

**Medicaid Provider Rate Review Advisory Committee
Testimony
March 17, 2017**

Cheyenne Village is a nonprofit organization providing services for approximately 200 adults with I/DD through Medicaid Waiver programs since 1971 in the Colorado Springs area. We provide many of the services available in the HCBS-DD and the HCBS-SLS waivers. Due to our longevity, 28% of the individuals we serve have been part of Cheyenne Village for 20 years or more.

Among those services that Cheyenne Village provides are group homes, PCA's, host homes, and SLS services. While the majority of individuals in the HCBS DD waiver live in PCA apartment settings and host homes, we are the only organization in Colorado Springs that still offers group home services. Every other agency has closed their group homes and CV has only two remaining group homes due to the high cost. The staffing and regulatory requirements of group homes make them financially challenging.

Today, however, I want to focus my comments on **SLS rates**. **Cheyenne Village provides Personal Care, Homemaker, and Mentorship services** to 31 individuals. In addition, we serve 72 individuals in **Supported Community Connections** (both SLS and DD funded).

The current reimbursement rate for SLS Personal Care is \$19.80 per hour. **The average cost of a direct support professional at Cheyenne Village is \$22.12 per hour including wages, FICA, taxes, workers comp, and benefits**. Cheyenne Village pays higher than minimum wage to every employee and provides a benefits package. We do this to attract and retain highly qualified direct support professionals and are proud of a comparative low turnover rate in this group of employees of 26% which is lower than many other agencies.

It is important to recognize the hourly loss for each hour of service provided is far larger than the difference between the \$19.80 per hour rate and the \$22.12 employee cost. The \$22.12 does not include the occupancy costs (offices, desks, computers, phones) transportation (vehicles, gas, oil, maintenance, insurance), training and staff development, supervision, and general administration costs (payroll, insurance, human resources). **On an annual basis, Cheyenne Village incurs a loss of \$87,950 in the SLS program**. The program costs \$1.45 for every \$1.00 of revenue.

When the fee for service funding methodology was implemented in 2007-2008 rates to CV for SLS were reduced by 27%. Many agencies discontinued the service due to similar reductions. When the Home Care Agency license requirement was added in 2010 even more stopped providing SLS personal care.

Between 2013 and 2016, there number of referrals for SLS services increased 5 times or 500% in our community. CV admissions have only tripled in that same four years because of rates. **In fiscal year 2016, we received 194 referrals for Personal Care, Homemaker and Mentorship but only admitted 14. In fiscal year 2013, we received 38 referrals. Demand is increasing but availability is not**. CV could add staff to serve more individuals but each referral is screened for the funding mix because each additional admission only increases our losses. Anecdotally, we

have been informed by the local CCB, The Resource Exchange that many referrals go unmet due to providers' inability to provide desired services due to rates.

A reasonable question is why continue offering this service? It's a question the Cheyenne Village Board of Directors ask each budget year. The answer is that a significant number of individuals receiving SLS personal care, homemaker and mentorship services have been supported by Cheyenne Village for decades.

They live in apartments with great independence and many have outlived their natural supports. 12 of them have no family in the state. Basically, if Cheyenne Village staff didn't take them to the grocery store, help them pay bills and manage their finances and benefits, and assist with doctor appointments and medication management, nobody would. It seems harsh to stop critical supports that enables these individuals to live with a high degree of independence but very unfair for the state to transfer the financial burden to an agency that is continuing a service due to its commitment to supporting long term participants.

The rates for Supported Community Connections is almost a challenging as the Personal Care rates. Cheyenne Village only provides community based services in small groups. One on One services are not possible due to rates. Even with 4 to 1 ratios, the loss for this program is \$21,244 per year.

In conclusion, my suggestion is that if the state of Colorado intends to continue bringing individuals off the waiting list into SLS services, that reimbursement rates are inadequate to encourage providers to accept more participants. The HCBS-SLS waiver is a cost effective way to support individuals and their families without the significant funding investment of the HCBS-DD waiver but many individuals do not have access to needed support because providers cannot afford to offer the services.