



DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

Don Jordan, Secretary

House Aging and Long
Term Care Committee

March 3, 2009

**HB 2094 – Home & Community
Based Services Waivers**

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Chairman Bethell and members of the Committee, I am Don Jordan, Secretary of SRS. Thank you for the opportunity to appear before you today to discuss House Bill 2094. This bill provides funding for four of the Home and Community Based Services Waivers which are administered by SRS. Those waivers are the HCBS-MR/DD waiver, which serves individuals with mental retardation or developmental disabilities, the HCBS –PD waiver which serves individuals with physical disabilities, the HCBS-TBI waiver which serves individuals who have sustained a traumatic brain injury and the autism waiver which serve children with a diagnosis of autism or and autism spectrum disorder. House Bill 2094 allocates, over a period of four years, specific amounts of state general funds to these waivers to reduce, eliminate or forestall the creation of waiting lists for the waivers. The bill also includes state general fund amounts specific to each waiver listed for the expressed purpose of increasing rates of payments to service providers.

Background

Home and community based service waivers allow the state of Kansas to meet the needs of individuals with disabilities while they continue to live in their homes and communities. Home and community based waivers, also know as 1915(c) waivers, are allowed under section 1915(c) of the Social Security Act and give states the flexibility to meet the states individual needs. These programs are funded through a combination of state and federal funding, approximately 60 percent federal and 40 percent state funds.

The Numbers

Earlier this legislative session I presented you with information regarding the different waivers that are administered by SRS. Today's testimony will focus on the impact of HB 2094 on each of the waiver programs referenced in the bill.

Physical Disability Waiver

The bill allocates an additional \$16.4 million in state general funds to serve new individuals and increase reimbursement rates. The HCBS PD Waiver initiated a waiting list on December 1, 2008.

- The waiver is currently serving 7,300 individuals.
- As of February 1, 2009 there were 346 individuals waiting to receive services.



With the proposed funding, the PD Waiver is projected to serve the following number of additional individuals over the next 3 years:

- 536 in FY 2010
- 515 in FY 2011
- 510 in FY 2012

The proposed funding for increased reimbursement rates for providers is \$2 million for each of the next three years. The PD Waiver received funding for a rate increase for services provided in FY 2008. At that time the legislature approved \$826,799 SGF, which was utilized to increase the rate for personal services from \$11.94 per hour to \$12.29 per hour. SRS will work with stakeholders to determine how to allocate the rate increases across the services provided.

Traumatic Brain Injury Waiver

For the TBI Waiver, the bill allows for an additional \$2.4 million in state general funding which would allow individuals to continue to be served without waiting for services and provide for rate increases.

- The TBI Waiver is currently serving 239 individuals

With the proposed funding, the TBI Waiver is projected to serve the following number of additional individuals over the next 3 years:

- 54 persons in FY 2010
- 48 persons in FY 2011
- 42 persons in FY 2012

The TBI Waiver received \$318,282 SGF in FY 2008 for an increase in reimbursement rates. After meeting with stakeholders a decision was made to utilize the funding for an increase in rates for the therapies which are provided through the waiver. At that time, needed Physical Therapy, Occupational Therapy, and Speech Therapies were not being provided due to low reimbursement rates. The rate was increased from \$50 per visit, to \$69.84 per visit. This was the first rate increase that the waiver had received since it was implemented in 1991.

This bill proposes an additional \$200,000 each year for the next three years for an increase in reimbursement rates. SRS will work with stakeholders to determine the best way to allocate the rate increases across the services provided.

Autism Waiver

HB 2094 allows for an additional \$2.8 million in state general funds to serve individuals on the autism waiver waiting list.

- The waiver is currently serving 45 children
- Approximately 200 children are waiting for services



With additional funding, the Autism Waiver would be able to serve an additional:

- 100 children in FY 2010
- 96 children in FY 2011
- 75 children in FY 2012

Mental Retardation/Developmental Disability Waiver

The DD waiver would receive an increase of \$90 million SGF over the next four years through this bill. This funding would be utilized to serve persons waiting for services and concurrent annual rates increases for providers.

- The MR/DD Waiver is currently serving 7,433 individuals.
- There are 1,631 individuals waiting for services who currently receive no services.
- There are 839 individuals who are “under served” meaning they are receiving one or more services through the waiver but are requesting additional services.

An example of the underserved population would be an individual who is receiving day services and in home family supports who requests to move to a residential setting (which has a higher cost). In this case, they would be placed on the waiting list until funding became available. Another example could also be a young person graduating from high school who may be in need of day services but must wait until funding becomes available.

With the proposed funding, the combined (unserved and underserved) waiting list would decrease as indicated below:

- 805 in FY 2010
- 649 in FY 2011
- 553 in FY 2012
- 870 in FY 2013

The funding would also allow the waiver to serve approximately 1,881 additional unserved and an additional 996 underserved individuals over the next 3 years which includes an estimated 280 new persons applying for services each year.

This bill also allows for annual rate increases for providers. For the MR/DD Waiver there were no rate increases provided from FY 2000 to FY 2005. Beginning in FY 2006 the following amounts were allocated for rate increases:

- FY 2006 - \$3.0 million SGF or \$7.5 million AF
- FY 2007 - \$4.172 million SGF or \$10.5 million AF
- FY 2008 - \$5.5 million SGF or \$19.1 million AF



The funding that was allocated for an increase in reimbursement rates was utilized to increase the rates paid to providers of services provided through the MR/DD waiver. SRS met with stakeholders to determine the percent of funding to be allocated to each service. The biannual rate studies were also utilized to inform this process.

In FY 2008, the average monthly cost of serving an individual in the community was \$3,277. The proposed rate increases in HB 2094 would increase the average monthly cost for serving an individual in the community as indicated below:

- FY 2010 - \$3,772
- FY 2011 - \$4,127
- FY 2012 - \$4,408
- FY 2013 - \$4,711

Systems Transformation

SRS received a federal Systems Transformation Grant (\$1.8 million for 5 years) which allows the agency to take a comprehensive look at the payment methodology structure for the waivers, eligibility/level of care determinations, and individual budgeting/self direction. We are in the third year of the grant. One project that is being developed with this grant is the study of the funding and payment methodology structure for the waivers. SRS has a contract in place to begin this study which is targeted for completion by September 1, 2009. The contractor will conduct a study that will identify the costs of providing services to individuals (aging and disabled) in community settings with a focus on "independence, productivity and community living". The contractor will also identify any capacity issues the system faces and make recommendations regarding the funding and payment methodology structure in Kansas. This information will give SRS a greater understanding of the needs of providers and the needed reimbursement rates to serve individuals in the community.

SRS understands that the provision of quality services to individuals is reliant on our local community service providers. As a result, consideration should be given to the wages paid to community direct care staff funded through reimbursement rates to providers. SRS supports a systematic review of compensation for HCBS direct care workers and a multi-year plan to expand community capacity through rate adjustments and to continue to work towards the elimination of waiting lists for services. As part of any multi-year plan, SRS would conduct enhanced departmental reviews of providers to ensure the workforce is receiving the wages afforded to them through enhanced reimbursement rates.

This concludes my testimony regarding HB 2094. I will now stand for any questions.