

Helena Industries, Inc.
Report to
Children, Families, Health, and Human Services Interim Committee
March 13, 2014

Helena Industries, Inc. (HI) is a private, non-profit corporation that provides services and supports for persons with disabilities. Most of HI's services are intended to assist individuals in learning marketable work skills and to find jobs that earn them a pay check and are personally satisfying. More than 80% of HI's service funding comes from Medicaid.

With regard to the Medicaid funding source, HI faces 2 significant challenges: First, the fees received for Work services and supported employment do not cover the full cost of those services. This was a significant discussion in the 2013 Legislature. Thanks to a persistent group of legislators lead by Senator Mary Cafferro, the Legislature appropriated a 4% rate increase for each year of the 2014 biennium. This additional funding is greatly appreciated and at HI it made it possible for us to give our hard-working and dedicated staff a pay raise after 6 years of no increases. What it didn't do however, was eliminate the financial loss we have in our Medicaid-funded services. Please see the table below:

<u>Fiscal Year</u>	<u>DD Facility</u>	<u>Supported Employment</u>	<u>Total Loss</u>
FY 2009	(\$199,479)	(\$30,483)	(\$229,962)
FY 2010	(\$169,105)	(\$78,880)	(\$247,985)
FY 2011	(\$157,340)	(\$75,861)	(\$233,201)
FY 2012	(\$171,816)	(\$21,320)	(\$193,136)
FY 2013	(\$142,380)	(\$16,803)	(\$159,183)

FY 2014 - It is projected that the loss for FY 14 will be approximately the same as the FY 13 loss. This is due to the fact that the 4% increase we received for FY 14 went to wage increases for staff that had not seen an increase in 6 years.

The second challenge that HI faces with Medicaid funding is the dramatic increase in administrative requirements over the last 6 years. There have been no increases in our Medicaid funding to offset the additional cost of these requirements, so the result is that we have less time to attend to our primary responsibility of providing supports and training for persons with disabilities. The reader should keep in mind that this discussion is not about the validity of all these added requirements, although that may be a legitimate discussion to have at some point. Our point today, however, is specifically about the additional, unfunded cost these requirements have imposed on HI. These requirements fall into 4 categories:

1. **Individual Support Planning:** This area involves doing individualized assessments, developing goals and objectives, participating in planning meetings, creating Individualized Service plans, distributing documents, etc. The additional annual cost we have incurred in this area is **\$9,855.00**
2. **Individual Program Implementation and Monitoring:** This area includes creating tracking checklists, completing checklists daily, recording and entering data daily, reviewing data, doing quarterly reports, monthly monitoring of Supported Employment data, etc. The additional annual cost we have incurred in this area is **\$140,962.00**.
3. **Staff Training:** This area includes providing ¹²/~~20~~ hours of training annually for each direct-care staff person, managing and monitoring staff working on the College of Direct Support curriculum, maintaining staff training files, etc. The additional annual cost we have incurred in this area is **\$10,500.00**.
4. **Regulatory Monitoring and Reporting:** This area includes writing Incident Reports in accordance with administrative rules, holding weekly Incident Management meetings, tracking and reporting trends in incidents, performing regular checks of the Medicaid Excluded Person list on all employees, etc. The additional annual cost we have incurred in this area is **\$11,358.00**.

The total additional annual cost for these 4 categories is **\$172,675.00**.