

Kansas Department of

Social and Rehabilitation Services

Gary Daniels, Acting Secretary

House Social Services Budget Committee
March 15, 2005

House Bill 2319 - Concerning DD Reform Act

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Chairperson Landwehr and members of the Social Services Budget Committee, thank you for this opportunity to present testimony today in opposition to HB 2319. I am Margaret Zillinger, Director of Community Supports and Services, Department of Social and Rehabilitation Services.

HB 2319 would prohibit Community Developmental Disability Organizations (CDDOs) from also serving as a provider of community services for persons with developmental disabilities, thus separating administrative functions from service provision and eliminating conflict of interest. SRS has supported previous efforts to eliminate conflicts of interest in the developmental disability system, however, this bill does not achieve this goal.

HB 2319 would explicitly allow community service providers to provide targeted case management services, and would prohibit a CDDO from doing so. Under such a policy, the provider of service would be the same entity which develops and implements the plan of care for individuals in need of services. This is no different than the current conflict with the CDDO acting as both the "gatekeeper" and the service provider. This prohibition on CDDOs also would have a significant fiscal impact.

Currently, as instrumentalities of government, CDDOs use existing state grants and county taxes totaling \$9.8 million as match to federal Medicaid funds to pay for targeted case management. If CDDOs are no longer allowed to be providers of targeted case management, an estimated \$13.8 million in federal Medicaid funding would be lost or the state would have to provide \$9.8 million in state general fund dollars to sustain the funding for this service.

During the past 12 months, several CDDOs have taken steps to address the real and perceived conflict that has been previously discussed by the Legislature. A CDDO peer review process has been developed. Several CDDO coalitions have been established. In the areas of the state where CDDOs are working together, assessments and quality assurance activities are carried out by a CDDO that does not have involvement with the individual requesting or receiving services. SRS recommends allowing enough time to measure the effect of these substantial efforts before making wholesale statutory changes. In the meantime, SRS will encourage local communities to develop local community-driven solutions to issues that arise, while enforcing state law and regulation. SRS also has worked with system stakeholders during this past year to

develop a five- year strategic plan for the DD system, as directed by the 2004 Legislature. As we move forward with our partners to implement the action steps and strategies within that plan, some of the issues that are currently being brought forward in HB 2319 will be addressed.

I would be happy to answer any questions from the Committee.