



March 8, 2017

We recognize the existence of a number of statewide issues regarding the inadequate growth in rates to cover costs for I/DD services of service throughout Colorado. In some parts of the State this has been especially true for the SLS waiver where Program Approved Service agencies consistently refuse to respond to RFP's resulting in the Community Center Board as provider of last resort needing to assume responsibility for necessary services, frequently at a significant financial loss. However, inadequate reimbursement rates impact the ability to meet the needs of individuals without regard to which funding waiver supports the service. In fact, in many cases the problem is even greater with regard to comprehensive services for those enrolled in the DD Waiver as many of these individuals have much higher level of care needs than those served through the SLS Waiver.

Several years ago, service units for a variety of areas including day habilitation, Case Management, and behavioral support were arbitrarily reduced and capped at a lower level than had previously been available. This has caused many of us to provide substantial levels of service without reimbursement both to meet needs of individuals requiring high levels of support as well as to assist families who could not suddenly adjust their work schedule to a 4-day week. Additionally, we would contend that the impact of these reductions has contributed to the reversion problem that occurred shortly after the caps were imposed. We request that the service unit limits be assessed and increased to a more reasonable level so that the needs of individuals and families can be more adequately addressed. HCPF staff have stated that this issue will be addressed through the waiver re-write process and we strongly encourage this inclusion.

An even greater challenge exists for the CCB's and providers delivering services in high cost areas. Due to the high cost of doing business especially with regard to labor cost and health insurance within some of these areas, particularly the mountain resort communities, PASA's have historically avoided expansion into these areas with the result being that the CCB must meet all identified means without regard to the fact that reimbursement rates are inadequate to meet the cost of actually providing necessary services. Both HCPF and DHS have conducted analyses of the cost of service delivery by CCB catchment area. These costs range from slightly over 80% of the statewide average to more than 130%. A national study of health insurance premiums by the Kaiser Foundation found that the highest premiums in the nation existed within the Roaring Fork Valley (Aspen/Glenwood Springs) of Colorado. It seems both irrational and unfair that a provider in the high cost area is reimbursed at the same rate as a provider in a low-cost area where costs are as much as 50% less. It is becoming increasingly difficult if not impossible to compete with the private sector for employees within these areas. However, unlike the private sector which can adjust the price of its products or services to offset increased costs, particularly labor and benefits, those of us dependent upon State funding have no control over the revenue side of doing business. Discussions with HCPF staff over the years have indicated that there are mechanisms to adjust rates based on geographic modifiers but, to date, nothing has ever been done to rectify the inequity. We request that this issue be considered within rate setting methodology and that a means to fairly adjust rates for those serving high cost areas be developed so that needed services to Colorado's citizens with I/DD can be equitably addressed without regard to geographic area of residence.

Bruce Christensen, Executive Director