



KENTUCKY ASSOCIATION OF PRIVATE PROVIDERS

THE SITUATION:

Kentucky's system of support for persons with intellectual/developmental disabilities is deteriorating and in crisis. The providers that place Direct Support Professionals (DSPs) into the system are failing from inadequate funding. From 2012- 2015, Medicaid billing for non-residential SCL services declined by nearly one-third. In fact, Day Training, the most utilized SCL service, suffered a rate cut in 2014, resulting in much fewer opportunities for community integration.

KAPP is requesting a **25% funding increase**, totaling **\$26,322,613**, for all Supports for Community Living (SCL) services be included in the next biennium budget to stabilize providers across the Commonwealth who support individuals with intellectual and developmental disabilities to live in the community. The resulting match in federal funds would generate an overall increase in funding, totaling \$87,742,043, for SCL services to be used for provider rate increases. This increase in base funding is essential as we face the increasing likelihood of Medicaid block grants to the states.

THE ASK:
25% funding increase
totaling \$26,322,613 for all
Supports for Community
Living (SCL) services

Statutory language supports our request as follows:

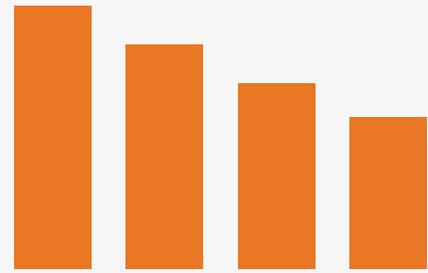
KRS 142.363 (3) states: The Department for Medicaid Services shall promulgate regulations to ensure that a portion of the revenues generated from the assessment levied under this section and federal matching funds shall be used for rate increases for intermediate-care facility services for individuals with intellectual disabilities and providers of services through, or identical to those provided under, the Supports for Community Living Waiver Program to recognize cost increases including current wage and benefit levels in the industry.

According to the Consumer Price Index (CPI), published monthly by the Bureau of Labor Statistics, the cost of living increased by 27% from July 2004 to July 2016. **The last time an increase was approved for all SCL services was 2004.**

A survey of SCL provider agencies, with 123 respondents, revealed the following:

85%

of providers have refused **REFERRALS** due to inadequate funding



41% of providers have **DOWNSIZED SERVICES**

46% of providers anticipate downsizing

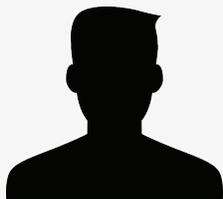


45% average **TURNOVER RATE** of Kentucky Direct Support Professionals

BUT some as **HIGH** as **70%**



91% **PROVIDING SERVICES** despite not being paid for billed claims



38% **TRAINED STAFF** with over one year experience



\$9.00 median starting **WAGE** for Direct Support Professionals



30% of DSP's are on **MEDICAID**



IN 2015

3,500

DSP's **LOST** due to **TURNOVER**

\$3,500

REPLACEMENT COST for a Direct Support Professional

\$12,000,000

TOTAL Medicaid dollars spent in **REHIRES**

MEDICAID EXPENDITURES

\$36,765/pp

supported in the community

VS.

\$300,225/pp

supported in facilities (ICFs)

according to a 2014 study done by the National Information Systems Project at the University of Minnesota's Institute

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