



To: Chairwoman Carolyn McGinn, Members, Senate Ways and Means Committee
From: Rachel Monger, Vice President of Government Affairs
Date: February 6, 2017

Testimony in Support of Senate Bill 94

Thank you, Chairwoman and Members of the Committee. I am Rachel Monger, Vice President of Government Affairs for LeadingAge Kansas, the state association for church-based and other not-for-profit providers of aging services. We have 150 members across Kansas, which include not-for-profit nursing homes, retirement communities, hospital long-term care units, assisted living, homes plus, housing, low-income housing, home health agencies, home and community based service programs, PACE and Meals on Wheels. Our members serve more than 25,000 elders each day.

Our testimony today is in support of SB 94, and its increase in the HMO privilege fee in order to restore cuts made to the Medicaid program on July 1, 2016. Medicaid reimbursement is critical to the health of seniors and their service providers. At a time when funds are scarce, increasing the privilege fee is the best avenue to keep our Medicaid program afloat.

A restoration of the 4.47% reimbursement cut to nursing homes is extremely urgent. The rate cuts, combined with a 150% higher nursing home provider assessment, and the devastation wrought by a Medicaid eligibility backlog, is putting an unsustainable burden on long term care services for senior Kansans.

Nursing homes have taken the brunt of the Medicaid eligibility delays over the last year. They recently took the largest rate cut out of all Kansas Medicaid providers. They provide severely underfunded care to elders receiving Medicaid, who represent well over half of the residents they serve. They do this while being held to the highest standard of care, as the most heavily surveyed and highly regulated health care provider in existence. The burden they are facing is unsustainable, and we can point to our own membership loss as proof. These losses will ultimately fall on our seniors, as their access to much-needed care shrinks in every direction.

Nursing homes are faltering, especially in rural areas where their services are needed the most. In 2016, four LeadingAge Kansas members closed their doors. Two more were sold to large for-profit nursing home chains. Losing six members to financial failure in one year is unprecedented in our association's memory. All but one of the nursing homes were in rural communities. Unsurprisingly, some were associated with hospitals, who we already know are struggling.

For the reasons outlined above, we respectfully request the Committee to support SB 94 favorably for passage.