

Approved: March 30, 2011
Date

MINUTES OF THE JOINT HOUSE AGING & LONG-TERM CARE COMMITTEE AND THE
SOCIAL SERVICES BUDGET COMMITTEE

The meeting was called to order by Chairman Bob Bethell at 8:37 am. on March 28, 2011, in Room 144-S of the Capitol.

All members of both committees were present except:
Representative Scott Schwab – absent

Committee staff present:

Amy Deckard, Kansas Legislative Research Department
Katherine McBride, Office of Revisor of Statutes
Craig Callahan, Kansas Legislative Research Department
Evelyn Walters, Committee Assistant, Aging and Long Term Care Committee
Nancy Fontaine, Committee Assistant, Social Services Budget Committee

Conferees appearing before the Committees:

Richard Shank, Alliance for Kansans with Developmental Disabilities
Tom Laing, Interhab, Inc.

Others attending:

See attached list.

Chairman Bethell opened the Hearing on:

SB- 210 Assessment on providers of developmental disability waiver program

Amy Deckard reviewed **SB -210** with Supplemental Note. Questions were asked by Representative Weber, Representative Mast, Representative Ballard and Representative McLeland.

Representative Bethell asked Gary Haulmark, Legislative Director of Kansas Social Services and Rehabilitation Department if he had any comments. Mr. Haulmark declined comments today.

Proponents:

Richard Shank provided testimony (Attachment 1). Questions were asked by Representative Mast, Representative Weber, Representative Crum, Representative Wolfe-Moore and Representative Ballard.

Tom Laing provided testimony (Attachment 2). Questions were asked by Representative Kiegerl, Representative McLeland and Representative Bethell.

Written testimony provided Dale Tower, Executive Director, CDDO of Butler County (Attachment 3) and Maury L. Thompson, Executive Director, Johnson County Developmental Supports (Attachment 4).

No other conferees on **SB- 210**.

Chairman Bethell closed the hearing at 9:21 am.

Discussion initiated by Representative Vickrey.

Representative Vickrey moved to pass SB 210 favorably. Seconded by Representative Wolfe-Moore.

Comments were made by Representative Crum, Representative Otto, Representative Ballard, Representative Henry, Representative Vickrey, Representative Kiegerl, Representative Goodman, Representative McLeland, Representative Bill Wolf, Representative Flaharty and Representative Weber.

Representative McLeland moved an amendment that money shall not be for salaries above \$40,000. Representative Crum seconded. Motion failed.

Motion on SB 210 carried unanimously in Aging and Long Term Care Committee.

3/28

CONTINUATION SHEET

Minutes of the Joint House Aging & Long Term Care Committee and the Social Services Budget Committee at 8:37 am on March 28, 2011, in Room 144-S of the Capitol.

Motion on SB -210 carried 6 to 3 in Social Services Budget Committee.

Recorded voting yes: Representatives Ballard, Bethell, Bowers, Flaharty, Gonzales, Henderson, Henry, Hill, Kelly, Kiegerl, Mast, Otto, Vickrey, Weber, B. Wolf, K. Wolf, Wolfe-Moore.

Recorded voting nay: Representatives Crum, Goodman and McLeland.

The meeting was adjourned at 9:53 am.

TESTIMONY BY RICHARD SHANK OF HUTCHINSON
REPRESENTING THE ALLIANCE FOR KANSANS WITH
DEVELOPMENTAL DISABILITIES

TO: HOUSE OF REPRESENTATIVES

I AM RICHARD SHANK APPEARING ON BEHALF OF THE
ALLIANCE FOR KANSANS WITH DEVELOPMENTAL
DISABILITIES.

THE ALLIANCE CONSISTS OF ORGANIZATIONS IN 17 CITIES AND
TOWNS IN KANSAS THAT PROVIDE CARE FOR ABOUT 1500
KANSANS WITH DEVELOPMENTAL DISABILITIES AND EMPLOY
ABOUT 3000.

DURING THE PAST YEAR IT HAS BEEN MY GOOD FORTUNE TO
WORK WITH THE ALLIANCE.

AS YOU LEGISLATORS KNOW, FUNDING FOR PROGRAMS TO
HELP THE DEVELOPMENTALLY DISABLED HAS BEEN FLAT FOR
THE PAST 15 YEARS OR MORE. IN 1995, OUR ENTRY LEVEL JOBS
PAID \$7 PER HOUR. IN THOSE DAYS, WE COMPETED WITH
NURSING HOMES FOR GOOD EMPLOYEES. TODAY, THOSE SAME
JOBS ARE ADVERTISED FOR \$7.70 PER HOUR.

SO IT SEEMS THAT WE ARE UNABLE TO COMPETE WITH THE
WAGE SCALE OF OTHER BUSINESSES.

THIS MORNING I NOTED A SIGN AT THE CORNER OF EIGHTH
AND TOPEKA BOULEVARD ADVERTISING FOR PIZAA DELIVERY
DRIVERS FOR \$9 TO \$15 PER HOUR.

THESE SAME EMPLOYEES ARE OFTEN CALLED UPON TO DEAL
WITH LIFE AND DEATH ISSUES ON THE CRITICAL CARE OF OUR
CLIENTS.

AND, EMPLOYEES IN STATE INSTITUTIONS EARN FAR MORE
THAN OUR ORGANIZATIONS CAN OFFER.

Social Services Budget Committee

Date Mar. 28, 2011

Attachment 1

ALSO, OUR FACILITIES ARE UNDERSTAFFED TO HANDLE THE GROWING NEEDS OF THE RESIDENTS. AS ONE ALLIANCE MEMBER TOLD ME THIS WEEK, IT SEEMS THAT WE ARE FALLING FURTHER AND FURTHER BEHIND WITH MANY OF OUR EMPLOYEES BEING OVER WORKED AND SOME ARE SUFERING THE EFFECTS OF BURNOUT.

OTHER EXPENSES INCLUDING HEALTH CARE FOR OUR EMPLOYEES ARE EXPERIENCING A METEORIC RISE.

IT IS NOT MY INTENT TO BE A MESSENGER OF GLOOM AND DOOM BUT TO STATE THE FACTS AS WE SEE THEM.

REPRESENTATIVES, WE FEEL THAT PASSAGE OF SENATE BILL 210 WILL BE A MAJOR FIRST STEP IN ADDRFESSING MANY OF THE ISSUES.

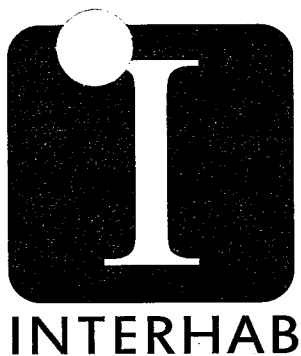
IN THESE DIFFICULT ECONOMIC TIMES, IT WILL PROVIDE BADLY NEEDED REVENUE TO ALL THE ORGANIZATIONS IN THE STATE WITHOUT COST TO KANSAS TAXPAYERS.

AND, THERE WILL BE NO LOSERS WITH THIS PIECE OF LEGISLATION.

IN OUR DISCUSSIONS OF SIMILAR ORGANIZATIONS FROM THROUGHOUT THE STATE, IT SEEMS THAT WE ARE UNITED IN SUPPORT FOR PASSAGE OF SENATE BILL 210.

PASSAGE OF THIS PIECE OF LEGISLATION WILL BE A GIANT STEP FORWARD TO UPGRADE THE CARE OF THE MOST SPECIAL PEOPLE IN OUR SOCIETY.

THANKS REPRESENTATIVES FOR THE OPPORTUNITY TO PRESENT OUR POINT OF VIEW.



INDEPENDENCE
INCLUSION
INNOVATION

March 28, 2011

TO: House Committees on Aging and Long Term Care, and Social Services Budget
FR: Tom Laing, Executive Director, InterHab
RE: Senate Bill 210, a provider assessment to enhance Home and Community Based Developmental Disability Services reimbursement rates.

It is a rare day when a relatively simple action by the Legislature can have a significant impact on our broad network of developmental disability community service providers. It is even rarer when a meaningful financial investment in our system can be made without having to add a single additional state general fund dollar to our budget.

Happily, I can report that is exactly what we have a chance to accomplish this year – by passing SB 210 to make possible a badly overdue investment in community DD-reimbursement rates, without asking for a single dollar of additional state general fund assistance.

Bill Summary:

Senate Bill 210 would position the State and the Community to adopt a provider assessment for HCBS/DD services, which would make possible an immediate enhancement for the HCBS/DD reimbursement rate structure.

An assessment of 5.5% on the HCBS-service income of community service providers would be added to the State's Medicaid matching fund, for the single purpose of raising reimbursement rates. Those dollars would then be matched by Medicaid, and the assessment which the State estimates to be \$19.9 million would be matched by an additional \$26.9 million in Federal funds.

As noted in the bill, the matched funds would be utilized in the DD system to effectuate an uniform percentage rate increase for HCBS/DD services, which have uniformly lost significant purchasing power in recent years.

In the attached testimony (from Matt Fletcher of our office) given during the Senate hearing, you will find ample justification of the need for these immediate rate increases.

Social Services Budget Committee
Date Mar. 28, 2011
Attachment 2

History:

Federal law has allowed provider assessments across the nation for many years to enable providers' resources to be invested in state match pools to raise reimbursement rates. The practice was adopted in Kansas for hospitals, and was expanded last session to include adult care homes. The legislature was right to adopt provider assessments for hospitals and adult care homes, and would be right in extending that same opportunity to providers of HCBS services to persons with developmental disabilities.

CMS review:

Even with passage of the bill, the process will still await a decision from CMS to add HCBS/DD as an eligible class of services. CMS officials are currently considering the proposal to do this. We believe that decision will come during this calendar year, perhaps within a few months. If SB 210 is passed, it will only take effect if and when CMS approves HCBS/DD as a new class of eligible services. If, as we expect, CMS approves the proposal, SB 210 will have put Kansas in a position to immediately apply the law, without waiting months for the next legislative session. Delaying this matter until the 2012 session could cost us many millions of needed dollars.

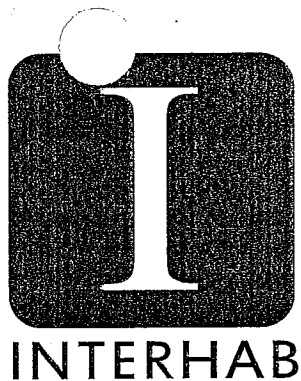
Protections for community organizations:

As with similar legislation, this bill would prevent future legislatures or administrations from redirecting these funds away from their intended purpose, and to prevent these funds from being used to supplant existing funding. Additionally, this methodology would be terminated if reimbursement rates were cut, or if eligibility was tightened to eliminate services for persons with developmental disabilities. Provider assessments will supplement State efforts to maintain quality services. Provider assessments should not be redirected into other purposes.

Summary:

- Senate Bill 210 would benefit all HCBS DD community service providers if CMS approves this new class of service under the federal provider assessment law.
- There would be no cost to the State, and the resulting revenue would allow for a uniform percentage rate increase for all HCBS services.
- Such rate increases are long overdue, and Senate Bill 210 should be passed for the great potential it offers to help address these rate needs.
- We strongly urge a YES vote for SB 210, the most significant step for adequate HCBS/DD reimbursement ever considered by the Legislature.

In a year when SGF dollars are in short supply, SB 210 would allow our system to reinvest its own resources to draw new Federal dollars to Kansas. Therefore, we strongly encourage your committees' endorsement of SB 210.



INDEPENDENCE
INCLUSION
INNOVATION

March 11, 2011

TO: Senator Carolyn McGinn, Chair,
Members, Senate Ways Committee

FR: Matt Fletcher, Associate Director, InterHab

RE: SB 210: Building Capacity in the Kansas Community Developmental Disabilities Service System

Thank you Senator McGinn and members of the Committee for the opportunity to speak to you today regarding the merits of SB 210, and the needs of the community-based service system for Kansans with developmental disabilities.

Senate Bill 210 provides an excellent opportunity for a substantial and sustained investment in the Kansas DD service delivery system. You will hear from other conferees the "how" of Senate Bill 210 – how it will bring additional federal dollars to the State, without the need for any additional State funds. I wish to impart to you the "why".

Providers of services to Kansans with developmental disabilities are tied to a reimbursement mechanism that has seen few adjustments in the past two decades, service providers have watched as expense has steadily risen. They are increasingly faced with critical budget decisions which have direct impacts on the level and quality of service that can be offered. They have made the cuts, and have then cut some more.

- *Many Kansans with developmental disabilities who don't qualify for the HCBS DD Waiver have lost services, or experienced a severe reduction in services.*
- *Direct care worker jobs have been eliminated.*
- *Kansas families who have children with developmental disabilities have lost their family support assistance – vital funding that helps a family keep their child in the home.*
- *Transportation for persons with developmental disabilities has been reduced, or eliminated.*
- *Smaller residential settings (2-4 persons) have been closed, with persons moved to larger congregate settings (6-8 persons), representing a back-slide of the State's decades of commitment to increasing the independence of Kansans with developmental disabilities.*
- *Costs of fringe benefits to staff have risen such that health insurance and paid time off, for example have been reduced for many of our employees.*

Underfunding of the Kansas DD rate structure is not in dispute by anyone who has examined the facts.

Consider the following data from the University of Minnesota's College of Education and Human Development. In 1993, the per-person cost for DD services in Kansas was \$49,418. In 2008, the per-person cost for DD services in Kansas was \$42,483. All of the states surrounding Kansas experienced a growth in per-person costs during that same time frame. Nationally, the increase in per-person cost for DD services was 14.3% during that time. In Kansas, during that same period, we declined 14%.

In the Governor's Budget Report for FY 2006, the Governor stated that:

"For a number of years, significant inequalities between the beginning salary ranges for state hospital employees and similar direct care positions in both the state and private sectors have been developing. Such inequalities have led to high employee turnover, which has been costly in terms of training, recruitment, and employee performance."

It is clear that, years ago, the State concluded that higher wages equal lower turnover. However, the State's application of this remedy stopped at the property lines of its own two institutions.

While SB 210 won't capture enough funds to bring community Direct Support Professional wages and benefits up to the level of State direct care workers, it will provide a significant boost to providers' efforts to attract and retain a quality workforce of Direct Support Professionals.

Factor of Safety:

There's an engineering term – "Factor of Safety" - that refers to the structural capacity of a system beyond the expected load or actual load placed upon it. For the Kansas community-based developmental disabilities service system, the "factor of safety" is in danger of being exceeded due to the past two decades of underfunding.

While the community DD network would like to accomplish big things, such as reducing or eliminating the DD waiting lists, they must first address the system's capacity issues. To ignore crumbling capacity while expanding the numbers in the service system will only further dilute the collective resources these organizations have been able to assemble in their community. It would also put the system in jeopardy of compromised quality in the delivery of services.

Senate Bill 210 will help to stabilize the Kansas community DD system. It is essential that you protect the potential new funding embodied in SB 210 for use in addressing the capacity needs of the DD system. Any other use of these funds would place further stress on a system that is already in danger of exceeding its "factor of safety".

"A field of choices...
Where abilities grow"



March 25, 2011

TO: Representative Bob Bethell, Chair and Members of the Aging and Long Term Care Committee
Representative David Crum, Chair and Members of the Social Services Budget Committee

FR: Dale Tower, Executive Director, CDDO of Butler County

RE: SB 210

**Testimony on SB 210 Developmental Disabilities Provider Assessment
Monday March 28, 2011**

Thank you, members of the committees, for the opportunity to provide this testimony. The Community Developmental Disability Organization (CDDO) of Butler County is supportive of Senate Bill 210, the Developmental Disabilities Provider Assessment.

SB 210 in its current form will benefit persons served and service providers. New funds obtained through the assessment will improve the quality of care for people with disabilities by helping providers retain staff and recruit quality potential employees. SB 210 will provide nearly half a million dollars of new funds yearly to Butler County. The additional funding is very important in assuring the best health, safety and productivity outcomes possible.

The Community Service Providers in Butler County will be better able to meet cost increases in utilities, food, fuel, recruiting workers and health and worker's compensation insurance. Direct care workers are frequently injured when managing behavioral issues or providing personal care. Reimbursement rates have not increased to help cover rising costs of providing services and unexpected expenses.

Again, on behalf of persons served and community service providers in Butler County we support SB 210 without amendments.

226 S. Main El Dorado, Kansas 316-322-8777 fax: 316-322-8884 www.cddobutlercounty.com
"A field of choices.....Where abilities grow"

Social Services Budget Committee
Date Mar. 28, 2011
Attachment 3



TO: Representative Bob Bethell, Chair and Members of the Aging and Long Term Care Committee and Representative David Crum, Chair and Members of the Social Services Budget Committee

FROM: Tim Cunningham
Executive Director, Tri-Valley Developmental Services

RE: SB 210

Administrative Offices
3740 S. Santa Fe
P.O. Box 518
Chanute, KS 66720
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Facsimile 620.431.1409

Community Developmental
Disability Organization
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Chanute Service Center
3602 Johnson Rd
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Facsimile 620.431.1520

Ft. Scott Service Center
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Fort Scott, KS 66701
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Iola Service Center
10 W. Jackson
Iola, KS 66749
Telephone 620.365.3307
Facsimile 620.365.3328

Yates Center Office
101 W. Butler
Yates Center, KS 66783
Telephone 620.625.2297

**Testimony on SB 210 Developmental Disabilities Provider Assessment
Monday March 28, 2011**

Committee members, thank you for this opportunity to provide you with testimony regarding SB 210. Tri-Valley Developmental Services has been providing supports and services to persons with disabilities since 1974 and we currently serve 200 persons. We are in favor of SB 210, the Developmental Disability Provider Assessment and we ask for your support as well.

The 5.5% assessment on all Kansas providers would generate approximately \$25 million additional dollars for the state, of which \$600,000 would be for the Tri-Valley CDDO area. Next year the rate would increase to 6%. With the economic situation looking bleak over the next couple of years, the provider assessment is the only increase in revenue we are likely to see.

Community service providers have been struggling for years with low reimbursement rates and SB 210 would permit us to use those dollars to raise rates. The additional money would allow the state to increase reimbursement rates to all providers, of which Tri-Valley would use this money to give direct support professionals the raises they deserve. It has been almost six years since employees received anything more than a trivial increase in their pay. Currently, the starting pay for a vocational trainer is \$8.05, only 80 cents more than minimum wage.

What is unique about SB 210 is that it will benefit every Home and Community Based waiver provider in the state without utilizing state funds. Thank you again for your consideration of SB 210.

Helping People Achieve Success



Sedgwick County Developmental Disability Organization

Chad VonAhnen -- Director

615 N. Main Wichita, Kansas 67203 T 316-660-7630 F 316-4911 TTY 316-660-4893

March 25, 2011

TO: Representative Bob Bethell, Chair and Members of the Aging and Long Term Care Committee
Representative David Crum, Chair and Members of the Social Services Budget Committee

FR: Chad VonAhnen, Director
Sedgwick County Developmental Disability Organization

RE: SB 210

Testimony on SB 210 Developmental Disabilities Provider Assessment Monday March 28, 2011

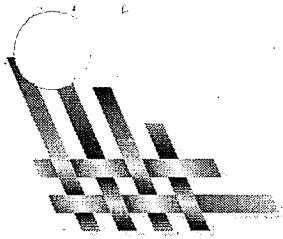
Thank you, members of the committees, for the opportunity to provide this testimony. The Sedgwick County Developmental Disability Organization (SCDDO) would like to express support of Senate Bill 210, the Developmental Disabilities Provider Assessment.

The Advocates in Community Team (ACT) is a five-county grassroots group comprised of persons served, their family members and community service providers. ACT has included the provider assessment as a priority in their legislative agenda.

SB 210 in its current form will benefit persons served and service providers. New funds obtained through the assessment will improve the quality of care for people with disabilities by helping providers retain staff and recruit quality potential employees. SB 210 will provide new funds that are very important in assuring the best health, safety and productivity outcomes possible.

Disability organizations will be better able to meet cost increases in utilities, food, fuel, recruiting workers and health and workers compensation insurance. Direct care workers are frequently injured when managing behavioral issues or providing personal care. Reimbursement rates have not increased to help cover rising costs of providing services and unexpected expenses.

Again, on behalf of persons served and community service providers in Sedgwick County, the SCDDO supports SB 210 without amendments.



Disability Planning Organization of Kansas

TO: Representative Bob Bethell, Chair and Members of the Aging and Long Term Care Committee
Representative David Crum, Chair and Members of the Social Services Budget Committee

From: Carolee Miner, President/CEO
Lorraine Harris, CDDO Director

Date: March 25, 2011

Re: Testimony on SB 210 Developmental Disabilities Provider Assessment –
Monday March 28, 2011

Thank you, members of the committees, for the opportunity to provide this testimony.

The Disability Planning Organization of Kansas, Inc. is the contracting Community Developmental Disability Organization (CDDO) for 9 counties of north central Kansas.

New funds obtained through the Provider Assessment will help assure quality of care for people with disabilities. 30 area affiliated providers will have improved ability to retain staff and recruit potential quality employees. SB 210 will provide new funds that are very important in assuring the health, safety and productivity outcomes possible for citizens with developmental disabilities in north central Kansas and throughout the state.

SB 210 in its current form will benefit persons served as well as service providers. Service organizations face increasing cost pressures from utilities, fuel, health insurance rates, workers' compensation insurance rates, recruiting and training expenses. Direct care workers are the majority of the work force, and personnel expenses account for more than 75% of provider organization's budgets. Reimbursement rates have not increased to cover any of these rising costs.

Again, on behalf of 650 persons served and 30 community service providers in north central Kansas, this CDDO supports SB 210 without amendments.



Community
Developmental
Disabilities
Organization

A DIVISION OF JOHNSON COUNTY DEVELOPMENTAL SUPPORTS
15046 W. 106 Street, Lenexa, KS 66215-2052
(913) 826-2600 Fax (913) 826-2501

March 28, 2011

To: Aging and Long-Term Care Committee
Social Services Budget Committee

From: Maury L. Thompson, Executive Director
Johnson County Developmental Supports (JCDS)

RE: Senate Bill 210 – Provider Assessment

Chairmen Bethell and Crum, and members of the Committees, I appreciate the opportunity to provide this testimony on behalf of providers of Home and Community-Based Services (HCBS) for the developmentally disabled (DD) in Johnson, Miami and Wyandotte Counties.

JCDS, as the Community Developmental Disabilities Organization, contracts with a network of more than 350 providers of DD services in Johnson County, and works closely with the Wyandotte County Developmental Disabilities Organization and other DD providers in Miami and Wyandotte Counties. This coalition of organizations has made SB 210 a priority in their legislative agenda.

As SB 210 is written, and when implemented, it will benefit persons receiving services in our area, as well as those who provide those services. The enhanced HCBS waiver rates made possible by this provider assessment will assist providers in recruiting and retaining a high quality workforce – the most important component in ensuring that those we serve increase their independence and productivity, and their integration and inclusion into their communities.

Over the last many years, providers have seen their reimbursement rates fail to keep pace with even the most conservative of inflationary indices. Revenue from a provider assessment would allow providers to be better equipped to meet their increasing costs in terms of utilities, food, fuel, and their health and worker's compensation insurance costs. This in turn builds a stable, prepared, and ready network of providers, equipped to provide critically important services to those who most need our help.

Providers in Johnson, Miami and Wyandotte Counties urge your support of SB 210 without amendment.

Social Services Budget Committee
Date Mar. 28, 2011
Attachment 4