

Senate Public Health and Welfare Committee  
Chairwoman Pilcher-Cook and Committee Members  
March 20, 2013

Support of HB 2160

Thank you for the opportunity to comment today on the Kansas Department of Aging and Disability Services.

I am Cindy Luxem, CEO for Kansas Health Care Association and Kansas Center for Assisted Living. We have over 200 homes across Kansas as members of KHCA, caring for over 20,000 frail elderly on any given day. Our membership is made up of nursing homes, nursing homes for mental health, assisted living, home plus, home and community based services and other senior based housing programs. Long term care providers have experienced many challenges in the recent years. Every day this dedicated workforce is asked to provide outstanding care for some of our most vulnerable citizens and they are the most resilient, devoted caregivers across Kansas.

I am here in support of HB 2160. Provider assessments are very common in the adult care home industry, with over 41 states plus the Dist. of Columbia having a nursing home provider tax program in place. First established in the 1980's, states currently use the proceeds and corresponding federal matching funds from the provider assessments to stabilize Medicaid rates to nursing homes and other health providers like hospitals. In 2004, the Kansas legislature approved a hospital provider assessment program. And from all indications it has worked very nicely for the hospital, docs, pharmacies and others in the provider community. We join our friends in the hospital care community to say that the nursing home provider assessment program passed by the Legislature in 2010 has been equally beneficial for Kansas nursing home providers.

We believe it is quite clear that this state is facing many challenges. It would not be wise to decrease the amount of money going to providers in this very difficult time. Just like the hospital provider assessment, please keep our program whole by supporting the removal of the reduction in dollars.

In Kansas about 55% of our nursing home residents have their stays funded by Medicaid. Kansas homes lose between \$9.23-11.00 EACH DAY for every Medicaid resident, resulting in about a (\$44) million loss for 2011.

It is evident the state is facing budget challenges and clear the state cannot fulfill their responsibility toward maintaining nursing home rates for next fiscal year. Passage of HB 2160 keeps the funds for the program whole and will prevent rate cuts.

House Bill 2160 also includes a date certain for the end of the nursing home assessment, July 1, 2016. It would be our mission to work with the state between now and then to see the Legislature restore the statutory responsibility of full funding to these providers.

Thank you for your attention to this very important issue.