



2107 Industrial Dr., McPherson, KS 67460, P: 620-241-6693 F: 620-241-6699 www.mcds-ks.org

Some examples:

1. Our rates have not increased since 2008 and in many cases our revenues have been cut significantly including cuts to State Grant Funds and Medicaid affecting our Targeted Case Management Services and Intermediate Care Facilities.
2. Our rates lag between 13-20% (depending on the service) behind inflation since 2008. In addition many of our cost drivers are outpacing inflation.
3. I have watched our annual employee turnover rate climb from roughly 40% to 50% since 2008 to over 90% now due to the extremely low pay and lack of benefits. **The starting wage for our Direct Support Professionals (those employees who work with our clients) is about \$3,000 less than the Federal Poverty Level for a family of three.**
4. In addition, MCDS recently had to cancel our company sponsored employee health insurance plan due to our inability to pay the premiums.
5. The Kansas State Hospitals (Osawatomie, Parsons, Larned and KNI) are experiencing the same problems we are experiencing in the community including significant turnover, unfilled shifts, chronic significant overtime and burned out employees. State Hospitals start their employees at almost twice the rate paid in the community for similar work yet have the same problems that are occurring in the community. Recently the State Legislature found monies to address some of these issues being experienced in the state hospitals last year. The Kansas Legislature should now address these issues for the community service providers this year.

In addition to the financial issues above our cost of doing business continues to increase dramatically due to state, federal and managed care mandates including significant limitation on billable services, Department of Labor issues and KanCare complexity and compliance.



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February 27, 2017

Honorable Senator Carolyn McGinn
Chairperson
Kansas Senate Ways and Means Committee
Kansas State Capital Building
Room 548-S
300 SW 10th Street
Topeka, Ks. 66612

RE: SB 173

Dear Senator McGinn and Distinguished Members of the Committee:

I am providing written testimony on behalf of Multi Community Diversified Services a community service organization that has provided services to persons with intellectual and developmental disabilities for over 42 years. I also represent Cartridge King of Kansas, a company that was created over 22 years ago to provide employment to persons with significant disabilities in an environment that offers supports that they may not find in a typical community job placement.

Prior to my role as Chief Executive Officer (CEO) I was the Chief Financial Officer (CFO) for MCDS for almost 10 years. In my role as CFO I was responsible for the Financial, Human Resources and Information Technology areas within MCDS. In my many years as CFO and now CEO for MCDS I have watched our business model erode to the point that in my humble opinion it is not a question of if but when our business will cease to function as a going concern. I believe this not only true for MCDS but true for most other service providers like MCDS in the state of Kansas.


The lack of rate increases for the services we provide along with the outright cuts in income and the significant increases in costs both direct and indirect and the administrative burden of KanCare have driven our business model to the brink.



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In the end it is up to the Kansas State Legislature to determine if a healthy and robust system of community supports for persons with disabilities is important enough to fund adequately and appropriately. Community placement is almost always significantly less expensive than hospitalization and is also less restrictive and more appropriate for most individuals with disabilities.

Sincerely,



Doug Wisby
President/CEO