



March 10, 2017

To: Medicaid Provider Rate Review Advisory Committee

The Laradon Society for Exceptional Children and Adults is approaching its 70th year - the first nonprofit in Colorado to provide services for those with intellectual, developmental and other disabilities. We offer 12 adult programs and 2 programs for children (Early Intervention and a Facility School) serving over 600 adults and children each day. We employ a professional staff of 200, providing services in community settings across the Denver metro.

The population we serve can be characterized as those individuals with low cognitive ability and high behavioral manifestations. As a result, these adults and children require considerable resources, including professional staff, materials, supplies and tools, including digital devices, for which we are not reimbursed. Relative to the cost of doing business, we are under water in providing SLS services – by \$100K in the last fiscal year, and a projected \$150K in this fiscal year. As a result, many providers, including Laradon, are declining to provide needed services like respite, basic and enhanced homemaker, personal services and mentoring services. In the 2000's, Laradon has lost 30% of its purchasing power which has degraded our ability to hire and retain a competent professional staff. Our annual turnover rate 40%. If reimbursement trends continue, we will be forced in the coming years to work with fewer employees, and eliminate services such as those for fragile IDD individuals with significant medical needs. At Laradon, this medically fragile program will lose \$75K this fiscal year.

With an annual administrative overhead of 9%, Laradon runs an efficient operation. After years of losses, our current operating model is to break even. By serving many of society's most vulnerable members, and by employing many of the lower paid professions, we need additional resources to serve those who often have no voice, and to achieve the most basic of human needs - independence, self-direction, purpose and dignity. We appeal to your sense of equality for all.

Sincerely,

Douglas W. McNeill, President and CEO

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