March 9, 2017

To the members of the Medicaid Provider Rate Review Advisory Committee:

First I want to thank you for your service on this crucial committee. I recognize the challenges you must face trying to be equitable across a wide variety of systems and stretch dollars far beyond the breaking point. Now I must throw you another challenge.

Community Connections is the Community Centered Board serving children and adults with intellectual and developmental disabilities (IDD) for five counties in Southwest Colorado. At this time, our agency is the sole provider of most IDD Waiver services in Southwest Colorado. Last year alone, we lost $65,351 providing services for Medicaid SLS (averaging a loss of $1233 per person). If we were to cease providing those services, an entire five county region of Colorado would go unserved.

From the perspective of a charitable organization, we are committed to serving our communities, regardless of the challenges. From a business perspective, we cannot go on indefinitely with such losses, especially as they are compounded with increased costs such as rising health insurance rates and new minimum wage requirements. If the current situation continues without course correction, we will soon likely be forced to stop providing many of the most highly needed Supported Living Services in order to save the rest of our programs. We are unlikely to find another business willing to pick up those services at the current rates.

Our current starting wage for our frontline staff (Direct Support Professionals or DSP’s) is $10 per hour plus benefits. The living wage in La Plata County, where 53% of our services are provided, is $12.98. At our current rates, we need $20.40 per hour for any services that are provided one-on-one (such as homemaker and personal care services, which by definition generally cannot be provided to a group of people).

As an example, Basic Homemaker may support a provider assisting an individual with intellectual disabilities to live independently by ensuring that the individual maintains a safe and healthy home. Yet the hourly rate of $14.92 does not come close to covering the cost of that service. It doesn’t cover the cost of having an employee help the individual with disabilities learn the skills needed to perform these activities himself. It doesn’t even cover the cost to have a cleaning company come and do it for him. The choices for our agency are to either absorb the cost, or stop providing the service and risk having the individual fail in their independent setting and as a result require more costly residential supports. We have never been successful in getting approval from the Department of Health Care Policy and Financing to authorize the Enhanced Homemaker service, which comes closer to covering the actual cost—even when the service being provided appeared to meet that definition.

Agencies like ours cannot continue enduring these losses. Our current administrative rate, according to our 2016 audited financials, is 11%. Our fiscal year 2017 budget of over $5.77 million includes a mere $3,000 surplus. Forty-four percent of our management and administrative staff are making less than
90% of the average wages from the 2014 Colorado Nonprofit Association Wage Report. None are making above the average of comparable positions. We do not have room to cut without either cutting services to clients or wages and benefits to staff. Neither option improves the lives of individuals with intellectual disabilities.

We all understand that we can give someone a fish and she can eat for a day, or we can teach that person to fish and empower her to eat for a lifetime. Our current rates are distributing fish, and we will be continuing to fund fish and keep people with disabilities dependent on public support indefinitely. Or we can figure out how to fund fishing lessons and give people skills, confidence and connections and reduce their future reliance on our support. That’s the only option that makes sense for the future.

Thank you again for taking the time to hear our perspective on this issue and for all your work keeping the needs of rural communities and the needs of people with intellectual and developmental disabilities considered in important political discussions.

Sincerely,

Tara Kiene, President/CEO
Community Connections, Inc.