORG

KANSAS DEVELOPMENTAL DISABILITY UPDATE



INTERHAB

INDEPENDENCE • INCLUSION • INNOVATION

COMMUNITY CAPACITY

Despite the fact that community providers have successfully transitioned hundreds of persons out of costly institutions, the state has fallen woefully behind in adequately funding the community system. Compare these changes since 1993:

- State's DD Tech I position increased more than 75%
- Inflation increased more than 52%
- *The HCBS MR/DD waiver increased only 29% from rate increases given by the Legislature.*

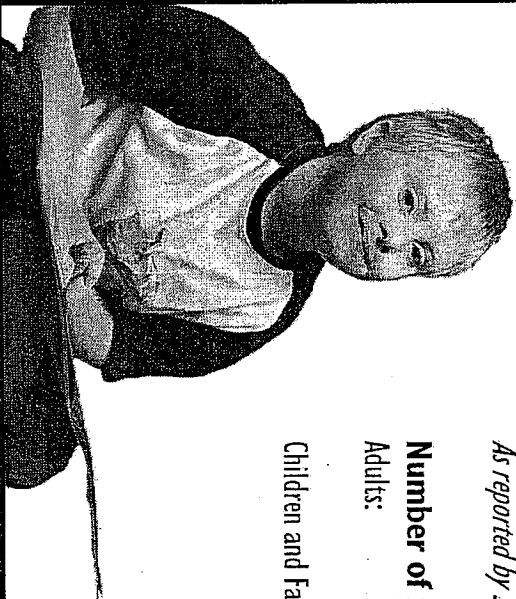
WAITING LISTS

The lists of persons with developmental disabilities has grown steadily since 1996. Currently, SRS maintains two waiting lists. One for children and adults who receive no services at all, and another for children and adults who need additional services to live successfully in our communities. Every year, approximately 300 new persons are added to the list.

Unserviced Waiting List*: 2,908 Children & Adults
 Underserved Waiting List*: 1,668 Children & Adults
TOTAL: 4,576 Children & Adults

**As of January 7, 2011*

THE PEOPLE



As reported by SRS January 7, 2011

Number of persons receiving services:
 Adults: 7,532
 Children and Families: 1,224

THE PRICE

Community services are underfunded compared to institutional services. Compare the average annual per-person funding:

Parsons State Hospital: \$135,415
 KNI: \$169,725
 Community DD Services: \$35,663

Direct care workers at the State's two DD institutions make a starting wage of \$12.35 per hour. Direct care workers doing the similar work in your community make an average wage of \$8.78 per hour.

2011 InterHab Legislative Platform

Assisting persons with developmental disabilities in increasing their independence, productivity, integration and inclusion into the community.

Quality-Based Community Expansion:

Expansion of service numbers requires expanded community capacity. Serving more persons requires a quality-based expansion of service capacity, in terms of program enhancements and human resource infrastructure.

To that end, InterHab fully supports passage of legislation which would allow Kansas to take advantage of potential changes to Federal regulations regarding applying a provider assessment to HCBS waiver-based services. A provider assessment could net the Kansas DD system an additional \$25 million for HCBS waiver-based services in its first year. However, even a provider assessment cannot provide the long-term solution to funding challenges that face the community DD system. InterHab urges the Legislature to adopt a multi-year funding strategy to ensure that community DD supports are funded adequately and reasonably, as called for by the Kansas DD Reform Act.

Improved waiting list management will better enable planning to meet waiting list needs of thousands of "Invisible Kansans". We must do a better job of assessing the needs of persons waiting for services, and presenting those needs to legislators, of both those who are under-served as well as those who are un-served. InterHab applauds the legislature's addition of funds in FY 2011 to help reduce the numbers of children and adults on the State's waiting lists, and calls for the Legislature to adopt a multi-year funding strategy to eliminate these lists entirely.

Responsive Programming and Services:

Children's needs must be addressed with meaningful financial resources applied to meaningful services, to maximize the long-term benefits of early intervention for children, and the long term savings for taxpayers. We will seek new funds for programs serving infants and toddlers with disabilities, advocate for protocols ensuring the rights of children with disabilities in foster care, and to assure that the needs of children with disabilities are included in all early childhood initiatives.

Programs to create employment opportunities must be nurtured. We must assure an expanded effort to promote employment and employment related training for persons with developmental disabilities. InterHab fully supports 'Employment First' legislative initiatives that will provide more opportunities for Kansans with developmental disabilities to work.

Family services must be designed/funded in a fashion that reflects unique family needs. We must develop family services that address basic family needs. Families are sometimes diverted into the most available funding stream (the current HCBS DD Waiver) but would be better assisted by more effective models (e.g. the Family Subsidy model, a new Family Services waiver, etc.).

Persons with challenging diagnostic profiles – including those with dangerous behaviors and emerging age-related medical conditions – require an immediate response from the State. InterHab calls on the State of Kansas to lead efforts that will build increased collaboration between the mental health and developmental disability service systems in order to better support these individuals.

System Management that Meets the Needs of Individuals:

DD Services must better meet the mandates of the DD Reform Act. A comprehensive review must be undertaken to assess the proficiencies of current service providers. The expansion of services, growth of non-licensed providers, and lack of adherence to core standards cause concern that standards for safeguarding consumers have been sacrificed in order to compensate for resource shortages. Quality-based standards must be established and maintained, and reimbursement rate structures must reflect a commitment to such standards.

Decisions regarding current institutional resources must be made within a context of how to allocate resources to best meet the needs of individuals with developmental disabilities wherever they live in the State. Specialized and technical supports and/or the resources invested in such supports must be considered as a part of the larger resource base for the Kansas system, and must not be lost in any move to consolidate or close institutional programs.



Policy Briefing:

Provider assessment program for HCBS DD waiver:

General Description:

Raise non-SGF revenues to draw additional Federal assistance for DD community reimbursement rates.

Background:

Federal law allows States to enact assessments on providers of certain services (most notably hospitals, adult care homes, and intermediate care facilities). Kansas has employed that Federal law to adopt provider assessments for hospitals and adult care homes.

In the provider assessment model providers contribute to the State's matching funds and thereby draw additional Federal funds for purposes specified in State laws which enact such provider assessments.

This law also allows CMS to adopt rules to allow classes of service providers to be eligible for provider assessments. CMS is currently considering a rule to add DD community services.

A provider assessment for Kansas DD community service providers:

In this session we will propose legislation to establish a provider assessment for Kansas DD community service providers, subject to the adoption of the rule at CMS, and CMS approval of the Kansas plan which would arise from the adoption of this legislation.

1. The assessment would:

- be established to the maximum extent allowed by Federal law, which is currently 5.5%, but which will rise to 6% at the end of Federal Fiscal year 2011;
- be assessed on all revenue received by a community service provider for waiver-defined services, but from Medicaid reimbursements, and private pay revenues;
- would enable the State to increase reimbursement rates for the HCBS DD waiver; and

2. The financial impact will be as follows:

In the first year, an estimated \$17.0 million in provider assessments will be collected, and will match an additional \$24.6 million in Federal assistance. In the out-years, further growth in this number will be far less inasmuch as the bulk of collections will be devoted to the already established increased reimbursement rates.

3. The collections from the assessment would:

- be dedicated to increase the State's financial matching funds for HCBS DD services;
- be directed by statute to adjust reimbursement rates for HCBS DD services (the actual percentage increase would not be in statute, but is estimated to be in the 7% range).

4. The impact of the provider assessment would benefit all DD community service providers.

Rationale for adoption of a DD provider assessment:

1. Reimbursement rates lag far behind every economic indicator which measures the purchasing power of the dollar.
2. The 2011 legislative environment faces a significant SGF shortage and we recognize that available SGF dollars in this session would more likely be directed to reduce the waiting list.
3. Another year of unadjusted reimbursements makes our hole deeper for the network and for the state in any effort to maintain a stable, reliable, trained work force.
4. The adoption of a provider assessment would help finance short term relief from further erosion of the purchasing power of our reimbursement rates, and therefore the system.

Rationale for acting in advance of the establishment of the CMS rule:

1. There is no risk in adopting the statute now. The language in the legislation would not allow the act to be implemented until the CMS rule is adopted.
2. There is a good chance that CMS will adopt such a rule this coming year. To enact this legislation now (rather than waiting until 2012) will allow benefits to the State's community service providers to begin sooner rather than later.