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TO: Senator Beverly Gossage, Chair
Members of the 2023 Special Committee on Intellectual and Developmental Disability Waiver

FROM: Colleen Himmelberg, CEO-Cottonwood, Inc.

RE: Funding Needs for I/DD Service Providers

While most I/DD service providers are non-profit corporations, we must operate as a business and understand that revenue is the critical component to service provision. No business would survive without adequate revenue to cover their costs and have enough margin to reinvest in the growth and development of the company. Business analysts continually look at how to increase revenue, contain costs and compete for sales, employees, etc. When costs rise, businesses increase prices to generate revenue.

In any business, the main expense is labor. People do the work and people cost money. People expect to advance their salaries year over year, and it is reasonable to expect at least a cost-of-living adjustment. Revenue must keep up with the costs.

In the I/DD provider arena, the revenue is controlled by the government. While the state of Kansas gave a monumental increase on 2022, we must continue to keep pace and we must understand that rates for services directly impact the financial health and stability of the providers that are necessary to serve the most vulnerable of our population.

It is a critical step to determine a process for studying rates and for “keeping up with the times.” Companies across the globe are analyzing and assessing their financials to cover the rising cost of health care, sky-rocketing wage demands and the continuing costs of equipment and supplies.

A rate study process is an effective strategy to keep I/DD service providers aligned with the state and global economy and provides a fair basis for which to determine costs and associated revenues. We must act this year to ensure this strategy is enacted upon. We must build a future framework for which service providers can remain strong and be positioned to continue the quality and quantity of services so necessary in our state.

Sincerely,

Colleen Himmelberg, CEO