

Written Testimony to the Kansas House
Health and Human Services Committee on
HB 2867

By Paul Wurth, Director and Owner
Gatewood Care Center
Nursing Home Facility
February 23, 2004

Mister Chairman and Members of the Committee:

Thank you for the opportunity to submit written testimony today in support of H.B. 2867.

Gatewood Care Center is a licensed 46-bed facility in Russell, Kansas. We are so pleased that your Committee is considering action that could stem the current tide of the increased costs of Liability Insurance. Action is necessary on this issue as it truly threatens the viability of our facility.

Our recent premium history is as follows:

02/01/00-01	\$ 7,559.00
02/01/01-02	5,207.00
02/01/02-03	5,007.00
02/01/03-04	25,577.72
02/01/04-05	\$48,000.00

We have not had any liability claims made or paid at Gatewood Care Center. We have an excellent survey history – no level “G” deficiencies. We are a total Medicaid facility with rates of \$69.00 per day. We have no way to pass these increased costs on to our clients. As the Committee is aware, our rates were fixed as of 12/31/01 and our only avenue of increase comes from a state determined inflation factor.

Our dilemma is this: we are forced to choose between either to not insure for liability or to close the facility. These are not good choices for us to have to consider. If we choose not to insure, we would join some 25% of the Nursing Homes in Kansas who do not have insurance. And, if we close, the lives of our 46 residents will be compromised.

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We believe that if this Bill (H.B. 2867) or a bill similar in content were passed, then we may find a renewed interest on the part of Liability Carriers to come back to Kansas. With competition, rates should decrease. This bill should also reduce the number of filed suits that have no merit. Certainly the State's Medicaid Program would be assisted as they pay the lion's share of all the Liability Insurance costs of Adult Care Home in Kansas.

Again, thank you for your efforts in this matter. Liability Insurance is truly a problem that could direct the future of Kansas Nursing Homes.