**Steve Lee**

**Alternative Community Training**



**Department of Mental Health - DD Provider Rate Rebasing**

Good Morning, Chairman Schaefer and members of the Committee. My daughter lives in an Individualized Supported Living home in Columbia, and has since 2004. Her services are provided by Alternative Community Training, Inc. (or ACT).

The Problem

In 2009, the Senate Select Committee on MO HealthNet Provider Rate Equalization, confirmed that Missouri has an inequitable rate system that is creating an ongoing funding issue for the backbone of services for Missouri’s most vulnerable citizens.

It was noted in the report that **Developmental Disability (DD) provider rates** for individuals who entered the system in years past **can be significantly less than a new provider rate** for someone currently entering the system, because adequate cost of living adjustments have not been occurring on an annual basis.

**New DD providers that have developed a contract based on current cost of delivering services** could be providing the same service to similar individuals at a rate significantly higher than a DD provider who has been serving an individual for 15 years. This **gap** between DD provider rates **continues to grow annually.**

The Strategy

The report stated that the Legislature should establish a process to **rebase rates on an annual basis** to keep the DD provider system healthy. Further, the report stated that the Division, subject to appropriation or redirection of DMH funds, would **address the oldest and lowest contract provider rates first**. This will be a multi-year strategy.

The Impact without Rebasing

The **failure** of DD provider rates **to keep pace with inflationary costs** will cause some providers to **reach a “tipping point” that could cause them to go out of business** creating a dramatic crisis for the individuals they serve.

Legislative Response

**2013 Legislative Session:** Through the legislative process, rate rebasing occurred for Division of DD contract providers. This was a start, bringing the rate to about 60% of the current rate for new persons.

**2014 Legislative Session:** The legislature approved rebasing, but the Governor vetoed the funding.

**2015 Legislative Session:** The legislature approved rebasing, but the Governor restricted the funding.

**2016 Legislative Session:** The Governor has requested rebasing funding in his Fiscal Year 2017 budget recommendations.

The Need

Individuals who live in Individualized Supported Living (ISL) homes funded by the Division of DD have **rates that are based on their date of entry** into the system. The longer a person has been served typically will have a lower rate.

An individual’s **rate is also affected by a rating system**, using a tool called the Support Intensity Scale (SIS). This Scale, administered by Division of DD personnel, helps determine a score for each person, from **1 to 7, with 7 being an individual with the greatest need**.

My daughter Abby **has a score of 7**, and as mentioned earlier, is served by Alternative Community Training, Inc. (or ACT). She lives in a home in Columbia that I built. Her rate is currently about 60% of what someone entering the system today would receive.

If Abby moves from ACT to another provider, **her same low rate goes with her**! The only way for her to receive a rate comparable to someone entering the system today is through your support of rebasing.

We don’t want Abby to move to another provider. **ACT has been in business for 40 years** and has been **nationally accredited since 1987**. They do a great job with the funding they receive, but without rebasing it will get harder and harder for them to compete with newer organizations serving individuals with higher rates.

The Request

**Please support DD Provider Rate Rebasing. Thank you for the opportunity to testify today. I would be happy to answer any questions.**