

ROCKY MOUNTAIN
MS CENTER
— *the answers begin here* —

March 3, 2017

Medicaid Rate Review Committee
Attn: Lila Cummings
Rate Review Stakeholder Relations Specialist
Colorado Department of Health Care Policy and Financing
Lila.Cummings@state.co.us

Dear Medicaid Rate Review Committee,

Thank you for the opportunity to comment on the current Medicaid reimbursement rate.

The King Adult Day Enrichment Program (KADEP) is a flagship program of the Rocky Mountain MS Center, a non-profit organization here in Colorado. KADEP is an innovative, community-based and cost-effective day program alternative to nursing home placement for younger adults with MS, brain injury and other neurological conditions. KADEP provides a dynamic array of classes and activities, nursing care and other services designed to enhance the physical, emotional, cognitive and social wellbeing of each participant.

We know the current Medicaid reimbursement rate is not adequate to efficiently run an adult day program at the high standards we all strive to maintain. We feel it is important for you to consider the many factors involved in maintaining high standards we strive to achieve.

There have been many changes in Colorado and particularly in the Denver metro area in regards to cost of living. Cost of living must be evaluated to ensure that the caregivers employed by agencies are skilled and trained to fulfill the roles they are hired to do. If we cannot sustain a competitive wage then individuals who are skilled will leave agencies and this could negatively impact the safety of the programs. There has also been an increase in food costs. Since we are required to provide meals for our participants, this increased cost should also be evaluated.

Attached is an excel spreadsheet that breaks down all operating costs. Based on our cost analysis the daily cost for doing business is \$87/ day for each client. This equates to a deficit of \$25.24 to \$36.09 per client per day. We fulfill these deficits with grant support and fundraising but that is not a reliable source of income and may cause agencies to close their doors and create a shortage of skilled providers for adult day programs as well as other services such as respite, care providers and transportation providers.

Utilization of services - the services clients are approved for and are actually billed for - must also be evaluated knowing that some providers will not provide services for the Medicaid rate and not by choice of participants and families due to that reason. This includes respite, transportation and, in some cases, adult day programs.

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Maintaining a sustainable model for providing day services is also critical from an overall cost-savings perspective. Rates for long term care for a skilled nursing home can cost anywhere from \$230/day to \$256 per day and \$123 per day for assisted living. When compared to keeping someone in the community through adult day services, the increased cost of care in long-term care facilities can be quite substantial over the course of a lifetime.

Thank you for your attention as you consider this critical issue. Please don't hesitate to reach out with any questions you may have.

Sincerely,



Gina Berg
CEO



Michelle King, MS CTRS
KADEP Director



Timothy Vollmer, MD
Medical Director, RMMSC
Co-Director, RMMSC at University of Colorado