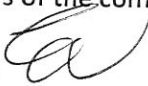




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**To:** Senate Ways and Means Committee  
Sen. Carolyn McGinn, Chair, and members of the committee

**From:** Tim Wood – Executive Director, InterHab 

**Re:** SB 173

Chair McGinn—

Thank you for the opportunity to provide testimony on SB 173. I am the executive director of InterHab, which represents community-based service providers and community developmental disability organizations (“CDDOs”) across the State, and has been collaboratively engaged with the State for every program reform and program redesign for more than 40 years.

The HCBS I/DD system is in peril. Unlike many other supports and services provided to Kansans, the I/DD system is primarily funded through Medicaid reimbursements. Unfortunately, the current reimbursement rates for services provided are no longer sufficient to sustain and promote innovation in the system.

As you will hear today, InterHab members are united in their call for and support of SB 173. For a number of years, they have communicated to the State and the legislature numerous examples of the injurious choices required by insufficient reimbursement rates. Their stories today will build on this theme, but stress the urgent need for bold, positive change.

The last HCBS rate increase occurred in FY 2008. Since that time, the purchasing power of the dollar has decreased 13%, rendering most community service providers unable to compete in local labor markets. Providers are thus required to heavily rely upon overtime wages to cover current staffing needs. Couple this with the 76% decrease in SGF funding for HCBS over the same period—funds used to provide services to Kansans with developmental disabilities that are not covered by the Medicaid I/DD waiver—and you have a system of supports and services that is acutely underfunded.

Fortunately, the legislature has already endorsed the idea of raising Medicaid funds to address staffing needs. In response to personnel and safety issues at Osawatomie State Hospital (“OSH”), and in recognition of the link between proper staffing levels and quality outcomes for persons served, the legislature allocated to OSH an additional \$2 million—a 7% increase from the previous fiscal year’s budget.

SB 173 provides a similar infusion of funds into the HCBS system, and will do so at a point when total system failure is still avoidable. Additionally, it will do much to restore the strong, collaborative relationship between community service providers and the State. Without this rate increase, providers are left with two options: (1) severely curtail supports and services offered in the community; or (2) close

altogether. Regardless of the choice made, the immediate and long-term effects on Kansans with developmental disabilities would be no less than tragic.

Please recommend SB 173 for passage. I appreciate the opportunity to provide testimony, and am available for questions.