



DEVELOPMENTAL SERVICES OF NORTHWEST KANSAS, INC.

ADMINISTRATIVE OFFICE

2703 Hall
(785) 625-5678
Fax number (785) 625-8204

P.O. Box 310
Hays, KS 67601
www.dsnwk.org

February 20, 2013

TO: Representative Brian Weber, Chair and Members of the Social Service Budget Committee

FR: Jerry Michaud, President, Developmental Services of Northwest Kansas (DSNWK)

RE: Support for HB 2029; exclusion of HCBS/IDD waiver programs from KanCare

Thank you Representative Weber and members of the Committee for this opportunity. My name is Jerry Michaud. I am President of Developmental Services of Northwest Kansas (DSNWK). For 45 years, DSNWK has provided community services to persons with intellectual and developmental disabilities. We cover 18 counties of northwest Kansas, more than 17,000 square miles. We serve over 500 individuals and employ nearly 500 staff members.

We support HB 2029, and I want to comment on just two of our reasons:

1. The enormous expenses we already face in our work with KanCare contractors, and
2. The foundation of services in this State is built on the local cooperation, beginning with county governments and community service groups. KanCare undermines proven and effective local decision making.

Administrative complexity is expensive:

During the 2012 legislative session the HCBS Waiver (long term services and supports) was excluded for the first year of KanCare. Intermediate Care Facilities (the community run ICFs, not the State run ICFs in Parsons and Topeka) for persons with I/DD, were not excluded, and became a part of KanCare on January 1 of this year.

So, our organization and 2-3 others have experienced KanCare, and can tell you now the issues that confront us, in serving a handful, and ask you to consider how that will be magnified by serving nearly 8,000 more persons that way in 2014.

Our ICFs are group living homes. We serve 5 persons in one home and 6 in another home. These were opened at the encouragement of the State at the time of the closure of Norton State Hospital. Literally millions of dollars have been saved for the State because DSNWK agreed to open these services in northwest Kansas. Under KanCare, an unnecessary and expensive level of administrative complexity has been superimposed onto the system.

A Nationally Accredited Private Agency Serving Individuals
Experiencing Disabilities and Living in Northwest Kansas


Social Services Budget
FEBRUARY 20, 2013

ATTACHMENT # 31

Just to continue to do what we currently do, each MCO contract proposed different contracting procedures. All their proposed contracts were cookie cutter contracts, approved by the State of Kansas, which were nearly devoid of any specific ICF/MR reference and completely lacking in any required expectations for ICF/MR services.

As a provider, to ensure service expectations were a part of each contract, we had to spend money on attorneys to remove contract language that did not even pertain to the service we provide and add language to incorporate ICF/MR expectations into the contract.

Today, we are still without a contract with any of the three MCOs. We have experienced delays in the review of contract drafts, a lack of knowledge of the ICF/MR requirements and a resistance to adjusting the 'state approved contract', even though the 'approved' contract makes no sense as it relates to ICF services.

The true implication of including all I/DD services into KanCare's inclusion of LTSS is that our experience and frustration will be multiplied hundreds of times over as each person served and each organization providing service will be overwhelmed by a system that was quickly designed, without knowledge of the I/DD population, and with no apparent regard for how their new bureaucracies will cost more than the current system, which will come directly out of budgets that are already tight.

And if that isn't enough, payments for our services under KanCare are in arrears more than \$130,000 in less than two months.

Disrupting a well running program with broad community support:

The Kansas I/DD network is efficiently administered, responsive to the needs of its beneficiaries, and cost effective. The system is locally managed, and has effectively partnered with the state and county governments.

Last year, all 18 county commissions in our area supported the carve out of our services from KanCare. They knew, as you know, that vastly more complex private sector administrative structures will not improve services. Their and our fears are already becoming confirmed. Our programs are becoming more expensive solely to pay for new administrative layers, at the expense of services which are already underfunded.

I am here today to support the permanent exclusion of LTSS from the managed care model, KanCare. This permanent carve out of life-long services and supports for persons is the right thing to do for persons with I/DD, for our communities, and our State.

Social Services Budget
FEBRUARY 20, 2013

ATTACHMENT #3 ~ 2