

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 10:35 a.m. on February 24, 2003, in Room 123-S of the Capitol.

All members were present except: Senator Jim Barone - excused
Senator Jean Schodorf - excused

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Melissa Calderwood, Kansas Legislative Research Department
Audrey Nogle, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Assistant Revisor of Statutes
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Janet Schalansky, Secretary, Kansas Department of Social and Rehabilitation Services
Stephanie Wilson, Executive Director, The Alliance for Kansans with Developmental Disabilities
Debbie Collins, Director of Community and Government Relations, Johnson County
Developmental Supports
Collin McKinney, Director, ComCare Community Developmental Disability Organization
Ron Pasmore, KETCH (written testimony)
Kim Miller, Associate Director, InterHab
Tom Laing, Executive Director, InterHab

Others attending: See attached list

Bill Introduction

Senator Adkins moved, with a second by Senator Jordan, to introduce a bill concerning district coroners (3rs0871). Motion carried on a voice vote.

The Chairman mentioned that the committee would not be meeting on March 3 or 4 and that the March 4 time may be used for subcommittee meetings.

Chairman Morris opened the public hearing on:

SB 242--Developmental disabilities reform acts separation of intake and referral from treatment and care services

Staff briefed the committee on the bill.

Janet Schalansky, Secretary, Kansas Department of Social and Rehabilitation Services, testified on **SB 242** and explained that the bill amends the Developmental Disabilities Reform Act (Attachment 1). Secretary Schalansky mentioned that the plan for Community Developmental Disabilities Organizations (CDDOs) consolidation and independence, which preceded the introduction of **SB 242**, alluded to the possibility that additional federal dollars could be brought into the service system if the system were designed only to serve people through the Home and Community Based DD waiver. She explained that the agency does not support a public policy decision which would eliminate services for people who are not eligible for or who do not access Home and Community Based DD waiver services.

Stephanie Wilson, Executive Director, The Alliance for Kansans with Developmental Disabilities, testified in support of **SB 242** (Attachment 2). Ms. Wilson mentioned that the reasons The Alliance supports the bill are better maximization of existing funds and creation of more efficient/objective CDDOs.

CONTINUATION SHEET

Debbie Collins, Director of Community and Government Relations, Johnson County Developmental Supports, testified in opposition to **SB 242** (Attachment 3). Ms. Collins explained that it is their request to either not recommend **SB 242** for further action, or at a minimum, allow adequate time for collaborative stakeholder input. She urged the committee to not forget about those who are waiting for services.

Collin McKinney, Director, ComCare Community Developmental Disability Organization, testified in opposition to **SB 242** (Attachment 4). Mr. McKinney mentioned that his perception of **SB 242** is that it seeks to take power away from counties and simultaneously claims rights to county mill-levy funds that would be used to fund the DD service system. In conclusion, he noted that rather than letting a current budgetary crisis lead to hasty changes to a system that has taken years to develop, thoughtful planning should continue for the system in the future.

Written testimony was presented by Collin McKinney on behalf of Ron Pasmore, KETCH, in opposition to **SB 242** (Attachment 5).

Kim Miller, Associate Director, InterHab, testified in opposition to **SB 242** (Attachment 6). Ms. Miller expressed concern that one-third of the DD service population may lose services. She noted that the bill, which disregards the long-standing decision of counties in meeting the needs of their most vulnerable citizens, puts in jeopardy the continued county funding of the DD system.

Tom Laing, Executive Director, InterHab, testified in opposition to **SB 242** (Attachment 7). Mr. Laing presented several reasons for opposition to the bill as listed in his written testimony. In conclusion, Mr. Laing mentioned that InterHab would work with the Legislature and SRS, at any time if asked, to examine the administrative options that exist for evaluation and review. He explained that they cannot support a bill that has not examined the unintended outcomes of such a wholesale systemwide change.

There being no further conferees to come before the committee, the Chairman closed the public hearing on **SB 242**.

The meeting adjourned at 11:55 a.m. The next meeting is scheduled for February 25, 2003.

SENATE WAYS AND MEANS COMMITTEE
GUEST LIST

DATE February 24, 2003

NAME	REPRESENTING
Julia Monox	DOTS
Paul Fain	Interhab
Laura Howard	SRS
Janet Schalanstey	SRS
Marcus Deagle	SRS
Vernith Dow	Governor's office
Colin McKENNEY	COMCARE CDDO / Sedgwick Co.
Mike Peppas	Sedgwick County
Jessie Torrey	RACIL
Mike Barthmound	Assoc. of CMHCs
Stephanie Wilson	The Alliance
Ken's Barlow	Helm Law Firm
Keely Durham	for Sen. Schodorf
Jane Rhys	KCAD
Ann M. Miller	Interhab
John Platt	COF Training Svcs
Mawry L. Thompson	Tri-Valley Developmental Ser.
Sen. Duane Urbayer	Ks. Senate
Gerald L. Rus	Bethpage
Nehorah Collins	Johnson County Developmental Supports
Tanielle Nee	Johnson County
Doug Bowman	CCEDS

SENATE WAYS AND MEANS COMMITTEE

GUEST LIST

DATE February²⁴ 2003

NAME	REPRESENTING
Edward Abraham Sunz	SACK
Mike Heck	Heck Law Firm

Kansas Department of

Social and Rehabilitation Services

Janet Schalansky, Secretary

Senate Ways and Means

February 24, 2003

Senate Bill 242 - Amendments to the Development Disabilities Reform Act

Division of Health Care Policy
Janet Schalansky, Secretary

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Attachment 1

Kansas Department of Social and Rehabilitation Services
Janet Schalansky, Secretary

Senate ways and Means
February 24, 2003

Amendments to Developmental Disability Reform Act

Chairman Morris and members of the Committee, I am Janet Schalansky, Secretary of the Kansas Department of Social and Rehabilitation Services. Thank you for the opportunity to testify on Senate Bill 242, which amends the Developmental Disabilities Reform Act. The 1995 DD Reform Act created Community Developmental Disabilities Organizations (CDDOs), and charged them with the responsibility of local system management for the Kansas community developmental disabilities system. SB 242 makes three key alterations to the DD Reform Act by providing that: (1) the Secretary, rather than the county governments, will designate the CDDOs; (2) there will be no more than thirteen CDDOs; and (3) CDDOs will not provide direct services.

SRS has been supportive over the years of voluntary local efforts to consolidate CDDO areas and/or to create CDDOs which are independent of service delivery. We believe having a smaller number of CDDOs in the state which are independent of service delivery would accomplish two important goals:

1. Ensure Kansans seeking developmental disabilities services have access to more uniform approaches to service delivery across the state; and
2. Enable CDDOs to focus on their core responsibilities under the Developmental Disabilities Reform Act.

CDDO funding is dependent upon a critical linkage of county, state and federal funds. (*See Attachment A for a brief overview of community developmental disability funding.*) The potential to save money or draw down additional federal dollars as a result of consolidation is not certain. SRS supports the concepts of consolidating the CDDOs into fewer regions and ensuring all CDDOs are independent of service delivery, but our support is not predicated on the possibility of new system resources. This would be a major public policy change, and the uncertain potential for additional funds should not be the driving force behind the change.

Consolidating the existing 28 Community Developmental Disabilities Organizations into fewer regions managed by organizations which do not provide direct services would present several opportunities and challenges. However, there are a myriad of details that would have to be worked through to ensure the Kansas community developmental disability service network is strengthened, not weakened, by the changes.

Potential Benefits of CDDO Consolidation and Independence

As I mentioned, SRS believes there are three key goals which would be accomplished through CDDO consolidation and independence. A number of other benefits of such a public policy change are possible:

- The existing CDDOs range in size from one to eighteen counties and in number of persons served from 56 to 1,298. Four CDDOs already do not provide direct services. Three CDDOs are part of county government, two of which are part of the four that do not provide direct services. This variety in size and type of CDDO means the local service systems in the state are set up and operate very differently from place to place.
- Since the enactment of the DD Reform Act in 1995, many questions have been raised concerning whether the dual role of CDDO as service provider constitutes a conflict of interest for the CDDOs. Changing the system to ensure CDDOs operate only as local system managers would eliminate any real or perceived conflicts of interest.
- If CDDOs were in a different role, SRS would need to assess the roles and responsibilities within the service system. For example, CDDOs' role could be expanded to do more to ensure capacity exists at the local level to provide the array of services people need. We are particularly interested in ensuring that quality, effective services are available in community settings for persons with the most severe disabilities.
- One of the federal requirements of Home and Community Based Services (HCBS) waiver programs is that the state maintain the primary responsibility for quality assurance, therefore a certain level of state quality assurance oversight is required, but possible state and local redundancies could be addressed.
- A shared vision of services for Kansans with developmental disabilities would also be a likely outcome of a more streamlined, consistent service delivery system.

Valuable Role Played by County Government

SB 242 would sever the direct link between local governments and management of the community developmental disabilities system. SRS has several concerns about the implications of severing this link. One of the keys to the success of the developmental disabilities service system in Kansas throughout the past two decades has been the close relationship county governments have to their local service providers and service managers. County governments are local government partners in the DD service system, because they currently play very two important system roles: (1) designation of their local CDDO, and (2) provision of county tax revenue to support the local service system. To accomplish CDDO consolidation and independence which improves the Kansas developmental disabilities service system, buy-in and support from county governments would be crucial.

- There is no state requirement that county governments provide county tax revenue to CDDOs. However, nearly all counties do provide this funding to CDDOs, and counties paid CDDOs over \$14.6 million in 2002.
- Additionally, some county governments contribute in-kind support to their CDDO by providing free office space and paying the cost of the salaries of CDDO employees. This

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voluntary support of CDDO infrastructure is an important benefit to the developmental disabilities system.

- It is unclear what the effect of eliminating the counties' role in designating CDDOs would be on the amount of county tax revenue and in-kind support provided to the community developmental disabilities system. It is possible counties would be unwilling to provide funding at current levels if they lose authority to designate their CDDO area.
- By totally de-linking the act that allows counties to designate a local agency (K.S.A. 19-4001 et. seq.) from the DD Reform act, it is possible that two different local agencies could be designated, one by the county and one by the Secretary.
- Local county governments also support and coordinate an array of additional services that allow persons with disabilities to lead successful lives in the community. These include such services as parks and recreation programs, housing, and transportation. These services are also crucial to Kansans with developmental disabilities, and it is important to preserve this local connection in the service system.

Potential to Save State General Funds

In 1999 Legislative Post Audit (LPA) reviewed several issues related to CDDOs. The LPA considered the possibility of consolidating CDDOs and weighed the pros and cons. The final report addressed the possibility that savings may result by consolidating CDDOs:

“Given the many factors that can affect a CDDO’s administration costs, and the various consolidation ‘options’ that could be chosen, we couldn’t determine how much the State might save if the number of CDDOs were reduced. From an ‘economies of scale’ standpoint alone, you’d expect it to be more cost-effective to have fewer CDDOs handling more clients each. However, because most CDDOs’ administrative costs efforts would appear to be client-driven, those savings might not be as much as expected.”

SRS concurs with the LPA’s analysis of the potential for saving state dollars by consolidating CDDOs. Additionally, it is unclear what level of additional funding could be realized by consolidating CDDOs.

- A total of approximately \$8.4 million is paid to CDDOs to administer the Kansas developmental disabilities system, for an average of \$980 per person served. Of that total, \$2.2 million is SGF and \$2.7 million is county funds, while the remaining \$3.5 million is federal Medicaid administrative funding. As a result of the November allotment, the state funds dedicated to this purpose was reduced by about \$350,000.
- The key CDDO responsibilities, as outlined in the DD Reform Act, are: (1) serving as the single point of application and referral, (2) determining eligibility, (3) providing or arranging for case management, (4) establishing new service providers, (5) helping with service planning and dispute resolution, and (6) managing a waiting list. These key responsibilities,

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which are funded by the \$8.4 million describe above, would not be diminished by CDDO consolidation and independence.

- A significant portion of the funding in the community developmental disabilities system, \$7.5 million, is federal social services block grant money. These dollars are used by CDDOs to serve people who are not Medicaid eligible, but they are not eligible to be matched for Medicaid federal financial participation.
- Currently county governments provide over \$14.6 million to CDDOs. Of that figure, \$9.6 million is used as matching funds for federal Medicaid dollars. \$5 million, then, is not matched for additional Medicaid dollars.
- If CDDO areas were consolidated, it is possible that the remaining \$5 million provided to CDDOs by county governments could be matched for federal Medicaid dollars, but only if county governments continue to provide the funding to CDDOs at the current levels and only if the county funds flowed through the new CDDOs.

Services for Persons who are Not Eligible for the Developmental Disabilities Waiver

The plan for CDDO consolidation and independence which preceded the introduction of SB 242 alluded to the possibility that additional federal dollars could be brought into the service system if the system were designed only to serve people through the HCBS DD Waiver. SRS does not support a public policy decision which would eliminate services for people who are not eligible for or who do not access HCBS DD waiver services.

Over 2,150 persons with developmental disabilities receive non-waiver services funded by grants. Of this number, approximately 750 adults utilize non-waiver day services at an annual cost of \$6,475 per person, and approximately 500 adults utilize non-waiver residential services at an annual cost of \$10,950 per person (some individuals use both day and residential services). In most cases, adults who receive these services need a nominal amount of support to help them live as independently as possible, and without that support they would likely have a need for more costly waiver services. For example an adult who works at a grocery store would be able to support himself very independently with just a little support at work a couple of days a week and at home managing his finances and paying his bills. If he lost this small amount of help, he may risk losing his job and be forced to seek more structured HCBS DD waiver services.

In addition, approximately 1200 families use family support and subsidy at an annual cost of \$2,230 per person. Many of these people are eligible for the HCBS DD waiver, but do not need the intense level of services provided through the waiver. In many other cases, the child may be waiver eligible, but the family is able to provide all the direct services the child with a disability needs with just a little financial help to buy specialized supplies not otherwise covered for their child. Absent these non-waiver funds, a stay-at-home mom may be forced to get a part time job to bring in extra money, and then HCBS DD waiver services would be needed to provide some of the direct support for the child. The 2,150 people who receive non-waiver funded services are

able to have their needs met at a fraction of the cost that would be paid to provide their services through the HCBS waiver.

Key Links to other Statutes

Two key statutes, aside from the DD Reform Act, have a direct impact on the Kansas community developmental disabilities system. The effect of these statutes on the system would need to be considered before making a final decision about how CDDOs are designated. K.S.A. 19-1001 et. seq. gives county governments the responsibility to designate community mental retardation facilities and the opportunity to designate county mill levy dollars for use by community mental retardation facilities. Additionally, K.S.A. 65-4411 et. seq. provides for state funds, in the form of "state aid," to be given to the community mental retardation facilities designated by counties pursuant to K.S.A. 19-4001. The DD Reform Act, K.S.A. 39-1801 et. seq., defined CDDOs as community mental retardation facilities as set forth in K.S.A. 19-1001 et. seq.

It is important to keep in mind that because of the current definition of CDDOs and the link between these statutes, the county mill levy funds and state aid funds are provided to CDDOs. S.B. 242 eliminates the language that specifies that CDDOs are the same organizations designated and funded by county government.

Conclusion

SRS is supportive of exploring a new way to design the service delivery system for Kansans with disabilities. A new approach to the system could result in positive outcomes for both persons who receive services and service providers. Caution should be exercised, however, to ensure:

- Continued support of our local partners in county government;
- Continued services for all persons with developmental disabilities;
- Current levels of funding from local, state and federal government sources are preserved; and
- The community developmental disabilities service system is strengthened by the changes.

Thank you again for the opportunity to share SRS' perspective on SB 242. This concludes my testimony, and I am happy to stand for any questions from the Committee.

Attachment A
Brief Overview of Community Developmental Disability Funding
February 2003

Community developmental disabilities services receive funding in seven different ways. A brief overview of these funding streams and the amounts appropriated for FY 2003 is described below:

Developmental Disability Waiver \$192,116,298 AF (\$63,831,512 SGF/IGT)

The DD Waiver provides Medicaid funding for direct services to persons who are eligible for placement in public and private intermediate care facilities for the mentally retarded (ICFs/MR). These funds are paid directly to the enrolled community service providers. About 6,220 persons are served using the DD Waiver.

General Fund Grants \$13,911,949 AF (\$6,348,334 SGF)

The general fund grants provide direct services to persons who are not eligible for placement in public and private ICFs/MR because their disabilities are relatively less severe than those who are eligible for institutional placement. About 2,154 persons are served through general fund grants, including 1,182 children with DD living at home with their families.

Targeted Case Management \$22,078,366 Federal Funds Only

Federal Medicaid funds are paid to community developmental disability organizations (CDDOs) for case management provided to all persons who are DD requesting such services. The CDDOs "certify" the required state match from their available state and county funds. Persons on the DD Waiver are federally required to receive this service. About 7,373 persons receive this service.

CDDO Administration \$8,395,269 AF (\$2,227,081 SGF)

Federal, state, and county funds are provided to CDDOs to defray the cost of the local administration of the developmental disability reform act.

State Aid \$3,996,500 AF/SGF

State Aid is a formula grant established by statute that awards funds to CDDOs to be used on a discretionary basis. CDDOs use these funds for a variety of purposes including direct services, early infant and toddler services, transportation, etc. CDDOs report 2,154 persons are served with state aid funding.

County Mill \$14,643,487 County Funds

State statutes authorized county governments to originally designate CDDOs to provide or arrange to provide community developmental disability services. The statute also authorizes the counties to voluntarily raise local tax funds to support these agencies. The county determines whether or not to specify how these funds are used or to leave such use to the discretion of the CDDO.

ICFs/MR \$19,948,470 AF (\$7,992,353 SGF)

ICFs/MR are facilities which provide an institutional settings for persons with DD who choose not to participate in the DD Waiver. These include state hospitals and private facilities. About 300 persons live in private facilities ranging in size from 82 to four beds. Reimbursement for these facilities is based on a cost report submitted by the facilities similar to nursing facilities.



The Alliance for Kansans with Developmental Disabilities

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February 24, 2002

RE: Testimony Regarding SB 242

Chairman Morris and members of the committee, thank you for the opportunity to provide testimony today regarding SB 242 which addresses consolidation of the administrative infrastructure of developmental disability services. My name is Stephanie Wilson and I am the Executive Director of The Alliance for Kansans with Developmental Disabilities.

As you are aware, there are currently 28 private Community Developmental Disability Organizations with which SRS contracts to organize services. The administrative regions vary in size from 151 to 17,000 square miles, and in number of persons served from 57 to 1289. The population of Medicaid eligible persons served within each area ranges from 45% to 88%. The total reimbursement to CDDOs for administrative expenses ranges from \$480 to \$1625 per person per year. SB 242 reduces the number of CDDOs from 28 to 13 or fewer.

The Alliance supports SB 242 for the following reasons:

- **Better Maximization of Existing Funds:** Each CDDO has a different amount of state and local funds which are available for match. The federal government prohibits each CDDO from independently increasing its Medicaid service rates up to the amount of match available. Instead, all CDDOs can only match up to the amount of the lowest common denominator. If only 13 CDDOs existed at the beginning of FY03, we could have come close to obtaining the \$30 million we hoped to achieve through federal maximization efforts. However, because of the existing CDDO structure, approximately \$10 million was left unmatched. By pooling available matching funds through consolidation of CDDO regions, the lowest common denominator can be raised to bring in additional federal funds.

Attached is a spreadsheet developed by SRS which indicates how the fragmented use of available match is becoming a problem even for maintaining current services. The spreadsheet was provided last week by SRS to the SRS/CDDO Statewide Funding Committee. It indicates that some CDDO areas which have less state and local funds are currently running out of available match for Targeted Case Management services, while other areas have up to \$3.3 million left in matchable funds. Currently this is the only service provided to persons who are on the waiting list which has the potential of keeping persons out of crisis situations.

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Attachment 2

The maximization of match problem was also identified in a recent letter from the Wichita CDDO to Senator Feliciano. As the CDDO director pointed out, many stakeholders participated in a workgroup established by SRS to try and maximize federal funding. Although both SRS and members of the group proposed several ideas for maximizing funds, the group continued to run into the roadblock of the varying amounts of available match, and percentage of non-Medicaid eligible persons served, which prohibited the workgroup from being able to increase the statewide Medicaid rates for services in an equitable fashion. Instead SRS implemented a maximization plan which was later disallowed by CMS.

Creation of More Efficient/Objective CDDOs:

- The Alliance has discussed with SRS, the Legislature, and Legislative Post Audit the issue of conflict of interest when a CDDO is also a service provider organization. In 1999 the Division of Legislative Post Audit identified this conflict of interest to be a problem in need of correction. Although SRS has taken steps to include "conflict of interest" language within regulations, the problems continue to exist.

Recently the Alliance acquired the findings of a 2001 audit completed internally by SRS on the issue of conflict of interest. The findings of the audit indicate that although the developmental disability system has an adequate infrastructure of statute, regulation, and policy, the existing conflict of interest when a CDDO is also a service provider prohibits the system from working in an effective way for the consumers. The audit points out that CDDOs compete with service providers for available consumers and available funds. The consumer has become a commodity within the system with no objective means of making choices about needed services.

Providers and consumers who are located in areas where a CDDO has separated itself from service provision have communicated improvement. An independent CDDO is much more suited for providing objective information to consumers about services, and for objectively managing available funding.

CDDOs which are independent from service provision are also able to provide more funding management and quality assurance oversight without the current duplication of these responsibilities by SRS.

You recently heard in testimony that the CDDO infrastructure is one of the most economical, costing only 2.4% of funds available. This data is not all inclusive of the funding CDDOs receive, or have independently taken for administrative uses. As indicated in The Alliance proposal, CDDOs receive anywhere from \$488 to \$1600 per person per year for administration. In addition, through the most recent efforts of SRS to match additional federal funds through targeted case management, CDDOs each decided locally what percent of new administrative dollars to take out of the new funds. The Alliance made an open records request to obtain each CDDO's local funding plan. 24 of the 28 CDDOs responded. Out of the 24 responses we learned that CDDOs were taking anywhere from 2.4% to 15% of the new federal funds even though no additional persons were being served. The total amount was over \$.5 million. Two of the CDDOs who did not respond to our request

indicated that it was a local decision and that they do not have to divulge how the funds are being utilized.

Answers to Concerns Raised

A few concerns have been addressed with legislators, SRS and The Alliance regarding SB 242. We have the following responses:

- **Local county investment:** In order to assure counties that they will maintain control of how their local dollars are expended, The Alliance suggests adding language to the Chapter 19 statutes which indicates that each county will pass its county mill funds through the designated CDDO for the sole purpose of match, but will retain the ability to designate how and where the funds are expended.

In addition, The Alliance supports SRS working with local county government in the establishment of the realigned CDDO infrastructure. Local county commissions and providers should give input as to what services are currently available, and what services are needed. This information will help SRS to ensure that the needs of each county are met within its assigned region. County commissions within a given CDDO region can also participate in the selection of board members for the newly established CDDO. This will help to assure local government that their consumers are adequately represented in decision making.

- **Transferring SGF from non-Medicaid services to Medicaid services:** SRS currently utilizes state and county funds which are designated to cover the cost of CDDO administration and services to non-Medicaid eligible persons as certified match for federal funds. The Alliance proposal indicates how this current system can be utilized through consolidation to gain even more federal dollars. If CMS should decide to discontinue some or all of the current uses of certified match, many existing developmental disability services are going to be placed in jeopardy. CDDOs will be better positioned to incur these changes if they are in larger regions with pooled funds, where dollars can be more easily shifted to meet existing needs.
- **Lack of CDDO input to The Alliance proposal:** Although a few CDDOs have indicated that no input was given regarding The Alliance proposal, we have received input from a handful of CDDOs. Some CDDO directors stated that it is probably time to look at this option in order to gain efficiency and maximization of current funds.
- **Loss of jobs:** We do not believe that a significant number, if any, current CDDO staff will lose their jobs through consolidation. 24 of the 28 CDDOs also provide direct services. With the high turnover rate in our industry, we believe that persons will be able maintain jobs within their service provider organizations.

Thank you again for the opportunity to testify. I would be happy to answer any questions you may have.

TCM 2

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2-4

	A	B	C	D	E	F	G	H	I	J
1	Available Matching Funds				TARGETED CASE MANAGEMENT					
2	CDDO Name	State Funds (from 12/10/02 Allotment)	Correction for CDDOs w/ too little match (from 6/10/02 Packet)	County Available Funds Reported 2/19/03	TOTAL AVAILABLE MATCH (B+D)	SSBG Funding by CDDO	Adjusted Available Match (E-F)	CDDO ESTIMATED EXPENDITURES	REQUIRED MATCH (H X 40%)	REMAINING MATCH (G-I)
3	Achievement	\$234,337.00		\$0.00	\$234,337.00	\$128,993.00	\$105,344.00	\$240,000.00	\$96,000.00	\$9,344.00
4	Arrowhead West	\$844,213.00		\$513,825.00	\$1,358,038.00	\$372,796.00	\$985,242.00	\$1,132,868.00	\$453,147.20	\$532,094.80
5	Big Lakes	\$574,631.00		\$310,332.00	\$884,963.00	\$200,652.00	\$684,311.00	\$855,768.00	\$342,307.20	\$342,003.80
6	BCDS	\$110,046.00		\$46,509.00	\$156,555.00	\$51,424.00	\$105,131.00	\$287,930.00	\$115,172.00	-\$10,041.00
7	CLASS Ltd.	\$755,630.00		\$458,700.00	\$1,214,330.00	\$202,064.00	\$1,012,266.00	\$2,484,564.00	\$993,825.60	\$18,440.40
8	COF	\$675,271.00		\$266,431.00	\$941,702.00	\$416,411.00	\$525,291.00	\$1,111,560.00	\$444,624.00	\$80,667.00
9	COMCARE	\$3,156,132.00		\$2,155,886.00	\$5,312,018.00	\$1,518,620.00	\$3,793,398.00	\$6,000,000.00	\$2,400,000.00	\$1,393,398.00
10	Cottonwood Inc.	\$735,069.00		\$370,127.00	\$1,105,196.00	\$421,033.00	\$684,163.00	\$1,742,509.00	\$697,003.60	-\$12,840.60
11	CCDS	\$386,498.00	\$252,817.00	\$0.00	\$386,498.00	\$0.00	\$386,498.00	\$1,182,000.00	\$472,800.00	-\$86,302.00
12	DPOK	\$793,510.00		\$576,658.00	\$1,370,168.00	\$325,023.00	\$1,045,145.00	\$1,931,912.00	\$772,764.80	\$272,380.20
13	DSNWK	\$1,006,635.00		\$580,828.00	\$1,587,463.00	\$407,779.00	\$1,179,684.00	\$1,736,000.00	\$694,400.00	\$485,284.00
14	Flinthills Services	\$355,387.00		\$65,500.00	\$420,887.00	\$177,692.00	\$243,195.00	\$605,605.00	\$242,242.00	\$953.00
15	Futures Unlimited	\$170,129.00		\$21,000.00	\$191,129.00	\$70,413.00	\$120,716.00	\$335,796.00	\$134,318.40	-\$13,602.40
16	Hetingers	\$314,236.00		\$25,000.00	\$339,236.00	\$118,958.00	\$220,278.00	\$603,328.00	\$241,331.20	-\$21,053.20
17	JCDS	\$1,304,936.00		\$3,975,000.00	\$5,279,936.00	\$492,083.00	\$4,787,853.00	\$3,625,000.00	\$1,450,000.00	\$3,337,853.00
18	MCDS	\$214,787.00		\$45,265.00	\$260,052.00	\$39,914.00	\$220,138.00	\$653,441.00	\$261,376.40	-\$41,238.40
19	Nemaha County	\$250,380.00		\$41,600.00	\$291,980.00	\$149,026.00	\$142,954.00	\$169,637.00	\$67,854.80	\$75,099.20
20	New Beginnings	\$90,160.00	\$53,772.00	\$0.00	\$90,160.00	\$0.00	\$90,160.00	\$330,960.00	\$132,384.00	-\$42,224.00
21	Northview	\$325,101.00		\$66,179.00	\$391,280.00	\$136,235.00	\$255,045.00	\$690,927.00	\$278,370.80	-\$21,325.80
22	Riverside	\$327,157.00		\$99,309.00	\$426,466.00	\$98,631.00	\$327,835.00	\$529,934.00	\$211,973.60	\$115,861.40
23	SDSI	\$960,170.00		\$555,118.00	\$1,515,288.00	\$372,029.00	\$1,143,259.00	\$1,373,173.00	\$549,269.20	\$593,989.80
24	Sunflower	\$356,099.00		\$57,540.00	\$413,639.00	\$9,206.00	\$404,433.00	\$1,269,998.00	\$507,999.20	-\$103,566.20
25	TARC	\$1,254,524.00		\$419,020.00	\$1,673,544.00	\$530,455.00	\$1,143,089.00	\$2,811,269.00	\$1,124,507.60	\$18,581.40
26	TECH	\$495,283.00		\$475,000.00	\$970,283.00	\$249,816.00	\$720,467.00	\$960,000.00	\$384,000.00	\$336,467.00
27	Tri-Ko	\$740,982.00		\$221,483.00	\$962,465.00	\$492,338.00	\$470,127.00	\$790,758.00	\$316,303.20	\$153,823.80
28	Tri-Valley	\$326,131.00		\$179,447.00	\$505,578.00	\$33,843.00	\$471,735.00	\$1,014,620.00	\$405,848.00	\$65,887.00
29	Twin Valley	\$313,777.00		\$0.00	\$313,777.00	\$153,605.00	\$160,172.00	\$416,064.00	\$166,425.60	-\$6,253.60
30	WCDDO	\$807,412.00		\$351,217.00	\$1,158,629.00	\$394,524.00	\$764,105.00	\$1,450,000.00	\$580,000.00	\$184,105.00
31		\$17,878,623.00	\$306,589.00	\$11,876,974.00	\$29,755,597.00	\$7,563,563.00	\$22,192,034.00	\$36,335,621.00	\$14,534,248.40	\$7,657,785.60

200,000
300,000

Johnson County

Developmental Supports

Building Resources for People with Disabilities

To: Senator Morris, Chair
Members, Ways and Means Committee
From: Debbie Collins, Director of Community and Government Relations
Date: February 24, 2003
Re: SB 242

Mister Chairman and Members of the Ways and Means Committee, thank you for this opportunity to present testimony in opposition of SB 242. I am Debbie Collins, Director of Government Relations for Johnson County Developmental Supports, (JCDS) the CDDO for Johnson County.

In our role as the CDDO, we serve nearly 1,000 men, women and children with mental retardation and other developmental disabilities. Additionally, we manage a combined waiting list of nearly 400 people who are either without any service at all, or are currently underserved. The State's financial crisis has magnified the issues of those on our waiting list, and quite frankly, it is becoming increasingly difficult to offer hope to families who are desperately hanging on to the notion that help is on the way. **That** is where I believe our advocacy efforts should be focused.

Our opposition to SB 242 stems from some serious issues with this bill and its hastily drawn amendments to the DD Reform Act. One of our main issues causing opposition is the fact that JCDS is a division of Johnson County Government. SB 242 appears to seriously interfere with our Memorandum of Understanding with the Board of County Commissioners that we have had in place since the 1980's, and also conflicts with the provisions in the DD Reform Act for local control of CDDO designation. Our arrangement with the county enables JCDS to serve Johnson County citizens with MR/DD, and to function as a department of County Government with all the responsibilities therein.

The authority for this local control was granted to all counties via KSA 19-4001, et seq. These amendments in SB 242 seem to be in conflict with, and are in effect negating these statutes. At the very least, the changes proposed raise serious issues concerning county funding not only of CDDO services but DD services themselves.

In addition, taking local control away from counties to determine CDDO designation and placing it in the lap of the Secretary of SRS would be a major step backwards for the DD System. The DD Reform Act heavily emphasized the need for local communities to have the authority to shape their service delivery system according to the needs of their constituencies. Taking the local communities out of the decision-making loop could seriously compromise the current level of VOLUNTARY County Dollars that are in the system. This should be cause for serious concern among disability advocates. Also, we see no reasoning or explanation for designating 13 CDDOs. If the Secretary is to decide, then he/she and SRS should be able to make these decisions.

The "Conflict of Interest" that admittedly can be inherent when a CDDO also provides service, has been managed to a satisfactory degree in most areas of the State. Of course, there have been exceptions. But, there are rules and regulations in place to

manage those disputes that may arise between CDDOs and some of their affiliated partners. When used to their full extent, they can be quite effective.

However, if we are forced to examine conflict of interest issues, we would be remiss in not pointing out that a much larger opportunity for conflict exists with case managers who are employed by Community Service Providers. In fact, these changes from SB 242 imply that all case management would be done by a CDDO. This could have great impact on those providers who now provide case management services. We wonder if this was considered when these amendments were written?

Case managers are charged with the direct responsibility for advising their disabled clients and their families about things such as which provider to seek service from, and they must make judgement calls about the level and quality of care their clients are receiving. Perhaps the pressure to push a client toward the case manager's employer is self-imposed, but it is likely present because of that employment, nevertheless.

Do we honestly believe that case managers give in to those breaches in their Code of Ethics by cutting slack to, or always recommending their Service Provider over other community-based options? The answer is a resounding "no." We have faith that most case managers in the State of Kansas have the best interest of their clients at heart. At the same time, we also believe that professionals in the CDDO offices are able to put aside their personal biases toward or against certain Community Service Providers and do their job as prescribed in the law and regulations.

Given the multitude of checks and balances built into our system, we simply do not see an overwhelming need to mandate consolidation of CDDO areas or to separate them from their service provider role. However, JCDS would support the concept of voluntary CDDO consolidation if deemed to be in the best interest of the people served in those catchment areas.

Seven years ago when the Developmental Disability Reform Act was signed by Governor Graves, I was privileged to be present and witnessed the celebration that occurred with hundreds of other disability advocates. The celebration was an acknowledgement that people with disabilities had the right to live and participate fully in the community of their choosing. The Act reflects the best and most hopeful outcomes for people with disabilities, and is considered by some to be the most progressive piece of developmental disability legislation in the Nation.

The drafting of the DD Reform Act was done in a truly collaborative process between many stakeholders, a great number of whom are in this room today. Likewise, sensible amendments to the DD Reform Act, if they are needed, should be made in a similar collaborative manner. The fact of the matter is, not one single CDDO was included in the drafting of SB 242. Given that CDDOs are the principle entity affected by this bill, we find that to be offensive.

If the will of this committee is to recommend SB 242 for further action, our plea would be to slow down the train that it is traveling on. Allow stakeholders, CDDOs and their affiliates, (many of which are neither members of the Alliance nor InterHab) to be included in the process of revising a law that literally took years of work to complete. Only by working together with our community partners, can we come up with a solution that makes sense for Kansans with developmental disabilities.

Thank you for your consideration of our request to either not recommend SB 242 for further action, or at a minimum, to allow adequate time for collaborative stakeholder input. And again, I urge you to please not forget about those who are waiting for services. I will gladly stand for questions.



COMCARE of Sedgwick County
Community Developmental Disability Organization
Colin McKenney, MPA
Director

635 N. Main, Wichita, KS 67203
Voice: 316-660-7630 Fax: 316-383-7866
TDD: 316-383-7817

TO: Senator Stephen Morris, Chairman
Members, Ways and Means Committee

From: Colin McKenney, Director
COMCARE Community Developmental Disability Organization

Date: February 24, 2003

Subject: SB242

Honorable Chairman Morris and Committee Members,

As the director of a CDDO some supporters of SB242 have called its goal, I believe I am uniquely qualified to evaluate its merit. While those who have pushed for the introduction of SB242 would have you believe they seek only to create a streamlined developmental disability service system that avoids conflict between CDDOs and providers of services, I can assure you this bill fails to live up to that goal.

This bill's greatest impact on the state of Kansas will be to alienate county governments from the state even further. As written, the bill takes all authority of counties to select their preferred CDDO and gives that authority to an individual who is not elected by any voter. That individual, the Secretary of SRS, would have full discretion to consolidate any number of counties under a common CDDO grouping. The only limitation is that no

more than 13 CDDOs could be in existence at any given time. There is an implication that counties would be grouped under given CDDOs for the purpose of equalizing the geographic areas and consumer bases, however there is really no way to accomplish that goal. For example, if all consumers of DD services who live in the three largest CDDOs by land area were combined in a unified CDDO, that CDDO would still serve far fewer clients than Sedgwick County's CDDO. While the numbers of individuals served by the two CDDOs would be more similar, the service systems would look very different. Serving people scattered across roughly half the state's land area is a much different task than serving them within a single county.

As you may be aware, one idea behind the original proposal that led to SB242 was to group counties in new CDDO areas to pool funds that had not already been matched for federal support. A group of stakeholders representing CDDOs, affiliated service providers, and SRS leadership spent the better part of a year examining whether additional federal match was out there waiting to be claimed. Unfortunately the group was unable to find a way to match for a significant amount of new dollars without discontinuing services to far more people than the number who would benefit from any additional match. The few providers that focus primarily on individuals with the most expensive Medicaid reimbursement rates might have benefited from matching the last unmatched state dollar. The majority of providers that serve Medicaid eligible and ineligible alike would have been forced to discontinue services to the people who are most efficiently served in our system.

My perception of SB242 is that it seeks to take power away from counties and simultaneously claim rights to county mill-levy funds that would be used to fund the DD service system. There is no statutory requirement for counties to levy funds to support DD services, so making the assumption that they will continue to do so when the state takes local control out of the service system is shortsighted at best. I take no comfort from the suggestion by the bill's supporters that Sedgwick County is already too large to be consolidated under a new CDDO. If passed, the bill would make it clear that all

CDDO areas operate entirely at the pleasure of the SRS Secretary and could be changed or eliminated at any time if the state budget situation merits.

In conclusion, I think SB242 fails to deliver on the promises that were made leading to its introduction. Rather than letting a current budgetary crisis lead to hasty changes to a system that has taken years to develop, we should instead continue to engage in thoughtful planning for its future. Eliminating a group of small CDDOs will not create funding efficiencies large enough to be noticed in a \$220 million service system. We need to reexamine whether we can truly afford the idea of deinstitutionalization for Kansans and whether maintaining a quality system with inadequate funding may require some difficult decisions about who can be supported in the community. I am not ready to say Kansans bit off more than they could chew when the DD Reform Act passed in 1995. I will say that we cannot continue to shuffle the current level of funding or less and expect to deliver on the promises that were made when DD Reform received such widespread approval only 8 short years ago.

TO: Senate Ways and Means
From: Ron Pasmore, KETCH
Date: February 21, 2003
Subject: SB 242

I have very serious concerns over Senate Bill 242. My greatest fear has been the recommendation of some to increase available funds under the HCBS developmental disability waiver by utilizing unmatched funds currently in the system. I participated with the stakeholder group that reviewed ways in which the state might enhance federal funding of the DD system through more aggressive mechanisms for matching state dollars. After months of work, it was concluded that maximizing federal funding could be achieved only if the state funds used to serve developmentally disabled infants and adults, who are not eligible for HCBS, were hard-matched for HCBS. The group concluded not to do this because it would jeopardize services for these individuals and their families. Elimination of SGF funding would negatively impact 73 developmentally disabled adults at my organization.

While on the face of it, consolidation of CDDO's seems like it might create efficiencies, I wonder if this would actually be the case. The majority of funds allocated to CDDO's are spent on the direct services provided by the community service providers. CDDO's receive a small amount of funding for their intake and service referral functions. Some CDDO's use local funds as match in order to increase federal funding for intake and service referral. Any savings realized through consolidation would only be in the CDDO administrative funds. Consolidation may have the effect of losing some of the local funding currently used to subsidize the CDDO functions for the state.

Lastly, I have a concern regarding the proposal in SB 242 to separate intake and service referral from service provision. As you are aware, the CDDO in Sedgwick County does not provide services. Through the intake process, individuals choose a targeted case manager. It is the targeted case manager who guides individuals through the process of making choices between service providers. Licensed community service providers employ the majority of targeted case managers in Sedgwick County. I believe this is also true across the state. Separation of the intake and service referral functions from service provision at the CDDO level would not create separation of this function in reality for the majority of the service system.

In summary, I believe the proposals contained in SB 242 are based upon recommendations of a few service providers. There has not been opportunity for input on their ideas from the majority of stakeholders in the system. Most importantly consumers and families who depend upon these services have had little or no opportunity for input at this point. I request that you seriously reconsider an earlier recommendation by this committee for SRS to convene stakeholders to review the concepts contained within SB 242. The community developmental disability service system is very complex, unique in each community it serves, and somewhat fragile at this point due to the fiscal restraints. In my opinion, undertaking major changes to the system without serious study of the full impact of such change would be very unwise.



TO: Senator Morris, Chairman
Members, Ways and Means Committee

FROM: Kim Miller, Associate Director

DATE: February 24, 2003

SUBJ: Senate Bill No. 242

I am here today to explain the fiscal impact of SB 242 to the developmental disabilities system.

In addition to what you see in SB 242, what you do not see in the bill is of great concern to the DD community.

It is the kind of proposal that arises when funds are short and when everyone is looking for available service dollars. But if successful, the proposal could cause serious uncertainty and likely harm to thousands of persons and their families who are not currently Medicaid funded.

One-third of the DD service population may lose services.

There are two basic funding streams provided by SRS to serve persons with developmental disabilities: the Medicaid HCBS/DD Waiver, and state general funds. The average cost of serving a person through the HCBS/DD Waiver in Kansas is \$35,000/year. The average cost of serving a person through the SGF program is \$5,500/year. The SGF service program is very cost effective. In fact, a number of persons eligible for the HCBS/DD Waiver program are served instead through the SGF program simply because it is more efficient, or because it allows the person to remain gainfully employed while not losing support.

The SGF program allows DD providers to serve 31% of persons in the DD system with only 6% of the DD budget. The services are the same as those provided through the Waiver (day, residential and family supports), yet allow more flexibility for meeting needs with the least cost to the state. Those served are the families of children with disabilities, and adults who need just a few hours of support each week to remain gainfully employed or to remain independently living. They are children who access tiny-k infant and toddler services, and those who utilize transportation services, dental and medical assistance, housing subsidies, and other services not covered by Medicaid.

Financing of the system:			
	<u>Persons</u>	<u>Dollars(AF)</u>	<u>Annual cost per person</u>
Medicaid (HCBS/DD Waiver):	5777	\$199,861,092	\$34,596
SGF-funded Services:	2550	\$ 13,911,949	\$ 5,455

Senate ways and means
2-24-03
Attachment 6

The proposal from which SB 242 originated asserts \$17.5 million is going unmatched for federal funding, thus making it appear as if that much money is “available” for new federal match.

That math is not correct, and therefore the expected windfall is grossly overstated, unless the Legislature wishes to put thousands of consumers out of service, as noted above.

Federal Social Service Block Grant:

Of the money proposed as match, \$7.5 million is federal Social Services Block Grant (SSBG) funding. The State is forbidden by law from matching new federal funds with existing federal funds. Thus this money is not available as match.

That leaves only \$10 million dollars, which are comprised of county mill levy funds and state funding.

County mill levy funding:

The State has no statutory control over the levy or utilization of the \$12 million of county funding realized by CDDOs, and therefore such funding cannot be counted on for any specific state funding plans.

The proposal assumes counties will continue funding CDDOs at current levels into the future. Counties are under no mandate to provide any funding to CDDOs. All money they provide is voluntary, and has been decreasing in many counties over the past few years as counties face economic hardships. To believe a county body forced into consolidation with other counties would continue financial support (which would then be shared among other counties) is naïve, and puts into jeopardy the future of thousands of Kansans with disabilities.

State funding:

Of this money, nearly \$2 million was reduced in FY03 through the allotment process, and the Governor recommends less than full restoration in FY04 (the GBR would retain a cut of \$1.5 million). This committee concurred with the Governor’s cut.

As to the remaining SGF dollars, those dollars are currently matched for Targeted Case Management services, and also used to provide the aforementioned cost-effective services to families and adults with disabilities. There are no matchable SGF dollars available. One of the bill’s proponents testified to the Ways and Means Subcommittee on SRS that she would ultimately support “hard matching” state funds to support their proposal. This means the 2550 persons served with SGF would lose services. We adamantly oppose such a position. Our primary concern is for the 2550 persons and their families. A secondary concern for all of us is that the loss of these very inexpensive services to 2550 persons and families will put stress on other systems, such as children and family services, cash assistance, law enforcement, the medical community, etc.

Where are we?	
Claimed as “matchable”:	\$17,500,000
Less: Federal SSBG	\$ (7,500,000)
Less: Allotment reduction	\$ (1,500,000)
Less: County support	<u>\$(12,254,246)</u>
Matchable:	<u>=====</u> \$ (3,754,246)

This bill, which disregards the long-standing decision of counties in meeting the needs of their most vulnerable citizens, puts in jeopardy the continued county funding of the DD system. In fact, passage of this bill may put the state in the position of making up shortfalls, rather than accessing new money as is suggested by the proponents.

Recent matching proposal yields CMS audit exception

Seeking new match has been exhaustively explored by community and state leaders. A committee representing CDDOs, community services providers, InterHab and the Alliance met for nearly a year to find ways to “maximize” federal match. A plan was considered to allow the system to match additional federal funding, but it would have required that the most inexpensive programs be discontinued, in which case numerous families and Medicaid-ineligible individuals would lose some vitally needed services.

The match plan that was developed through the collaboration of all community interests is currently under audit review with the federal CMS offices (Centers for Medicare and Medicaid Services). If in the review the new match scheme is found unlawful the state of Kansas, through SRS, may have to repay to the federal government a claim for \$7.5 million. Thus, SRS and diligent community stakeholders are reluctant to take on any further liability for pushing new federal match schemes.

We are effectively “all matched out.” That is, Kansas has effectively maximized its use of matching provisions, and any matching efforts beyond that will open the State to scrutiny beyond that which is prudent.

To radically alter the landscape of the community network, and to cast into doubt the service needs of more than 2500 Kansans currently receiving service, all during this most critical budget year ever faced by the system, is at the very least the product of questionable strategic thinking, at the very worst, it is a raid on funding and a weakening of the community network.

We ask that you NOT support SB 242.

Thank you for your time today.



February 24, 2003

TO: Senate Committee on Ways and Means

**FR: Tom Laing, Executive Director
InterHab: The Resource Network for Kansans with Disabilities**

RE: Senate Bill 242

Thank you, Senator Morris, for convening this hearing on Senate Bill 242.

InterHab opposes Senate Bill 242 for the following reasons:

1. *We oppose eliminating the rights of counties to select (individually or jointly with other counties), with state approval, the local organizations who they wish to administer DD programs in their county, or among groups of counties organized together.*

Repealing the county's role would reduce local support:

Current law assures a local governmental role in DD services, by directing counties to either run DD services from county offices, or delegate that role to a local non-profit organization. As a result of being in this loop, Counties have responded by providing voluntary financial assistance to the CDDOs they helped create (\$12 million annually).

Counties will almost certainly choose to pay less to support the system if their hands are tied by the State as to who should coordinate services in their counties. SB 242 is a clear disincentive for county financial support.

2. *There is no pressing need for consolidation. Under current law, which allows counties' choice, 17 out of 28 CDDOs are already the product of voluntary consolidation. In other words, of the 105 counties, 94 have already taken steps to organize in ways to achieve efficiencies. No mandate appears to be needed. The 11 counties individually organized include Johnson, Sedgwick, Shawnee and Wyandotte.*

Among other consolidation issues confronting this Legislature, consolidating CDDOs seems one the smaller problems, if it is a problem at all.

Senate Ways and Means
2-24-03
Attachment 7

3. *The proponents' financial projections clearly show current administration costs to the state are minimal.*

According to proponents, the cost to administer the 28 CDDOs represents a mere 2.8% of the total state cost. Given that modest amount of funding, the only reason adequate oversight exists now is because of the willingness of local parties to assure that oversight be done. It is unlikely any other system of oversight in 105 counties demonstrates that kind of efficiency. When so little is already invested, and when that amount is proposed to be cut, the result will be virtually no community oversight over nearly \$200 million in state and federal funds.

The Committee should ask itself why anyone would work so hard to weaken the oversight capacity of programs serving vulnerable citizens.

4. *We oppose any system change that makes it harder for persons to readily access services for their families, a reality that would surely be felt most seriously in the non-urbanized areas of the State.*

Persons with disabilities and their families should not be asked to travel further to access services merely because they live in rural areas. Do not forget that two of the greatest common factors among persons we serve are poverty and a lack of transit. The ultimate remedy to the new distances that would be created by SB 242– satellite offices – would almost certainly eat up the supposed savings that have been discussed.

5. *Finally, the so-called “millions” in new service dollars (which created the interest that resulted in SB 242) would come at the expense of persons currently served and at a cost of significant reductions in community oversight.*

It is wrong to disregard the service needs of those Kansans with disabilities who are served with the dollars that have been “offered up” as savings to the system. Infants and toddlers, those who live on the fringes of Medicaid eligibility, and families who have chosen to raise their severely disabled children at home rather than to give them up into foster or institutional care should not be made into budget victims.

Summary:

Ask yourself this: “Is the community DD system really in need of an overhaul?”

The community DD system provides services at a cost to the state of roughly one third of the cost required to serve persons in state institutions; hundreds of families remain together today because of the community system; hundreds of men and women with disabilities are working and paying taxes because of the community system; state

government has been able to downsize its work force by hundreds because of the community system; tax dollars for DD service once spent in a handful of Kansas counties are now spent in every Kansas county thanks to the community system.

Nothing in this proposal addresses consumers' needs, families' needs, and communities' needs. This proposal won't magically create more money, nor more efficiency; as is claimed but it will certainly cause years of disorganization and confusion to replace the current system in which communities have created a workable and efficient statewide network for DD services.

Far more important than anything that this bill proposes to do is this:

The system remains under-funded, to the tune of many tens of millions of dollars.

Through good budget times and bad, administrations and legislators have failed to even approach the fiscal maintenance that is needed, choosing instead to push more and more service needs onto an already strained community system.

Since the adoption of the current rate structure in 1993, the system has seen rate adjustments that average less than 1% per year – 7% in ten years, except that with the allotment, that 7% has been reduced to 2%. Those numbers are appalling, and reorganization of the system will not address the need among community providers, and hence their clients.

The proposal that spawned SB 242 is a symptom of, not a solution for, the community's fiscal crisis. For SB 242 to work requires taking money from one group of Kansans with disabilities, and giving it to another. That's not reform, it's the first symptoms of the coming implosion of the community system that has served you well.

We will work with you and with SRS, at any time you ask, to examine the administrative options that exist for evaluation and review. We cannot, however, support a bill that has not examined the unintended outcomes of such wholesale system-wide change.

We urge you to not pass SB 242.