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March 3, 2017

The Honorable Carolyn McGinn  
Committee Chair  
Senate Ways and Means Committee

Re: SB 173 Department of Health and Environment-5% rate increase for providers under the Home and Community Based Services Medicaid waivers for fiscal years 2018, 2019 and 2020.

Honorable Carolyn McGinn and Committee:

On behalf of Arrowhead West, Inc., which serves over 230 clients on the HCBS Intellectual and Developmental Disability waiver, I am writing to express our support regarding SB 173 at the upcoming hearing. Our mission is to empower people to live meaningful and productive lives. In order for us to do that, we have to be able to hire and retain quality direct support professionals. These are the people that directly serve our clients every day inspiring them to become more independent, encouraging community participation, teaching job skills and promoting healthy lifestyles. In order for us to provide our clients with the stability of staff that they have come to know and love, we have to be able to pay them a decent wage and provide them with benefits that will encourage them to stay with our organization and continue to provide the care our clients so desperately need.

The last rate increase that we received was in 2008. Our expenses have increased over \$1,458,000 in that time period while our income has increased only \$447,630. This coupled with the fact that since Kancare has been put in place we have gone from almost 100% of all of our claims being paid to having to write off over \$97,680. We still have \$17,600 in claims from previous years waiting on payment or to be written off. These claims were written off due to incomplete processes put into place at the MCO's, re-eligibility taking months to be approved and the approval process not being understood by people put into jobs that did not have an understanding of how the Intellectual and Developmental Disability Waiver worked.

The lack of rate increases along with the failure of Kancare has severely impacted the financial stability of our organization and the whole HCBS system in general. We cannot maintain the quality of life that our clients need or depend on with the lack of resources that are currently available to us. Something has to be done! We cannot continue to do more with less as unfunded federal mandates keep coming with no new resources to help fund those expectations.



Accredited by the Commission on Accreditation of Rehabilitation Facilities

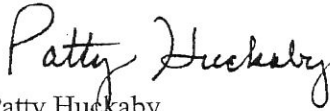
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As discussions on SB 173 continue, we urge you and the Committee to protect the vulnerability of our clients that cannot always speak for themselves and to support the passage of SB 173.

Thank you for considering Arrowhead West, Inc.'s views on this important issue. If you have any questions regarding our position, please contact Lori Pendergast, President or Patty Huckaby, Vice-President of Administrative Services at (620) 227-8803

Sincerely,

A handwritten signature in cursive script that reads "Patty Huckaby".

Patty Huckaby  
Vice-President of Administrative Services

cc: Members of the Senate Ways and Means Committee, Interhab