



To: Chair Olson and Members, Senate Commerce Committee
From: Rachel Monger, Vice President of Government Affairs, LeadingAge Kansas
Date: February 15, 2021

Testimony in Support of Senate Bill 177

We appreciate the opportunity to share our concerns on unemployment fraud from the perspective of adult care homes in the state. Most of our members are small health care providers in communities of less than 4,000 people. In a normal year, paying out thousands in fraudulent unemployment claims would be a difficult pill to swallow. Eleven months into a devastating pandemic, losing precious resources to preventable fraud is intolerable.

Our providers' frustration is magnified when they are still forced to pay on fraudulent claims even after following proper procedures to alert the Kansas Department of Labor of the fraudulent nature of the claim. Here are two recent examples we received from small rural nursing homes in Kansas:

"We have been turning in our suspected fraud claims as they come in, and yet they are still showing up on our quarterly statements. We are having to pay these fraudulent claims because if we fail to pay our quarterly statements then we are being charged interest on top of the fraud claims. This is crazy. We who are already strapped for money due to Covid are now expected to pay the fraud claims because the KDOL cannot look into the claims and reports you make."
Holly Noble, Attica Long Term Care

"We received our first fraud claim on September 15, 2020 and continue to receive them as late as February 5 2021. Since that time we have received 41 fraud unemployment claims. We have paid out \$3,792 out in fraud claims that were turned in as FRAUD CLAIMS." Rita Black, Sunshine Meadows Retirement Community

Our nursing homes have enough struggle meeting their regular and legitimate expenses. The forced fraudulent payouts must stop now. Our unemployment system desperately needs repair and reform. We strongly support Senate Bill 177 and hope the Committee will work quickly to approve it.