

Insurance Committee Talking Points

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Dear Committee Members

Thank you for the opportunity to speak to you today.

- Heartspring's primary business is a special purpose, special education school in Wichita.
- We serve 40 students from 12 states.
- Plus we serve 13 students from Kansas
 - eight live on campus in one of our six group homes
 - five come to school at Heartspring and go to their family homes each evening
- We educate 53 students year round.
- School generates 80% of our revenue, Pediatric services 10%, development/other 10%
- 78% of our expenses are wages, salaries, taxes, and benefits
- Over \$10 million dollars a year (84% of revenue) comes from outside of Kansas to employ Kansans and support the Kansas economy

Heartspring Pediatric Outpatient Services

- Medical practice that provides evaluations and therapy to over 700 children a year.
- Our therapy is primarily Habilitative not Rehabilitative.
- To my knowledge, there is only one other provider of child-centered Habilitative services in Wichita and one other in the state (Rainbows and Cappers).

Autism Services

Description:

- Services provided to children and families of children on the Autism Spectrum.
- Most Heartspring services are provided in the family home, but can also be provided in the child's school or pre-school or daycare setting as well as at Heartspring.
- The plan of care is developed following specific guidelines of the program with input from the family and the Autism Specialist – Master Degree plus 2 years experience (\$500 in additional training and testing plus the cost of travel/hotel).
- Much of the hands-on care and training of the child is done by our Tutor who is supervised by the Autism Specialist. The Tutor qualifications are a minimum of 60 college-credit hours or a bachelor's degree plus related experience. (Additional training including four trips to KU, mileage, meals, hotel \$2000)
- Typical types of care and training include activities of daily living (ADL), academics, speech, motor, behavior management, and appropriate activities of recreation and leisure.
- These services are critical to children as soon as the child is diagnosed as being on the Autism spectrum. Early intervention is the key for the best opportunities for skill development and for appropriate social integration.

House Insurance

3-12-12
Amount \$ 7



Program Shortfalls:

Limited number of children qualified for the program

- Waiver Program reimbursement very limited, does not cover our direct costs (wages, mileage, supplies)
- Very few insurance companies provide coverage. Exceptions include the military families (Tri-Care ECHO program) and State of Kansas Employees.
- Other carrier's coverage is dependent on the employers who are buying coverage for their employees.

Habilitative Therapy Services

Description:

- Children who are born with developmental delays (speech, gross or fine motor)
- Suffer from traumatic injury at birth (such as Fetal Alcohol Syndrome, Mental Retardation due to birthing complications)
- Suffer from other traumatic injury (such as motor vehicle accident, near drowning, etc)
- Other...
- Rehab services are adequately covered or reimbursed by insurance carriers. These services are typically short term in nature, are designed to restore the injured child to normalcy.
- Habilitative services are therapies that help provide support and provide improvement in children with conditions that may improve with on-going, prolonged therapy, but will not cure the child of their disability.
- Children who require habilitative therapy services include children on the Autism spectrum, Downs Syndrome, Cerebral Palsy, developmental delays including speech and physical delays, etc.

Insurance Shortfalls

- Because there is not a cure, insurance companies limit the coverage provided these children. Even well know employers with highly trained professional staff limit their coverage of habilitative services.
- Some families pay more than \$10,000 a year for therapy after insurance runs out.

Heartspring fills some of the gap only in Wichita

- 700 children at Heartspring in our Pediatric Outpatient Services.
- We provide Speech Therapy, Physical Therapy, Occupational Therapy, Behavioral Therapy, Psychological Services, and Audiology services to children from birth to young teenagers.
- We serve families from all economic backgrounds.
- And many of those families come to our facility not only because of the suburb care they receive, but also because we are one of very few who provide habilitative therapy.
- We provide financial assistance to families when their insurance runs out so they can afford to continue to provide therapy for their children.

- A child may come to our Pediatric Center two or three times a week.
- Common to receive speech therapy and occupational or physical therapy on the same day.
- It is not unusual for a child to receive therapy for two or three years or longer.

Financial Impact

- In fiscal 2011, the Heartspring Pediatric Center generated \$1,580,000 in gross revenue.
- \$1,350,000 operating expenses not including administrative overhead
- 81% (\$1,109,000) was spent on HPC employee wages and benefits
- Heartspring wrote-off \$357,000 in insurance contractual adjustments
- Heartspring provided \$276,000 in Financial Assistance or free services
- Insurance adjustments and financial assistance total more than 40% of gross revenue
- In fiscal year 2011, Pediatric Services lost over \$403,000

The Appeal

- Kansas needs to do a better job of providing insurance coverage for our children
- Insurance companies should provide the same Habilitative insurance coverage as they provide in Rehabilitative coverage
- The sooner that a child is diagnosed and receives therapy, the greater the positive impact on their life and the life of their family
- There are children who need these services throughout the state
- Only Wichita, Topeka, and maybe Kansas City offers these services
- Others medical practices do not provide these services because they can not financially break even, because of the very poor insurance reimbursement
- Not only must insurance companies provide better coverage, Medicaid must also provide better coverage for these children
- Medicaid covers Physical Therapy only under certain circumstances and never covers any speech, behavioral or occupational therapy. Physical Therapy is covered only if it is rehabilitative and never if it is habilitative.
- Thank you for your service to the citizens of Kansas.
- Thank you for allowing me to visit with you this afternoon