

Senate Subcommittee Report

Agency: Kansas Department for Aging and Disability Services **Bill No.** SB 267 **Bill Sec.** --

Analyst: Moore

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Budget Page No. 240

Expenditure Summary	Agency Request FY 2022	Governor Recommendation FY 2022	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 884,303,004	\$ 0	\$ 31,205,066
Other Funds	1,323,944,953	0	37,432,599
<i>Subtotal</i>	<u>\$ 2,208,247,957</u>	<u>\$ 0</u>	<u>\$ 68,637,665</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	9,131,142	0	0
<i>Subtotal</i>	<u>\$ 9,131,142</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u>\$ 2,217,379,099</u>	<u>\$ 0</u>	<u>\$ 68,637,665</u>
FTE positions	285.0	0.0	0.0

Agency Request

The **agency** requests \$2.2 billion, including \$884.3 million from the State General Fund (SGF), for operating expenditures for FY 2022. This is an all funds decrease of \$11.0 million, or 0.5 percent, below the FY 2021 revised estimate. This includes an SGF increase of \$49.2 million, or 5.9 percent, and all other funds decrease of \$60.2 million, or 4.4 percent, from the FY 2021 revised estimate. The request includes 285.0 FTE positions, which is the same number as the FY 2021 revised estimate.

The decrease is primarily related to the absence of several one-time expenditures in FY 2021 for COVID-19-related pandemic relief and the infrastructure for the Electronic Health Records (EHR) system. The decrease is partially offset by the agency's enhancement requests, which include: the maintenance of its EHR system; funding for HCBS waiver services related to avoiding wait list growth or establishment for the physical disability (PD), intellectual/developmentally disabled (I/DD) waiver, and BI wavier; and several new behavioral health initiatives. Due to the expiration of the temporary FMAP rate increase, the agency anticipates increased SGF expenditures.

The agency's request includes \$9.1 million, all from the State Institutions Building Fund, for capital improvement expenditures for FY 2022. The request is a reduction of \$9.4 million, or 50.6 percent, below the FY 2021 revised estimate. The request includes several rehabilitation and remodeling projects for the state hospitals, as well as debt service for the state security hospital and previous rehabilitation projects.

Governor's Recommendation

The **Governor** recommends all expenditures be shifted to the budget of the newly created Department of Human Services, pursuant to Executive Reorganization Order No. 47, which would combine the Kansas Department for Aging and Disability Services and the Department for Children and Families for FY 2022. For the purposes of this summary, the Governor's recommendation for FY 2022 services is included within the budget for the Department for Children and Families for FY 2022.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation for FY 2022 with the following adjustments and notations:

1. Add \$31.0 million, including \$12.4 million SGF, to continue the 5.0 percent increase in the provider reimbursement rates for the Medicaid Home and Community Based Services Intellectual/Developmental Disability (HCBS/I/DD) waiver, and provide an additional 2.0 percent increase for FY 2022.
2. Add \$3.0 million, all SGF, for operational costs to implement the national 988 behavioral health crisis hotline for FY 2022.
3. Add \$1.0 million, all SGF, for a psychiatric residential treatment facilities (PRTF) pilot program at Ember Hope in Newton, Kansas, for FY 2022. This funding would be used for 12 PRTF beds. This amount was approved by the 2020 Legislature but subsequently allotted by the Governor.
4. Add \$25.0 million, including \$10.0 million SGF, to provide a \$10.00 increase for the daily reimbursement rate for nursing facilities for FY 2022.
5. Add \$6.4 million, including \$2.6 million from SGF, for the Medicaid Home and Community Based Services Technology Assisted (TA) waiver for FY 2022. Add language directing this funding be used to increase the provider reimbursement rate for the Specialized Medical Care (T1000) services code from the current rate of \$31.55 per hour to \$37.00 per hour for in-home Medicaid Care Registered Nurse/Licensed Practical Nurse nursing services for this waiver. This amount was approved by the 2020 Legislature but subsequently allotted by the Governor.
6. Add \$2.0 million, all SGF, for additional funding for Community Mental Health Center grants for FY 2022. This amount was approved by the 2020 Legislature but subsequently allotted by the Governor.
7. Add \$250,000, all SGF, for substance use disorder grants for FY 2022. This amount was approved by the 2020 Legislature but subsequently allotted by the Governor.
8. Review at Omnibus, the addition of \$14.7 million, including \$5.9 million SGF, for additional funding for Medicaid Home and Community Based Services Brain Injury (BI) waiver services for FY 2022. Currently, there is not a wait list for BI waiver services and the agency indicates funding is needed to avoid the creation of a wait list.

9. Review at Omnibus, the addition of SGF moneys for legislation passed during the 2021 Session that would expand the number of persons receiving substance abuse treatment from the 2003 SB 123 program.
10. Review at Omnibus, the procedures to include all expenditures for Programs of All-Inclusive Care for the Elderly (PACE) services in the Human Services Consensus caseloads process.
11. The Subcommittee notes its intention meet and review the need for additional funding for BI waiver services prior to Omnibus.
12. The Subcommittee notes its intention meet and review the potential savings in expenditures related to hospitalization by increasing the provider reimbursement rates for the Specialized Medical Care (T1000) services code for the TA waiver prior to Omnibus.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's recommendations for FY 2022.

House Budget Committee Report

Agency: Kansas Department for Aging and Disability Services **Bill No.** HB 2397 **Bill Sec.** --

Analyst: Moore

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<u>Expenditure Summary</u>	<u>Agency Request FY 2022</u>	<u>Governor Recommendation FY 2022</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 884,303,004	\$ 0	\$ 31,720,045
Other Funds	1,323,944,953	0	39,817,540
<i>Subtotal</i>	<i>\$ 2,208,247,957</i>	<i>\$ 0</i>	<i>\$ 71,537,585</i>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	9,131,142	0	0
<i>Subtotal</i>	<i>\$ 9,131,142</i>	<i>\$ 0</i>	<i>\$ 0</i>
TOTAL	\$ 2,217,379,099	\$ 0	\$ 71,537,585

FTE positions

285.0

0.0

0.0

Agency Request

The **agency** requests \$2.2 billion, including \$884.3 million from the State General Fund (SGF), for operating expenditures for FY 2022. This is an all funds decrease of \$11.0 million, or 0.5 percent, below the FY 2021 revised estimate. This includes an SGF increase of \$49.2 million, or 5.9 percent, and all other funds decrease of \$60.2 million, or 4.4 percent, from the FY 2021 revised estimate. The request includes 285.0 FTE positions, which is the same number as the FY 2021 revised estimate.

The decrease is primarily related to the absence of several one-time expenditures in FY 2021 for COVID-19-related pandemic relief and the infrastructure for the Electronic Health Records (EHR) system. The decrease is partially offset by the agency's enhancement requests, which include: the maintenance of its EHR system; funding for HCBS waiver services related to avoiding wait list growth or establishment for the physical disability (PD), intellectual/developmentally disabled (I/DD) waiver, and BI waiver; and several new behavioral health initiatives. Due to the expiration of the temporary Federal Medical Assistance Percentage (FMAP) rate increase, the agency anticipates increased SGF expenditures.

The agency's request includes \$9.1 million, all from the State Institutions Building Fund, for capital improvement expenditures for FY 2022. The request is a reduction of \$9.4 million, or 50.6 percent, below the FY 2021 revised estimate. The request includes several rehabilitation and remodeling projects for the state hospitals, as well as debt service for the state security hospital and previous rehabilitation projects.

Governor's Recommendation

The **Governor** recommends all expenditures be shifted to the budget of the newly created Department of Human Services, pursuant to Executive Reorganization Order No. 47, which would combine the Kansas Department for Aging and Disability Services and the Department for Children and Families for FY 2022. For the purposes of this summary, the Governor's recommendation for FY 2022 services is included within the budget for the Department for Children and Families for FY 2022.

House Budget Committee

The **Budget Committee** concurs with the Governor's recommendation for FY 2022 with the following adjustments and notations:

1. Add \$22.1 million, including \$7.9 million SGF, to continue the 5.0 percent increase in the provider reimbursement rates for the Medicaid Home and Community Based Services Intellectual/Developmental Disability (HCBS/I/DD) waiver for FY 2022.
2. Add \$21.8 million, including \$8.7 million SGF, for the Medicaid Home and Community Based Services Technology Assisted (TA) waiver for FY 2022. Add language directing this funding be used to increase the provider reimbursement rates for the Specialized Medical Care (T1000) services code from the current rate of \$31.55 per hour to \$47.00 per hour for in-home Medicaid Care Registered Nurse/Licensed Practical Nurse nursing services for this waiver.

3. Add \$1.0 million, all from SGF, for a Psychiatric Residential Treatment Facility (PRTF) pilot program at Ember Hope in Newton, Kansas, for FY 2022. This funding would be used for 12 PRTF beds.
4. Add \$20.5 million, including \$8.2 million SGF, to provide a 3.0 percent increase in the Medicaid reimbursement rate for nursing facilities for FY 2022.
5. Add \$3.0 million, all SGF, for Senior Care Act services for FY 2022. The Senior Care Act is a program that offers Kansans 60 years of age or older the opportunity to receive in-home, non-medical supports to prevent premature nursing home placement for persons who have not exhausted their financial resources.
6. Add \$394,677, including \$159,134 SGF, and add language raising the Protected Income Level for the PACE program from 150.0 percent to 300.0 percent for FY 2022. The Budget Committee's notes its intent is for annual adjustments to this level in the future.
7. Add \$2.0 million, all SGF, for additional funding for community mental health center grants for FY 2022.
8. Add \$750,000, all SGF, for the Douglas County Community Crisis Center and appropriate a new Douglas County Crisis Center Base Services account of the SGF for FY 2022.
9. The Budget Committee recommends that PACE program expenditures be included in the Human Services Consensus Caseloads process beginning in the Fall 2021.
10. Add language directing the agency to initiate a request for proposal (RFP) for potential providers to help grow the statewide provider network for the PACE program for FY 2022.
11. Add language directing the agency to establish a certification process for, certified community behavioral health clinics, and allocate funding for such purpose, for FY 2022.
12. The Budget Committee recommends that the Legislative Coordinating Council establish a special interim committee to study the state of the Home and Community Based Services Intellectual and Developmental Disability Waiver during the 2021 Interim. The focus of the committee would be to examine issues related to the waiver wait list; adequate provider networks; and reimbursement rates.
13. The Budget Committee recommends the House Social Services Committee review the agency's progress in addressing the Budget Committee's concerns regarding the number of individuals receiving Medicaid Home and Community Based Services Brain Injury (HCBS/BI) waiver services and the rehabilitation goal of the HCBS/BI waiver service during the 2022 Legislative Session.

Should the concerns remain unaddressed, the Committee would recommend expenditures for HCBS/BI waiver services be included in the Human Services Consensus Caseloads process beginning Fall 2022. Should HCBS/BI waiver services be included in consensus caseloads estimates, the estimate will include expenditures for all HCBS/BI waiver enrollees (which would not allow the waiver to have a waiting list).

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation for FY 2022 with the following adjustments:

1. If any Executive Reorganization Order to establish the Department of Human Services is disapproved by a vote of either chamber of the Legislature, expenditures and funds contained in the Department of Human Services in the Governor's recommendation be shifted back to the agency from which those expenditures and funds originated prior to the ERO.
2. Add \$12.5 million, including \$5.0 million SGF, for additional funding for HCBS/BI waiver services for FY 2022. Currently, there is no wait list for HCBS/BI waiver services and the agency indicates funding is needed to avoid the creation of a wait list.