

previous rehabilitation projects. The increase is primarily related to the delay of several projects from FY 2020.

Governor's Recommendation

The **Governor** recommends \$2.3 billion, including \$733.0 million from the State General Fund (SGF), for operating expenditures in FY 2021. This is an all funds increase of \$106.6 million, or 4.8 percent, above the agency's FY 2021 revised estimate. This includes an SGF decrease of \$102.0 million, or 12.2 percent, and an all other funds increase of \$208.6 million, or 15.1 percent, above the agency's FY 2021 revised estimate. The increase is primarily related to an additional award of federal Coronavirus Relief Fund moneys by the SPARK Taskforce for personal protective equipment and sanitation supplies for nursing facilities. The increase is also due to additional expenditures related to KanCare expenditures for entitlement programs; which are primarily related to Medicaid population growth and a new agency policy related to psychiatric residential treatment facilities (PRTF) reimbursement. The fluctuation in funding sources is due to the Governor's recommendation that the agency utilize special revenue funds rather than SGF moneys for mental health grants and programs. The recommendation includes 285.0 FTE positions, which is the same number as the agency's FY 2021 revised estimate.

The Governor concurs with the agency's revised FY 2021 estimate for capital improvements.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation in FY 2021 with the following adjustments:

1. Add \$25.1 million, including \$9.0 million SGF, to provide a 5.0 percent increase in the provider reimbursement rates for the Medicaid Home and Community Based Services Intellectual/Developmental Disability (HCBS/I/DD) waiver in FY 2021.
2. Add \$4.4 million, including \$1.8 million SGF, for additional funding for Medicaid Home and Community Based Services Brain Injury (BI) waiver services in FY 2021. 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.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's recommendations in FY 2021 with the following adjustments:

1. Adopt the Governor's Budget Amendment (GBA) No. 2, to add \$5.3 million, including \$1.8 million SGF, to the Governor's recommendation to provide additional funding for HCBS/BI waiver services in FY 2021.
2. Delete \$4.4 million, including \$1.8 million SGF, to remove the Subcommittee's original recommendation for additional funding for the HCBS/BI waiver services following the Committee's adoption of GBA No. 2.

program and funding for brain injury (BI) waiver services, all of which are anticipated to continue into the future. As it relates to funding sources, the agency received additional federal funds resulting from the temporary increased Federal Medical Assistance Percentage (FMAP) rate due to the COVID-19 pandemic. This allowed the agency to reduce its utilization of SGF required to draw down federal Medicaid moneys.

The revised estimate includes \$18.5 million, all from the State Institutions Building Fund, for capital improvement expenditures in FY 2021. This is an increase of \$4.4 million, or 31.0 percent above the approved amount. These include several rehabilitation and remodeling projects at the state hospitals, as well as debt service for the state security hospital and previous rehabilitation projects. The increase is primarily related to the delay of several projects from FY 2020.

Governor's Recommendation

The **Governor** recommends \$2.3 billion, including \$733.0 million SGF, for operating expenditures in FY 2021. This is an all funds increase of \$106.6 million, or 4.8 percent, above the agency's FY 2021 revised estimate. This includes an SGF decrease of \$102.0 million, or 12.2 percent, and an all other funds increase of \$208.6 million, or 15.1 percent, above the agency's FY 2021 revised estimate. The increase is primarily related to an additional award of federal Coronavirus Relief Fund moneys by the SPARK Taskforce for personal protective equipment and sanitation supplies for nursing facilities. The increase is also due to additional expenditures related to KanCare expenditures for entitlement programs; which are primarily related to Medicaid population growth and a new agency policy related to psychiatric residential treatment facilities (PRTF) reimbursement. The fluctuation in funding sources is due to the Governor's recommendation that the agency utilize special revenue funds rather than SGF moneys for mental health grants and programs. The recommendation includes 285.0 FTE positions, which is the same number as the agency's FY 2021 revised estimate.

The Governor concurs with the agency's revised FY 2021 estimate for capital improvements.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation in FY 2021 with the following adjustments and notations:

1. Add \$22.1 million, including \$7.9 million SGF, to provide a 5.0 percent increase in the provider reimbursement rates for the Medicaid Home and Community Based Services Intellectual/Developmental Disability (HCBS/I/DD) waiver in FY 2021.
2. Add \$49.8 million, including \$19.9 million SGF, to provide a \$20 increase for the daily reimbursement rate for nursing facilities for 178 days, in FY 2021. This recommendation is to continue the daily rate increase provided due to the COVID-19 pandemic for the remainder of calendar year 2020.
3. Add \$33.6 million, including \$13.4 million SGF, to provide a \$20 increase for the daily reimbursement rate for nursing facilities for 120 days, starting January 1, 2021, in FY 2021. Add language making this subject to review of the Legislative Budget Committee at the end of the 120 days, or May 1, 2021, for continuation through June

30, 2021. This recommendation is to continue the daily rate increase provided due to the COVID-19 pandemic for the remainder of fiscal year.

4. Add \$4.2 million, including \$1.7 million SGF, to provide a \$10 increase for the daily reimbursement rate for nursing facilities for 30 days, following the end of the COVID-19 public health emergency, in FY 2021.
5. The Budget Committee recommends that the agency review the policies regarding the Medicaid Home and Community Based Services Brain Injury (HCBS/BI) waiver in FY 2021 and implement the following policies:
 - Ensure that the HCBS/BI waiver serves as a rehabilitation waiver;
 - Prioritize Kansans with recent brain injuries; and
 - Implement a two-year review on services, with limited exceptions for continuing waiver services beyond two years.

Add language that the agency report the following information to the Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services on a quarterly basis beginning in FY 2021:

- Number of enrolled members in the HCBS/BI waiver program at the end of the month prior to the committee meeting;
- Number of enrolled members in the HCBS/BI waiver program over the course of the calendar year (unduplicated count);
- Number of BI Waiver enrollees receiving HCBS/BI waiver services:
 - Longer than 2 years; and
 - Longer than 4 years;
- Number of BI Waiver enrollees who did not receive HCBS/BI waiver services within
 - 60 days after being enrolled;
 - 90 days after being enrolled; and
 - 120 or more days after being enrolled;
- Number of BI Waiver enrollees who did not receive a specific HCBS/BI waiver service for the following periods prior to the date they were officially unenrolled from the BI waiver:
 - 30 days prior to the date they were unenrolled;
 - 60 days prior to the date they were unenrolled;
 - 90 days prior to the date they were unenrolled; and
 - 120 or more days prior to the date they were unenrolled;
- The amount of the per member per month enhanced dollar rate provided to a managed care organization (MCO) for each member enrolled in the HCBS/BI waiver;
- Total number enrolled in the HCBS/BI waiver by county and the per capita enrollment in the HCBS/BI waiver by county; and
- Progress toward new policy implementation.

The Budget Committee notes its concern that the number of individuals receiving long-term services on the Medicaid Home and Community Based Services Brain Injury (HCBS/BI) waiver may hinder its goal of rehabilitating individuals with recent brain injuries.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation in FY 2021 with the following adjustments:

1. Reduce the Budget Committee's recommendation No. 1 regarding a 5.0 percent reimbursement rate increase for HCBS//DD providers to \$7.4 million, including \$2.6 million SGF, to provide the rate increase for the last four months in FY 2021.
2. Add \$2.8 million, including \$1.0 million SGF, for additional funding for HCBS/BI waiver services in FY 2021. 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.

Further House Committee Recommendation

The Committee concurs with the Budget Committee's recommendation with the following adjustment:

1. Change language in the Budget Committee's recommendation No. 3 to change the reviewing and approval authority from LBC to the Legislative Coordinating Council (LCC).
2. Add \$17.1 million, including \$4.3 million SGF, to provide funding for a \$20 increase in the daily reimbursement rate of nursing facilities from May 1, 2021 through June 30, 2021, should the LCC approve continuation of the increase. Should the LCC not approve the increase, the funds would lapse.
3. Adopt the Governor's Budget Amendment (GBA) No. 2, Item 1, to add \$5.3 million, including \$1.8 million SGF, to the Governor's recommendation to provide additional funding for HCBS/BI waiver services in FY 2021.
4. Delete \$2.8 million, including \$1.0 million SGF, to remove the Committee's recommendation for additional funding for the HCBS/BI waiver services, following the Committee's adoption of GBA No. 2, Item 1.

House Committee of the Whole Recommendation (Sub. for HB 2397)

The **Committee of the Whole** concurs with the Committee's recommendation in FY 2021.