

MEDICAID COMMISSION MEETING

Atlanta, Georgia March 14, 2006

Open Session for Public Comment

Testimony Submitted By: Ken Lovan
Vice President of Government Relations
ResCare

Established in 1974, ResCare is a human services company offering residential, therapeutic, job training and educational supports to persons with developmental or other disabilities; providing education and training to young people in the Job Corps program; operating one-stop employment and training services for people experiencing barriers to employment; and giving older people the help they need to stay in their homes. ResCare serves more than 50,000 people in 36 states, Puerto Rico, Canada, and the Middle East. Its services to people with developmental and other disabilities are in 29 states and reach out to more than 26,000 people. ResCare is headquartered in Louisville, Ky. More information is available at www.rescare.com.

Unlike other Medicaid provider groups, virtually 100% of all funding for MR/DD services comes from Medicaid. It is the singular reason that the people we serve can live and receive services in more desirable and cost-effective settings.

We understand that states are having difficult time managing their budgets, especially Medicaid. Their typical response so far has been to: restrict eligibility, reduce services, cut provider rates, or at best enact a “freeze” in the face of rising costs and increasing demand for services. Given these limited dynamics, it has been in our best interests to resist such harmful changes.

However, given the recent efforts at the federal and state levels to reform Medicaid, we believe there is now an opportunity to make “meaningful improvements in the way we pay for and deliver services”. It would be a real shame if the best response we can muster is to “simply defend the status quo”.

As good as the current system is, we know it has some serious problems. MR/DD services are overly complex and inflexible, expensive yet underfunded (one of the main reasons for Medicaid's cost effectiveness is its well-earned reputation for underpaying providers") and these services are usually guided by an inefficient infrastructure.

As private providers, we want to develop our "best solutions" and then actively reach out to families, advocates, policy-makers and legislators in a proactive effort to pursue changes which will benefit us all. Governors, as well as families and self-direction advocates, are seeking greater flexibility as a way to deliver better services and at a lower cost. If providers could secure a similar level of "flexibility", we could also "improve services and save money".

Regardless of the state, type of disability, model of service or method of reimbursement; the most critical component of long term care is the availability of a competent, trained and caring direct workforce. Any discussion of changes or improvements to Medicaid policy should focus on this fundamental issue.



Ken Lovan

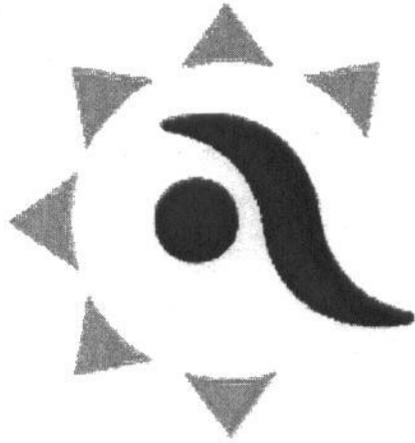
Vice President of Government Relations

10140 Linn Station Road Louisville, KY 40223-3813

502.394.2335 fax: 502.394.2206

email: klovan@rescare.com

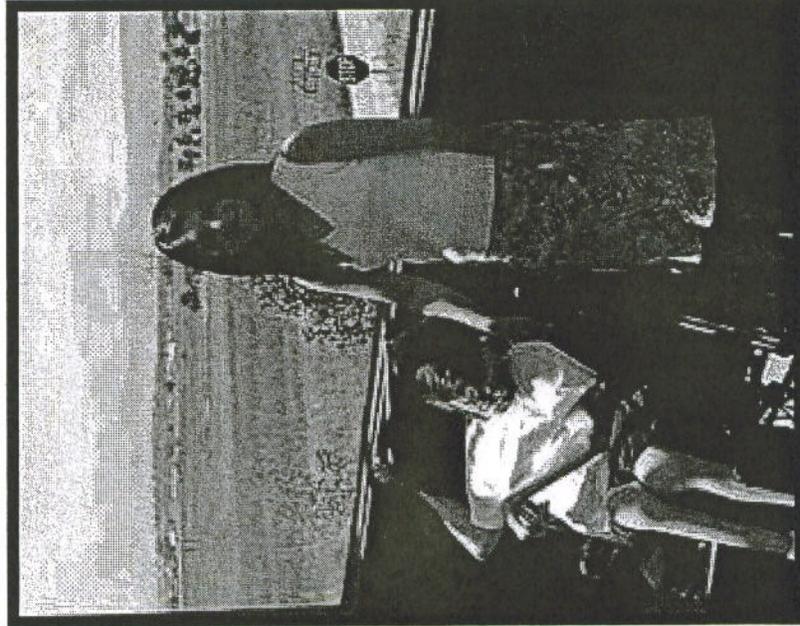
Building Lives • Reaching Potential



ResCare

Building Lives · Reaching Potential

Community Services



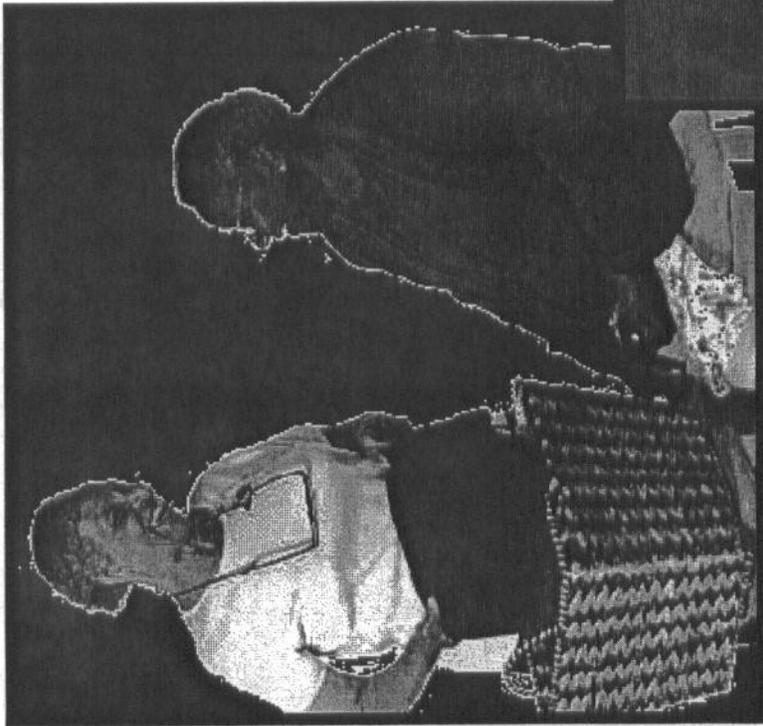
RESIDENTIAL

**LIFE
PLANNING**

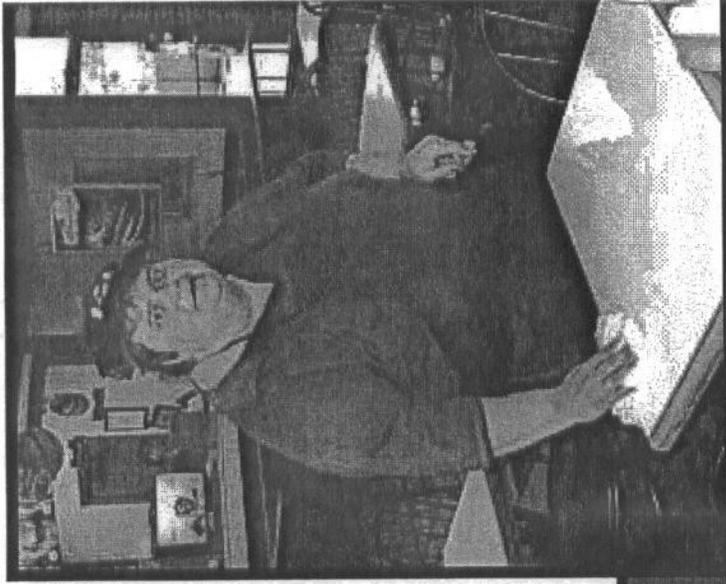


**COMMUNITY
INVOLVEMENT**

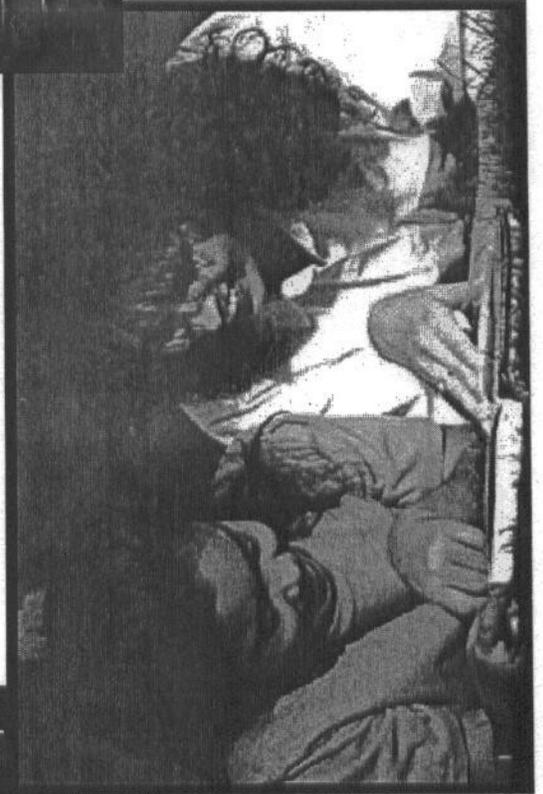
Community Services



HOME CARE

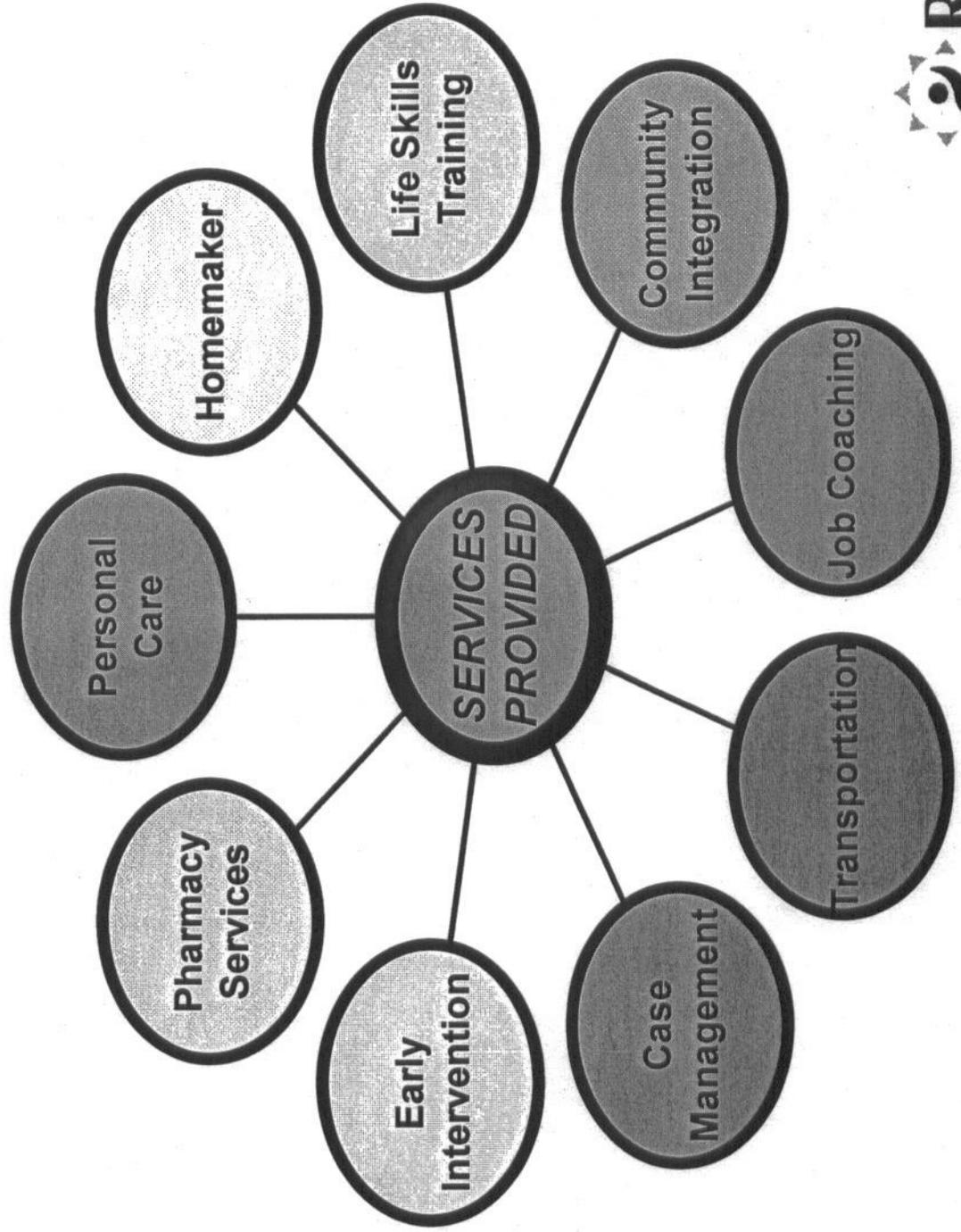


JOB TRAINING



FOSTER CARE

Services Provided



Persons Receiving Services

**Persons with
Developmental
Disabilities**

**Persons with
Acquired
Brain Injury**

Elderly

At-Risk Youth

At-Risk Families

Community Services Group

Revenue *	\$880 Million
Employees	29,000
Persons Served	27,000

* Fourth Quarter Annualized

Breakdown of Persons Served by Service

	<u>Approximate</u>
Persons Receiving In-Home Supports	14,000
Persons Receiving Residential Supports	10,000
Persons Receiving Foster Care Supports	2,000
Persons Receiving Other Services	<u>1,000</u>
	<u>27,000</u>

CSG Geographic Presence

30 states, Washington, D.C., and Canada

