



To: Chairman Bethell, and Members House Aging and Long Term Care Committee.
From: Joe Ewert, KAHSA Government Affairs Director
Date: February 15, 2011
Re: HB 2148

Testimony on HB 2148

Thank you, Mr. Chairman, and Members of the Committee, for this opportunity to speak to you on HB 2148. My name is Joe Ewert and I am here on the behalf of the Kansas Association of Homes and Services for the Aging. KAHSA represents 160 not-for-profit long term care provider organizations throughout the state. Over 20,000 senior Kansans are served by our members, which include retirement communities, nursing homes, hospital-based long term care units, assisted living residences, senior housing and community service providers.

Several of our members are organized as continuing care retirement communities (CCRC) and have been providing valuable services to their communities for many years. Our CCRC members provide a variety of living and service options for those residing in their communities such as housing and property management, transportation, health care, social service, wellness programs and physician services. The number and variety of services provided are unique to each community. A variety of contracts and payment arrangements have been developed to fit the needs and abilities of local markets. The majority of CCRC's in Kansas use more than one fee structure.

Entrance into a CCRC may involve a significant investment or commitment on the part of the consumer. We agree with the intent of the Insurance Departments statutes. In its role to protect consumers, the state of Kansas sets basic parameters for the registration of CCRC's to encourage secure and transparent options for senior living. In studying HB 2148, however, we are unsure how it will enhance the security or transparency of CCRC's in Kansas.

HB 2148 includes new statutory language regarding the initial registration process and the related fees. HB 2148 calls for new rules and regulations regarding the information a CCRC applicant must submit, and requires the Kansas Insurance Commissioner to conduct hearings on new applications. A significant increase in the application fee accompanies the addition of the hearing process, and promulgation of new rules.

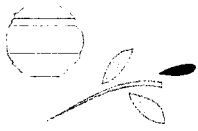
K.S.A. 40-2235 currently authorizes the Commissioner to conduct a hearing on an application for registration or continuation if it suspects an applicant is not in compliance with the act. Additionally, we believe the new requirements listed on lines 24-28 of HB 2148, (Sec. 3. K.S.A. 40-2235(c)(1-3)) are currently duplicated in K.S.A. 40-2232, which outlines the content of initial and annual disclosure statements provided to current and potential clients, and the Kansas Insurance Commissioner.

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HB 2148 places additional requirements on entrance fee arrangements CCRC's may use in servicing their communities. In studying this bill with our membership, we were unable to determine what effects the new entrance fee requirements would have on CCRC's across Kansas. As many of our members have been forced to alter or adopt new fee arrangements in this down economy, we ask for caution in pursuing new requirements that could limit the payment options our members can provide to their communities.

Continuing care retirement communities offer valuable services that can enhance the quality of senior living. We would be happy to assist the members of the committee in contacting some of our CCRC members for more information on their history and the services they provide. We would be pleased to participate in further discussion.

Thank you for your time. I would be pleased to answer questions.

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