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Committee on Children and Seniors
Tuesday, February 1st, 2022

Testimony given by:
Haely Ordoyne, Chairwoman
Kansas Adult Care Executives Association

Representative Concannon and Members of the Committee:

The Kansas Adult Care Executives (KACE) is a non-partisan, non-profit professional association serving nursing home administrators and assisted living operators in Kansas. Our membership includes 300 individual administrators and operators from both the nonprofit and for-profit adult care sectors. Our members are located throughout the state of Kansas and several members serve as both the administrator and owner of their facilities.

We are here today to advocate as a **proponent for HB 2524**

Need for Survey of Supplemental Nursing Services Agencies

Currently nursing agencies in the state of Kansas are self regulated. There is no accountability for training standards of their staff. There is no requirement for them to conduct background checks, licensure checks or OIG checks on those they hire.

Eliminate the buyout clause

Most agencies have a \$3,000-\$10,000 buyout of their hiring contract. In our experiences, if we have our employees recruited away from us to work for these agencies, there are no consequences for the agency. However, if we attempt to hire an employee from an agency, we must pay these outlandish rates. These agencies are massively benefiting off of the backs of the hardworking healthcare workers, but at the detriment to the healthcare industry and the residents they serve.

Provision of workers compensation for agency employees

There is currently no state requirement for workers-compensation coverage for agencies to hold to protect their employees. We have had members that have had to pay the workman's

compensation claims of agencies in the past that have led to well over \$100,000 to the facility. Charges like these are ones that many homes cannot sustain.

Need for a 150% cap

The most important need for this bill is an implementation of a 150% cap. Many providers are experiencing a charge of over 250% on the low end up to 1800% on the extreme end. Providers have no choice but to pay the exorbitant rates because of the dire workforce needs across the country. Nothing is currently in place to prevent this from happening. The healthcare industry, those that we serve and the state of Kansas cannot sustain these rates.

More money is being paid to the daily administrative rate of an agency than what we receive as reimbursement from the state average Medicaid daily rate. ***Ex: Agency charges \$45/hour for a CNA. CNA receives \$25/hr. \$20/hr is going to Agency admin costs. If a CNA works an average 12 hour shift, \$240 each day is going to administration. Average state daily Medicaid rate is \$200 per resident/day.*** Please explain to me why the all inclusive provider reimbursement rate is lower than the administrative reimbursement rate for agencies.

We know that price gouging is occurring in our nation at the hands of some of these agencies. Several states have either already put these caps in place or are in the process of doing so. Just this week over Nearly 200 House lawmakers wrote a letter to the White House COVID-19 Response Team coordinator calling on federal agencies with competition and consumer protection authority to investigate staffing firms' conduct and practices.

This bill is long needed. We do not wish agencies out of existence. There is an appropriate place and time for agencies, but that shouldn't be a daily occurrence. We also recognize and support those healthcare workers who are employed by them. These men and women are truly heroes. However, there is nothing heroic about these agencies poaching staff away and selling their services back to us at an astronomical premium. In the end, those that we are all dedicated to serving, are the ones that suffer when money is going to agencies rather than direct resident care. All we providers are asking is for the same expectations, accountability and appropriate level of regulations to be standard for us all.