

MINUTES OF THE HOUSE KANSAS FUTURES COMMITTEE

The meeting was called to order by Chairman Carlos Mayans at 1:30 p.m. on January 23, 2001 in Room 526-S of the State Capitol.

All members were present except: Representative Gene O'Brien - excused

Committee staff present: April Holman, Legislative Research Department  
Lynne Holt, Legislative Research Department  
Amy Kramer, Legislative Research Department  
Lois Hedrick, Committee Secretary

Conferees appearing before the committee:

Linda Gray - Executive Director, Assisted Living Federation of America/Kansas Chapter (ALFA), Wichita  
Troy Florian - ALFA Board Member and General Manager, Senior Services for Brighton Gardens, Prairie Village  
Marla Lopeman - ALFA Division Vice President and Alterra/Sterling House HealthCare, Wichita  
John Gonzalez - ALFA Regional Director of Operations, Wichita

Others attending: See attached list.

The meeting was called to order by Chairman Mayans at 1:30 p.m. The minutes of January 16 and January 18, 2001 were distributed and approved.

The Chairman noted that April Holman's memorandum, responding to an inquiry about the South Dakota Governor's Good House Program, had been distributed to committee members (Attachment 1).

Chairman Mayans reminded members that the passage of Senate Bill 8 in 1998 had the intent of providing alternatives to adult nursing homes and, as a result, created the assisted living issue. He stated today's meeting was to inform members about the assisted living industry.

Linda Gray described the objectives and services offered by the national/state organization of ALFA-KAN, and especially its offer to provide training sites for the state Department of Health and Environment's (KDHE) state surveyors who monitor assisted living centers; and is desirous of developing a liaison between its members and the Legislature. See testimony (Attachment 2). She also noted that California offers long-term-care insurance as part of their cafeteria-style insurance plan, and recommended that Kansas consider such inclusion. Noting that many assisted living facilities do not take Medicaid clients and many rural communities are without such facilities, the Chairman asked if ALFA had considered ways to overcome the situation. Ms. Gray replied that perhaps such services could be provided through community hospitals. She noted that currently there are 50,000 over age 85, and 65,000 over age 62 in Kansas. In response to Vice-Chairman Bethell's question regarding personnel training, she noted Kansas requires only 21 hours of study to pass the certifying state examination. ALFA-KAN plans to extend its course to offer an additional 20 hours to assist in preparing for the national certification. Currently, depending on the extent of services needed, costs to reside in a long-term-care facility range from \$900 to \$4,000 a month.

## CONTINUATION SHEET

MINUTES OF THE HOUSE KANSAS FUTURES COMMITTEE, Room 526-S, State Capitol, at 1:30 p.m. on January 23, 2001

Troy Florian described the Brighton Gardens facility as a 164-bed facility, with 25 Alzheimer's patients and 25 nursing beds. On questioning, he noted their staff is trained to handle dementia cases.

John Gonzalez stated his belief that the long-term-care industry needs increased state support, specially trained state surveyors with respect to Alzheimer's, and a pro-active outcome-based partnering of the state and the industry. KDHE indicates 98% of their surveys are complaint-driven. The challenge for long-term-care is to remain affordable in view of increased labor, insurance, utilities and fuel costs. Between 5 to 7% of Alterra residents (about 900 people) are Alzheimer's clients. There is a growing demand to provide services to low income seniors and provide needed funding. Also, there needs to be proactive partnering of the industry and KDHE to assure quality care through training, and a consistency by State surveyors in the application of regulations and citations.

Marla Lopeman described Alterra's operations to meet the challenges of the aging. She stated Joe Krull at KDHE has been asked to review their policies (especially relating to services being provided by long-term-care facilities) and making them proactive rather than punitive in nature. She stated the Medicaid payback to providers does not consider the high acuity needs of patients or the multiple services required to be performed by the facility. Alterra's base service rate is \$1,700-1,800 to \$3,000 a month. Alzheimer's care costs are higher. It is hard for providers to break even. She noted that most residents to these kinds of facilities come from within a 15-mile radius. Ms. Lopeman indicated she would provide an estimated projection of future costs for Alterra.

The Chairman asked if Alterra had considered educational and vocational partnerships to train immigrants and others for jobs in their facilities. Ms. Lopeman indicated they have cooperated in such a program in Kansas City for chefs and some have been hired.

Ms. Lopeman then presented a slide presentation of the Cooper's Study, displaying:

- 52.2% of assisted living residents have some level of dementia or Alzheimer's.
- There is increased need for LPN's and RN's due to increased acuity needs; thus a need for the higher educated nurse.
- Staying affordable is the real challenge with increased labor, insurance, utilities and food costs.
- Private pay costs will continue to increase Home-Community Based Services (HCBS) reimbursements. There are between 5 and 7% of HCBS residents in the state (about 900).

She continued, there is a philosophical debate about health care and it places the industry in the middle of it. Most aging want to age in place. One of the challenges specifically in Kansas is to attain proactive partnering with KDHE to deliver quality care. There is a need for consistency in the application of regulations and citations, and to develop a policy for informed resolution of disputes.

Representative Sloan asked what were Alterra's projections of costs for assisted living care for the next 20-30 years and if they have determined how to deal with the aging rural population. Ms. Lopeman stated she would provide a response. Rural service is a problem in that most people are at a lower income level, have less education, and staff members desire to work near their own home. She indicated there is a program in Wichita to train Latinos for some jobs in the facilities.

The next meeting is scheduled for January 24, 2001.