

Testimony on TA Waiver Rate Request
Presented to the Robert G. (Bob) Bethell Joint Committee on Home and Community Based
Services and KanCare Oversight
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My name is Sean Balke, President & COO for Craig HomeCare and also speaking on behalf of Thrive Skilled Pediatric Care and Maxim Healthcare Services. We, as three of the largest Kansas providers of Specialized Medical Care (SMC) RN/LPN nursing services on the HCBS Technology Assisted (TA) and Intellectual/Developmental Disability (IDD) Waivers, are continuing our request for a line item budget increase to raise the provider reimbursement rate for the SMC (T1000) service code. All three agencies have engaged Conlee Consulting Group, Inc. and Amy Campbell to assist with our advocacy related to this request. My testimony today is specific to how the impact of the COVID-19 Pandemic has exacerbated the situation with SMC service provision and further threatened the viability of SMC service providers.

Pre-COVID19 Progress

- Through collaboration and analysis with this Committee, KDADS, KDHE, and the Governor's office, an increase in the provider reimbursement rate for the SMC (T1000) service code was recommended and included in this year's initial budget, taking the rate from \$31.56 per hour to \$37.00 per hour on the HCBS Technology Assisted (TA) and Intellectual/Developmental Disability (IDD) Waivers. Unfortunately, that increase was not included in the Governor's final budget and the rate remains at \$31.56 per hour.
- The recommended increase to \$37.00 per hour was greatly appreciated and would certainly have helped providers absorb some costs and help improve service provision. However, it did not achieve the \$47.00 per hour rate that was our request, which is widely accepted to be a realistic and adequate rate for the SMC service.

COVID19's Impact on SMC Providers

- **PPE COSTS** - Tremendous increase in PPE costs due to the requirement of universal PPE utilization as well as increased hard-costs of PPE. In some cases, we've seen costs increase by 100% or more for PPE. The "standard" has been set during the pandemic that PPE is now "expected" when it was not pre-COVID19. Currently, we do not have any way to bill for these costs, they are baked into the already low and inadequate SMC rate.
- **INCREASED WAGES AND OVERTIME** - Nurses are demanding higher hourly rates and competition for nurses is getting more severe. Providers are making additional efforts, including significant overtime, to keep patient hours staffed as close to 100% as possible to further reduce exposures to the patients as providers work with local community physicians and hospital systems to keep this vulnerable and medically fragile population at home and out of the inpatient settings and Emergency Departments (EDs). This has been evidenced by fewer hospitalizations and ED visits, along with earlier hospital discharges to the home than pre-COVID. This effort requires attracting more nurses to SMC through higher salaries and paying overtime wages to assure the hours are covered.
- **SERVICE INTERRUPTIONS** – Since mid-April, we've experienced the constant impact of patients and nurses having potential exposure or actually acquiring COVID19 and then having to quarantine and/or cancel services. The business interruption and lost revenue has been significant.
- **STANDARDS/EXPECTATIONS** - Going forward, through and post-COVID; patients, families of patients, and interdisciplinary healthcare teams (ED, inpatient/outpatient settings, physicians) will expect a higher level of risk management due to the standards that have been set during

COVID. These standards will demand increased usage of PPE, increased wages (hazard pay), and a greater understanding by hospital systems that getting patients home sooner, and keeping them home, is the best way to reduce exposures. SMC providers will need increased reimbursement to meet this new expectation and standard that has been set during the pandemic.

- **CORONAVIRUS RELIEF FUNDING** – SMC providers were relieved to hear that the Governor’s SPARK committee approved relief funding for HCBS providers. Our understanding was that providers would receive an allocated amount based on billings during a measurement period. Afterward, the provider attestation form included limitations on “allowable expenses” such as lost revenue that dramatically reduces the amount of the allocated amount a provider can apply to receive. This limitation significantly reduces the relief SMC providers may receive.

Summary

The current SMC T1000 rate in KS is grossly inadequate, causing staffing shortages that often cover less than 60% of medically necessary authorized hours, resulting in delayed hospital discharges, unnecessary re-hospitalizations, and compromised health outcomes. The COVID19 pandemic has resulted in significant cost increases for SMC providers that has exacerbated the issue and created an unsustainable situation. The access to care problem for SMC recipients is bad and getting worse. A State mandated increase in the Medicaid base rate for this service is needed fulfill the waiver’s designed intent. We propose continuing the blended rate for RNs and LPNs and increasing the SMC T1000 code to \$47.00 per hour with a cost of living adjustment. The increase would impact the KDADS Budget line item but would result in savings to the KDHE Medicaid Hospital Budget, resulting in net savings for the Medicaid Program.

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