

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 10:35 a.m. on February 15, 2002 in Room 123-S of the Capitol.

All members were present except: Senator Christine Downey - excused
Senator Tim Huelskamp - excused
Senator Jean Schodorf - excused

Committee staff present:

Alan Conroy, Chief Fiscal Analyst, Kansas Legislative Research Department
Deb Hollon, Kansas Legislative Research Department
Audrey Nogle, Kansas Legislative Research Department
Michael Corrigan, Assistant Revisor of Statutes
Judy Bromich, Assistant to the Chairman
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Janet Schalansky, Secretary, Department of Social and Rehabilitation Services
Connie Hubbell, Secretary, Department on Aging

Others attending: See attached list

Bill Introduction

Senator Jordan moved, with a second by Senator Jackson, to introduce a bill that would allow the issuance of bonds by the Kansas Development Finance Authority for construction of a new State Security Hospital on the Larned State Hospital grounds (1rs2036). Motion carried by a voice vote.

Chairman Morris welcomed Janet Schalansky, Secretary, Department of Social and Rehabilitation Services, who, at the request of the Chairman, explained the information contained in the Policy Options Discussion Guide prepared by the Department (Attachment 1). Secretary Schalansky noted that the Department was requested to identify program areas related to eligibility where the State has discretion and this document was intended to facilitate discussion on these options. She noted that for this purpose, eligibility has been defined two ways as follows:

- population served, and
- services provided by the Department.

Secretary Schalansky explained that the information is intended to be factual in nature and does not represent the opinions or the priorities of the Governor nor the Department. She also noted that these policy options should not be construed as a recommendation by the Governor nor the Department. Committee questions and discussion followed.

Chairman Morris welcomed Connie Hubbell, Secretary, Department on Aging, who, at the request of the Chairman, explained information regarding Caseload Eligibility Requirements (Attachment 2). Secretary Hubbell explained that the information provided, as requested, addressed the eligibility requirements for entry into a nursing facility or the Home and Community Based Services waiver for the frail elderly. She noted that the Kansas Department on Aging manages the functional eligibility component of the Medicaid eligibility criteria. Secretary Hubbell addressed factors to consider when discussing options regarding Level of Care scores.

Committee questions and discussion followed. Senator Feleciano requested information regarding hospital discharge planning on how to better to plug elders into the community.

The meeting was adjourned at 11:55 a.m. The next meeting is scheduled for February 18, 2002.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

DATE February 15, 2002

NAME	REPRESENTING
Laura Howard	SNS
Diann Duff	
Janet Schalansky	
Corinne Hubbell	KDOR
Juins of the	KDOR
Tony Lane	KDVA
Mike O'Neil	Topeka Independent Living Resource Center
Mike Nuttler	Pharmacia - UpJohn
Carylyn Muddindorf	Ks St No Assn
Jude Wright	Job AAA
Bruce K. Syc	K4A
Ken Berone	Ken law firm
Andy Shaw	Kearney Law Office
Michelle Whit	Kearney Law Office
J. Chubb	SOS
Trudy Laine	SRS
Betsy Poy	SRS
Kathy Danner	St. Luke's Mission + Ks Health Care Assn
Stuart Little	Community MH Center Partnership
John Kiefhaber	Ks. Health Care Assn.
Bruce Lube	Children's Alliance
Doug Bowman	Ks Coordinating Council on ^{Early} Childhood

SENATE WAYS AND MEANS COMMITTEE

GUEST LIST

DATE February 15, 2002

NAME	REPRESENTING
Amy Campbell	KMHC
Meaghan Danning	Keys for Networking, Inc
Aeri Ellis	parent - Circleville, Ks
Sarah Adams	Keys for Networking, Inc
Matt Bergmann	Pat Hebell Assoc.
Jason Moore	KPHA
Bob Williams	Ks. Pharmacists Assoc.
Lindy D'Ercole	Kansas Action for Children
Jake Lowen	American Cancer Society
Gary J. Arnold	Coalition for Independence
Shannon Jones	SILCK
Josie Torres	KCDN
Dale Huffman	Families Together Inc
Kirk Lowy	TIKRC
Candyn Orvichy	SRS
Sheli Sweeney	KDOA
Mike Hammond	Assoc. of CMHCs
Melissa Ness	Ks. Children's Service League (KCSL)
Stan Clark	Ks Senate
Jake Thomas	DOB
Lusan Mahoney	Gov's Office
Scott Brunner	DOB

Kansas Department of Social and Rehabilitation Services
Janet Schalansky, Secretary



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Senate Committee on Ways and Means

February 15, 2002 10:30 am

Policy Options Discussion Guide

Janet Schalansky
Secretary

Senate Ways and Means
2-15-02
Attachment 1

**Policy Options Discussion Guide
 Provided at the Request of the Chairman
 Senate Ways and Means Committee**

The Chairman of the Committee requested the Department identify program areas related to eligibility where the state has discretion. This document is intended to facilitate discussion on these options. For this purpose, "eligibility" has been defined as the populations served and the services provided by the Department. This information is intended to be factual in nature and does not represent the opinions or the priorities of the Governor or the Department. These options are in addition to the targeted reductions of \$39,792,647 SGF and \$67,322,212 AF recommended in the Governor's budget. Although extensive, there are undoubtedly additional policy options that could be added to this document. These policy options should not be construed as a recommendation by the Governor or the Department.

Generally, the Department must provide services to certain populations and has the option to provide services for other populations. The services and populations incorporated in this document are all from the "optional" category. The following documents have been included for reference:

Apdx	Title	Page
A	Poverty Guidelines by SRS Service	23
B	Comparison of Economic Benefits by State	24
C	Benefits for Non-Citizens	25
D	Medicaid Mandatory and Optional Coverage Groups (Populations)	28
E	Medicaid Mandatory and Optional Services	29
F	Comparison of Most Common Optional Medical Services for Adults	30
G	Comparison of Medical Eligibility by State	31
H	Key Targeted Program Eliminations, Reductions and Revenue Enhancements	34

Factors to Consider when Discussing Options

- The population groups served by the Department are among Kansas' most needy whose resources must already have been spent before qualifying for any of these programs. The majority of the adult clients are working, or are unable to work due to disability. Many of the services provided to children help keep parents in the workforce.
- Kansas ranks in the middle of the nation at 27th on the amount of the TAF cash benefit and ranks fourth compared to surrounding states. Oklahoma, Nebraska, and Iowa have higher benefits; Colorado and Missouri have lower benefits.
- Increases in the Medicaid program are reflective of increases in health care costs across the country.

- Elimination of certain programs may cause exceptional hardship to some long term clients who will have no means to develop a way to compensate for the lost benefit. Some consideration may need to be given to "grandfathering" in these clients.
- Selection of an option may shift costs to other categories or programs. Costs may also be shifted to communities.
- Some services have been based on long term strategic investments. Eliminating HCBS and PD waiver services, for example, may cause a greater number of people to enter nursing homes at a greater expense.
- Decisions could adversely affect the service delivery infrastructure and make it difficult to reintroduce those services if it proves to be affordable in the future.

The following options are in addition to the reductions in the Governor's Budget. Estimated savings are based on an implementation date of July, 2002. The interrelatedness of policies makes financial estimates difficult. As a consequence, savings are not necessarily additive. Thus, selection of any of these options will require adjustment to the financial information provided.

The information has been categorized by "Services" and "Populations." Each of these two main categories has been further defined by groupings such as Regular Medical Services to Adults, Regular Medical Services to Children, Populations Covered by Medicaid, etc. Each option contains a description of the population or the service, estimated reduction below the "Existing Resources" GBR, changes required to implement the option, number of people affected and possible implications.

Options that impact programs that are included in the consensus caseload estimating process are noted by an asterisk. Six SRS programs are included in the consensus caseload estimating process. They are: Regular Medical Assistance, Temporary Assistance for Families, General Assistance, Foster Care, Adoption and Nursing Facilities for Mental Health. The Department on Aging's Nursing Facilities are also included in this process.

Description of Service or Population	Estimated Reduction Below GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
	SGF	AF			
OPTIONAL REGULAR MEDICAL SERVICES FOR CHILDREN - Dollar amounts and numbers of persons duplicate those in Optional Populations Section					
Incontinence Supplies* This benefits covers incontinence supplies for children over the age of five who, due to a variety of disabilities or medical conditions, do not use the bathroom. Option reflects total elimination of the service.	(\$0.40)	(\$0.90)	Repeal Regulations Amend State Medicaid Plan	513	Parents would be required to purchase incontinence supplies for their children.
Attendant Care for Independent Living* This benefit covers health related services for children who are medically fragile and medicaid eligible. Skilled nursing includes such things as tube feeding, suctioning and delivery of medications by I.V.	(\$3.80)	(\$9.60)	Repeal Regulations Amend State Medicaid Plan	273	Children who are medically fragile would no longer receive this service.

*Option impacts program included in the consensus caseload estimating process.

Description of Service or Population	Estimated Reduction Below GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
	SGF	AF			
OPTIONAL REGULAR MEDICAL SERVICES FOR ADULTS - Dollar amounts and number of persons duplicate those in Optional Populations Section					
<p>Pharmacy for Adults* This benefit covers prescription drugs for adults. The GBR makes targeted reductions to pharmacy totaling \$9.3 million through a variety of policy changes. This additional option reflects total elimination of the service.</p> <p style="text-align: center;">SGF AF</p> <p>Reduction in GBR: (\$3.7) (\$9.3)</p>	(\$54.30)	(\$146.10)	Repeal Regulations Amend State Medicaid Plan	86,500	Eliminating access to pharmaceuticals will likely increase use of inpatient care and physician visits.
<p>Vision Services for Adults* This benefit covers eye exams and eye glasses for adults once every four years. Option reflects total elimination of the service.</p>	(\$0.50)	(\$1.10)	Repeal Regulations Amend State Medicaid Plan	13,500	Persons needing glasses would have to obtain them using other means.
<p>Dental Services for Adults* This benefit covers only emergency dental care that affects the overall health of the person. The service is limited to teeth extraction. Option reflects total elimination of the service.</p>	(\$0.50)	(\$1.30)	Repeal Regulations Amend State Medicaid Plan	4,500	Untreated persons are likely to need more intensive emergency care as the infected teeth affect overall health.
<p>Audiology Services for Adults* This benefit covers audiology testing and hearing aids for adults every four years and very limited hearing aid repairs and maintenance. Option reflects total elimination of the service.</p>	(\$0.20)	(\$0.40)	Repeal Regulations Amend State Medicaid Plan	1,000	Persons needing hearing aids would have to obtain them through other means.

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Description of Service or Population	Estimated Reduction Below GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
	SGF	AF			
OPTIONAL REGULAR MEDICAL <u>SERVICES</u> FOR ADULTS - Dollar amounts and number of persons duplicate those in Optional Populations Section (continued)					
<p>Therapy Services for Adults* This benefit covers physical therapy, occupational therapy, and services for speech, hearing, and language disorders. Therapy provided is only rehabilitative in nature on a limited, short term basis. The GBR reflects the estimated savings that will result from improving edits and processing of therapy claims for assessments so provider billing errors are greatly reduced. This additional option reflects total elimination of the service.</p> <p style="text-align: right;">SGF AF Reduction in GBR: (\$.13) (\$.33)</p>	(\$0.04)	(\$0.10)	Repeal Regulations Amend State Medicaid Plan	270	Eliminating therapy could limit people returning to work and decrease self-sufficiency. Could increase the demand for VR services.
<p>Durable Medical Equipment for Adults* This benefit covers durable medical equipment and supplies such as oxygen equipment, wheelchairs, and ostomy supplies. Option reflects total elimination of the service.</p>	(\$0.30)	(\$0.70)	Repeal Regulations Amend State Medicaid Plan	10,000	Would likely result in increased nursing home and hospital treatment. Could increase the demand for VR services.
<p>Transplants for Adults* This benefit covers kidney, cornea, liver and bone marrow transplants. Medicare frequently covers most of the costs of these Medicaid allowable transplants. Medicaid is the last payer. Option reflects total elimination of the service.</p>	(\$0.39)	(\$1.00)	Repeal Regulations Amend State Medicaid Plan	24	Life span of people needing critical transplants will be shortened. Discontinuing non-critical transplants will greatly diminish quality of life.

*Option impacts program included in the consensus caseload estimating process.

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Description of Service or Population	Estimated Reduction Below GBR (in millions) SGF AF		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
OPTIONAL REGULAR MEDICAL SERVICES FOR ADULTS - Dollar amounts and number of persons duplicate those in Optional Populations Section (continued)					
<p>Alcohol and Drug Abuse Services for Adults* This benefit covers drug and alcohol treatment for adults such as acute detox, intermediate inpatient care, and day treatment. Option reflects total elimination of Medicaid services. It does not include grant funding for this service.</p>	(\$1.20)	(\$3.00)	Repeal Regulations Amend State Medicaid Plan	2,060	Could possibly increase the demand on state only funded services.
<p>Hospice for Adults* This benefit covers skilled nursing services for persons who have been determined to have less than six months to live. The GBR already eliminates hospice for persons on the PD waiver. This additional option reflects total elimination of the service.</p> <p style="text-align: center;">SGF AF</p> <p>Reduction in GBR: (\$.16) (\$.40)</p>	(\$2.00)	(\$5.10)	Repeal Regulations Amend State Medicaid Plan	1,200	Would likely result in increased inpatient hospitalization and nursing home placements.
<p>Federally Qualified Health Clinics for Adults* This benefit provides federal funding for Federally Qualified Health Clinics. (Note: Rural Health Clinics are a mandated service). Option reflects total elimination of the service.</p>	(\$0.30)	(\$0.70)	Repeal Regulations Amend State Medicaid Plan	4,200	Persons would likely seek services from other Medicaid providers. These clinics would no longer be eligible for Medicaid reimbursement. Decreased availability of medical services especially where access to physicians is limited.

*Option impacts program included in the consensus caseload estimating process.

Description of Service or Population	Estimated Reduction Below GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
	SGF	AF			
OPTIONAL REGULAR MEDICAL SERVICES FOR ADULTS - Dollar amounts and number of persons duplicate those in Optional Populations Section (continued)					
Local Health Department Services for Adults* This benefit covers services provided by county health departments. Option reflects total elimination of the service.	(\$0.10)	(\$0.20)	Repeal Regulations Amend State Medicaid Plan	3,400	County Health Department funding would be decreased. Decreased availability of medical services especially where access to physicians is limited.
Nursing (ARNP) Services for Adults* This benefit covers the services provided by an advanced registered nurse practitioner such as pain management and obstetrics. Option reflects total elimination of the service.	(\$0.04)	(\$0.10)	Repeal Regulations Amend State Medicaid Plan	940	Decreased availability of medical services, especially where access to physicians is limited.

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Description of Service or Population	Estimated Reduction Below GBR (in millions) SGF AF		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
OPTIONAL <u>POPULATIONS</u> COVERED BY MEDICAID - Dollar amounts and persons listed duplicate those under Optional Services Sections					
<p>MediKan Program* The persons covered by this program are adults who are applying for federal disability benefits. Medikan is a more limited services package than Medicaid. SRS receives retroactive federal funding for persons ultimately found eligible for Medicaid. The GBR limits this program to 24 months resulting in estimated savings of \$3.1 million. The GBR also lowers Medikan \$1.3 million by reducing reimbursement rates to Community Mental Health Centers. This additional option reflects total elimination of services to this population.</p> <p style="text-align: right;">SGF AF</p> <p>Reduction in GBR: (\$4.5) (\$4.5)</p>	(\$10.40)	(\$13.60)	Repeal Regulations	2,827	Significant increase in indigent care especially at hospitals that can not turn away patients in need of emergency care. Additional uncompensated care at CMHC's for mentally ill consumers.
<p>Expanded Breast and Cervical Cancer Coverage* Persons covered by this program are women with cervical or breast cancer who qualify for the Kansas Breast and Cervical Cancer program. These women have income less than 250% of the federal poverty level. Federal funds are provided at an enhanced match rate of 72%. Option reflects total elimination of services to this population.</p>	(\$0.13)	(\$0.46)	Repeal Regulations Amend State Medicaid Plan	12	Women in this group would go untreated or secure treatment through other means.

*Option impacts program included in the consensus caseload estimating process.

Description of Service or Population	Estimated Reduction Below GBR (in millions) SGF AF		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
OPTIONAL POPULATIONS COVERED BY MEDICAID - Dollar amounts and persons listed duplicate those under Optional Services Sections (continued)					
<p>Working Healthy* Persons covered by this program are disabled with incomes up to 300% of the federal poverty level, and who are working. Certain income levels are assessed premiums. Option reflects total elimination of services to this population. The GBR shifts funds from the PD Waiver to the Working Healthy program to reflect the estimated number of persons served through the PD Waiver who are expected to instead choose the Working Healthy program. This additional option reflects total elimination of services to this population.</p> <p style="text-align: right;">SGF AF Reduction in GBR: (\$.34) (\$.84)</p>	(\$0.88)	(\$3.45)	Repeal Regulations Amend State Medicaid Plan	855	Persons would purchase their own health insurance if it was available and affordable. Elimination of this program could discourage people from seeking employment and cause them to remain on waivers.
<p>Medically Needy Aged, Blind, and Disabled* Persons covered by this program are elderly, or disabled who may have income above the SSI level of \$516/month. These persons must spend down their income to become eligible for Medicaid coverage much the same as paying an insurance deductible. Option reflects total elimination of services to this population.</p> <p style="text-align: right;">Aged (\$36.8) (\$92.7) Disabled/Blind (\$42.7) (\$115.1)</p>	(\$79.60)	(\$207.80)	Repeal Regulations Amend State Medicaid Plan	28,300 16,770 11,540	Loss of health insurance coverage which could result in an increase in indigent care. Eliminates Medicaid coverage of prescriptions for persons on Medicare.

*Option impacts program included in the consensus caseload estimating process.

Description of Service or Population	Estimated Reduction Below GBR (in millions) SGF AF		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
OPTIONAL POPULATIONS COVERED BY MEDICAID - Dollar amounts and persons listed duplicate those under Optional Services Sections (continued)					
<p>Medically Needy Pregnant Women and Children* Families covered by this program must have income above the established income levels, have catastrophic medical expenses, and also spend down their income to become eligible. This program can not be eliminated until the medically needy aged/blind and disabled program is eliminated. Option reflects total elimination of services to this population.</p>	(\$1.20)	(\$3.10)	Repeal Regulations Amend State Medicaid Plan	800	These persons would lose health insurance coverage thereby increasing indigent care.

*Option impacts program included in the consensus caseload estimating process.

Description of Service or Population	Estimated Reduction Below GBR (in millions) SGF AF		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications												
STATE CHILDREN'S HEALTH INSURANCE PROGRAM																	
<p>HealthWave (SCHIP) Premiums This program covers health care costs for uninsured children whose families' income is less than 200% of the federal poverty level (FPL). These families currently pay monthly premiums of either \$10 or \$15 per month. This option would triple the amount of premiums the average family must pay.</p> <table border="0" data-bbox="136 673 682 771"> <thead> <tr> <th>Option</th> <th>SGF</th> <th>Fee Fund</th> </tr> </thead> <tbody> <tr> <td>Double Premiums</td> <td>(\$333,000)</td> <td>\$333,000</td> </tr> <tr> <td>Triple Premiums</td> <td>(\$500,000)</td> <td>\$500,000</td> </tr> </tbody> </table>	Option	SGF	Fee Fund	Double Premiums	(\$333,000)	\$333,000	Triple Premiums	(\$500,000)	\$500,000	(\$0.5)	(\$0.0)	<p>Repeal Regulations Amend Title XXI State Plan</p>	4,713 families	<p>Some families may choose to leave the program leaving their children without medical coverage.</p>			
Option	SGF	Fee Fund															
Double Premiums	(\$333,000)	\$333,000															
Triple Premiums	(\$500,000)	\$500,000															
<p>Eligibility for HealthWave (SCHIP) from 200% to 150% of Federal Poverty Level This program covers health care costs for uninsured children whose family income is less than 200% of FPL. This option reduces that income eligibility to 150% of FPL. The eligibility change would occur at the child's next review date.</p> <table border="0" data-bbox="136 1047 735 1144"> <thead> <tr> <th>Option</th> <th>SGF</th> <th>All Funds</th> <th>Children</th> </tr> </thead> <tbody> <tr> <td>Lower 185%</td> <td>(\$.40)</td> <td>(\$1.43)</td> <td>2,411</td> </tr> <tr> <td>Lower 150%</td> <td>(\$2.55)</td> <td>(\$9.17)</td> <td>8,154</td> </tr> </tbody> </table>	Option	SGF	All Funds	Children	Lower 185%	(\$.40)	(\$1.43)	2,411	Lower 150%	(\$2.55)	(\$9.17)	8,154	(\$2.6)	(\$9.2)	<p>Change Regulations Amend Title XXI State Plan</p>	8,154 children	<p>The number of uninsured children could rise significantly. Could jeopardize the viability of the managed care program. Reduce the number of people served. Cost per person would likely increase as population served decreased.</p>
Option	SGF	All Funds	Children														
Lower 185%	(\$.40)	(\$1.43)	2,411														
Lower 150%	(\$2.55)	(\$9.17)	8,154														

Description of Service or Population	Estimated Reduction Below GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
	SGF	AF			
FACILITY-BASED SERVICES					
<p>Nursing Facilities for Mental Health* Nursing Facilities for Mental Health (NF/MH) provide residential care and treatment for persons who are primarily severely and persistently mentally ill. The GBR targeted reduction limits payments to persons who are SPMI and limits Medicaid reimbursement to CHMC's for persons living in NFMH's. This additional option reflects total elimination of services to this population.</p> <p style="text-align: right;">SGF AF Reduction in GBR: (\$3.5) (\$4.23)</p>	(\$6.0)	(\$8.4)	Repeal Regulations Amend State Medicaid Plan	783 beds	Services would be assumed by state hospitals or community based settings, or nursing homes.
<p>Intermediate Care Facilities for the Mentally Retarded This is an optional Medicaid service. Option reflects total elimination of services to this population.</p>	(\$10.53)	(\$26.33)	Repeal Regulations & State Medicaid Plan	400	Federal funds for private ICFsMR would be lost. Demand for DD waiver services could expand greatly.

*Option impacts program included in the consensus caseload estimating process.

Description of Service or Population	Estimated Reduction Below GBR (in millions) SGF AF		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications																					
HOME AND COMMUNITY BASED SERVICES (HCBS WAIVERS)																										
<p>Home and Community Based Services Waivers HCBS waivers fund home and community based services for persons who are eligible for institutional placement. All HCBS waivers are optional services. In addition, the HCBS waivers provide a wide variety of options that allow the state to expand its Medicaid program that are described below. The GBR includes reductions of PD waiver attendant care rates, establishing parent contribution for services provided through the DD, SED, and TA waivers, and elimination of enhanced transportation services funded through regular medical for persons on the PD and FE waivers. This additional option reflects total elimination of services to this population.</p> <table border="0" data-bbox="128 836 898 1096"> <thead> <tr> <th></th> <th style="text-align: center;">SGF</th> <th style="text-align: center;">AF</th> </tr> </thead> <tbody> <tr> <td>DD Waiver</td> <td style="text-align: right;">(\$75.10)</td> <td style="text-align: right;">(\$187.82)</td> </tr> <tr> <td>PD Waiver</td> <td style="text-align: right;">(\$23.42)</td> <td style="text-align: right;">(\$58.41)</td> </tr> <tr> <td>HI Waiver</td> <td style="text-align: right;">(\$2.97)</td> <td style="text-align: right;">(\$7.46)</td> </tr> <tr> <td>TA Waiver</td> <td style="text-align: right;">(\$0.06)</td> <td style="text-align: right;">(\$0.15)</td> </tr> <tr> <td>SED Waiver</td> <td style="text-align: right;">(\$5.20)</td> <td style="text-align: right;">(\$13.30)</td> </tr> <tr> <td>Reduction in GBR:</td> <td style="text-align: right;">(\$2.3)</td> <td style="text-align: right;">(\$2.8)</td> </tr> </tbody> </table>		SGF	AF	DD Waiver	(\$75.10)	(\$187.82)	PD Waiver	(\$23.42)	(\$58.41)	HI Waiver	(\$2.97)	(\$7.46)	TA Waiver	(\$0.06)	(\$0.15)	SED Waiver	(\$5.20)	(\$13.30)	Reduction in GBR:	(\$2.3)	(\$2.8)	(\$109.5)	(\$266.8)	Withdraw Federal Waivers	11,081	All persons served by the HCBS waivers will lose long term supports. There may be a substantial increase in the demand for institutional services.
	SGF	AF																								
DD Waiver	(\$75.10)	(\$187.82)																								
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Description of Service or Population	Estimated Reduction Below GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications																
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HOME AND COMMUNITY BASED SERVICES (HCBS WAIVERS) (continued)																					
<p>Protected Income Level (PIL) Eligibility Persons whose services are funded by the HCBS waivers have protected income levels (PIL) higher than other persons served by Medicaid. Their PIL is \$716 per month compared with the minimum PIL of \$475 per month. This option reduces PIL.</p> <table border="1"> <thead> <tr> <th>Option</th> <th>SGF</th> <th>All Funds</th> <th>People</th> </tr> </thead> <tbody> <tr> <td>Lower to \$615</td> <td>(\$2.14)</td> <td>(\$5.37)</td> <td>2,326</td> </tr> <tr> <td>Lower to \$535</td> <td>(\$2.52)</td> <td>(\$6.34)</td> <td>3,124</td> </tr> <tr> <td>Lower to \$475</td> <td>(\$2.55)</td> <td>(\$6.43)</td> <td>3,344</td> </tr> </tbody> </table>	Option	SGF	All Funds	People	Lower to \$615	(\$2.14)	(\$5.37)	2,326	Lower to \$535	(\$2.52)	(\$6.34)	3,124	Lower to \$475	(\$2.55)	(\$6.43)	3,344	(\$2.6)	(\$6.4)	Amend Regulations & Federal Waiver	3,344 persons	People in the "spend down group" would need to pay significantly higher amounts for the cost of their care and have fewer dollars available for non medical expenses.
Option	SGF	All Funds	People																		
Lower to \$615	(\$2.14)	(\$5.37)	2,326																		
Lower to \$535	(\$2.52)	(\$6.34)	3,124																		
Lower to \$475	(\$2.55)	(\$6.43)	3,344																		
<p>Parent Income Several of the HCBS waivers - DD, TA, SED - exercise the option to not count the parents' income in establishing Medicaid eligibility for the minor child. In this way the child is eligible for Medicaid coverage even if their parents' income would otherwise disqualify them. The GBR includes a targeted reduction of \$1.2 million related to charging the parents a fee to contribute toward the cost of their children's services. This option eliminates the parental income disregard. Because parents' income is disregarded, SRS does not collect this data. Therefore, this is a tentative estimate that assumes about 40% of the children would lose Medicaid eligibility if their parent's income was not disregarded.</p> <table border="1"> <thead> <tr> <th>Waiver</th> <th>SGF</th> <th>AF</th> </tr> </thead> <tbody> <tr> <td>DD</td> <td>(\$2.3)</td> <td>(\$5.7)</td> </tr> <tr> <td>SED</td> <td>(\$1.2)</td> <td>(\$3.1)</td> </tr> <tr> <td>TA</td> <td>(\$.06)</td> <td>(\$.15)</td> </tr> </tbody> </table>	Waiver	SGF	AF	DD	(\$2.3)	(\$5.7)	SED	(\$1.2)	(\$3.1)	TA	(\$.06)	(\$.15)	(\$3.6)	(\$9.0)	Amend Regulations & Federal Waiver	1,088 880 40 2,000	If the parents' income is no longer disregarded many of the children currently served through the HCBS waivers would lose their Medicaid and HCBS eligibility. Only children whose parents earn less than the protected income or who spend down to the protected income level would maintain their current eligibility status.				
Waiver	SGF	AF																			
DD	(\$2.3)	(\$5.7)																			
SED	(\$1.2)	(\$3.1)																			
TA	(\$.06)	(\$.15)																			

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Description of Service or Population	Estimated Reduction Below GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications												
	SGF	AF															
HOME AND COMMUNITY BASED SERVICES (HCBS WAIVERS) (continued)																	
<p>Accessing the Medicaid Waiver for Persons with Physical Disabilities This would change the qualifying score from 26 or higher to 34. This option assumes that current persons are removed from services:</p> <table border="1"> <thead> <tr> <th>Options</th> <th>SGF</th> <th>AF</th> <th>People</th> </tr> </thead> <tbody> <tr> <td>30 or lower</td> <td>(\$5.29)</td> <td>(\$13.29)</td> <td>812</td> </tr> <tr> <td>34 or lower</td> <td>(\$8.46)</td> <td>(\$21.26)</td> <td>1,299</td> </tr> </tbody> </table>	Options	SGF	AF	People	30 or lower	(\$5.29)	(\$13.29)	812	34 or lower	(\$8.46)	(\$21.26)	1,299	(\$8.5)	(\$21.26)	Change in the nursing home admission criteria through KDOA and a change in policy and procedures.	1,299 people	This action assumes that existing persons receiving services are removed from services. If these persons were instead "grandfathered" in, there would be no first year savings, but the service access management (waiting) list would be reduced. Of the 449 people on the waiting list as of February 6, 21% of the persons on the waiting list, or 96 people, have a score of 30 or less; an additional 15% or 67, have a score between 31 and 34. Raising the score would mean that 163 people currently waiting for services would no longer be eligible. If these services are not available, additional persons could enter nursing homes or enter nursing homes sooner.
Options	SGF	AF	People														
30 or lower	(\$5.29)	(\$13.29)	812														
34 or lower	(\$8.46)	(\$21.26)	1,299														

1-17-1

Description of Service or Population	Estimated Reduction Below GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications																					
	SGF	AF																								
DIRECT FINANCIAL ASSISTANCE																										
<p>General Assistance* GA provides a small cash benefit to very low income, physically and mentally disabled adults who are applying for federal disability benefits.</p> <p>This option would eliminate the assistance for this state-funded program and the disability representation contract which represents claimants. A related financial consequence of the program elimination is the loss of SRS fee fund interim assistance receipts from the Social Security Administration. The GBR reflects a time-limited GA program.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;"><u>All Funds</u></td> <td style="text-align: center;"><u>State</u></td> </tr> <tr> <td>General</td> <td style="text-align: right;">\$5,361,198</td> <td style="text-align: right;">\$5,361,198</td> </tr> <tr> <td>GA disability</td> <td style="text-align: right;"><u>800,000</u></td> <td style="text-align: right;"><u>294,720</u></td> </tr> <tr> <td>Total expenditure</td> <td style="text-align: right;">\$6,161,198</td> <td style="text-align: right;">\$5,655,918</td> </tr> <tr> <td> </td> <td></td> <td></td> </tr> <tr> <td>SRS Fee Fund</td> <td style="text-align: right;"><u>(1,565,161)</u></td> <td style="text-align: right;"><u>(1,565,161)</u></td> </tr> <tr> <td>Net savings</td> <td style="text-align: right;">\$4,596,037</td> <td style="text-align: right;">\$4,090,757</td> </tr> </table> <p style="margin-top: 10px;">Reduction in GBR: SGF AF (\$1.2) (\$1.2)</p>		<u>All Funds</u>	<u>State</u>	General	\$5,361,198	\$5,361,198	GA disability	<u>800,000</u>	<u>294,720</u>	Total expenditure	\$6,161,198	\$5,655,918	 			SRS Fee Fund	<u>(1,565,161)</u>	<u>(1,565,161)</u>	Net savings	\$4,596,037	\$4,090,757	(\$4.1)	(\$4.6)	Amend Regulations. Cancel KLS contract	2,827 monthly persons	General Assistance recipients would need to rely on other means of financial support and seek federal disability on their own.
	<u>All Funds</u>	<u>State</u>																								
General	\$5,361,198	\$5,361,198																								
GA disability	<u>800,000</u>	<u>294,720</u>																								
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*Option impacts program included in the consensus caseload estimating process.

Description of Service or Population	Estimated Reduction Below GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications																				
	SGF	AF																							
DIRECT FINANCIAL ASSISTANCE (continued)																									
<p>TAF Benefits* TAF provides financial assistance to very low income families to meet essential needs. The average monthly benefit for families in Fiscal Year 2003 is \$296. This reduction would reduce the monthly cash benefit to families receiving cash assistance. Options:</p> <table border="1"> <thead> <tr> <th>Monthly Reduction in Family Cash Benefit</th> <th>% Reduction From Current Benefit</th> <th colspan="2">Savings</th> </tr> <tr> <th></th> <th></th> <th>SGF</th> <th>AF</th> </tr> </thead> <tbody> <tr> <td>\$10</td> <td>3.4%</td> <td>\$0.0</td> <td>\$1.8</td> </tr> <tr> <td>25</td> <td>8.4%</td> <td>0.0</td> <td>4.4</td> </tr> <tr> <td>50</td> <td>16.9%</td> <td>0.0</td> <td>8.9</td> </tr> </tbody> </table>	Monthly Reduction in Family Cash Benefit	% Reduction From Current Benefit	Savings				SGF	AF	\$10	3.4%	\$0.0	\$1.8	25	8.4%	0.0	4.4	50	16.9%	0.0	8.9	(\$0.0)	(\$8.9)	Amend Regulations Amend State Plan	14,787 monthly families 37,338 monthly persons	<p>May compromise the ability of some families in paying rent, utility bills, or generally meeting basic living needs. Demands on local helping agencies may increase.</p> <p>Note: A state maintenance of effort (MOE) is required in the TANF program. Any deficit in the MOE must be made up dollar for dollar in the subsequent year. Consequently, no state savings are assumed.</p>
Monthly Reduction in Family Cash Benefit	% Reduction From Current Benefit	Savings																							
		SGF	AF																						
\$10	3.4%	\$0.0	\$1.8																						
25	8.4%	0.0	4.4																						
50	16.9%	0.0	8.9																						

*Option impacts program included in the consensus caseload estimating process.

Description of Service or Population	Estimated Reduction Below GBR (in millions) SGF AF		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications																
CHILD CARE SERVICES																					
<p>Child Care Subsidies Subsidies for child care are provided to families below 185% of the poverty level using a sliding fee scale.</p> <p>The maximum income limit would be reduced from 185% to 110% of the FPL level, resulting in approximately 37 percent of cases being closed. Other income limit options follow:</p> <table border="1" data-bbox="149 699 894 886"> <thead> <tr> <th>Income Limit</th> <th>Families/ Children Losing CC</th> <th>All Funds Savings</th> <th>State Fund Savings</th> </tr> </thead> <tbody> <tr> <td>150</td> <td>1,288</td> <td>\$ 6,226,596</td> <td>\$2,024,970</td> </tr> <tr> <td>130</td> <td>2,320</td> <td>11,508,348</td> <td>3,528,650</td> </tr> <tr> <td>110</td> <td>3,654</td> <td>19,429,884</td> <td>5,783,851</td> </tr> </tbody> </table>	Income Limit	Families/ Children Losing CC	All Funds Savings	State Fund Savings	150	1,288	\$ 6,226,596	\$2,024,970	130	2,320	11,508,348	3,528,650	110	3,654	19,429,884	5,783,851	(\$5.8)	(\$19.4)	Amend State Plan	5,956 monthly children	Child care is a basic support for employment, thus, this reduction may create an increase in cash assistance.
Income Limit	Families/ Children Losing CC	All Funds Savings	State Fund Savings																		
150	1,288	\$ 6,226,596	\$2,024,970																		
130	2,320	11,508,348	3,528,650																		
110	3,654	19,429,884	5,783,851																		
<p>Kansas Early Headstart Program This program provides enhanced supports to encourage appropriate development and success in school for low income children ages 0 to 4 years old. Most children who receive these services would qualify for subsidized child care. These services are funded with TANF dollars. This option reflects total elimination of services to this population.</p> <table border="1" data-bbox="149 1166 684 1261"> <tbody> <tr> <td>Kansas Early Headstart</td> <td>\$ 7,900,000</td> </tr> <tr> <td>Funding for child care</td> <td>(2,800,000)</td> </tr> <tr> <td>Net reduction</td> <td>\$ 5,100,000</td> </tr> </tbody> </table>	Kansas Early Headstart	\$ 7,900,000	Funding for child care	(2,800,000)	Net reduction	\$ 5,100,000	(\$0.0)	(\$5.1)	Grants would not be issued	825 children	These at risk families would not have these supportive services available.										
Kansas Early Headstart	\$ 7,900,000																				
Funding for child care	(2,800,000)																				
Net reduction	\$ 5,100,000																				

Description of Service or Population	Estimated Reduction Below GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications												
	SGF	AF															
CHILD WELFARE SERVICES																	
<p>Foster Care Statutory Changes* Children aged 16 to 18 would no longer be considered children in need of care except in circumstances of abuse, neglect or abandonment. This would mainly impact children who currently come into the custody of the Secretary due to their own behaviors. This option reflects total elimination of services to this population.</p>	(\$1.4)	(\$3.1)	Statutory changes	288 youth	Responsibility for dealing with troubled youth aged 16 to 18 would remain with the family and/or local community.												
<p>Adoption Subsidy Program This program provides cash and medical subsidies to families who adopted a special needs child from SRS. 90% to 95% of all children placed for adoption by SRS qualify for an adoption subsidy. Option provides for no growth in the program.</p> <table border="0" style="width: 100%; margin-top: 10px;"> <tr> <td></td> <td style="text-align: center;">SGF</td> <td style="text-align: center;">AF</td> </tr> <tr> <td>Cash Subsidy</td> <td style="text-align: right;">\$0.40</td> <td style="text-align: right;">\$0.90</td> </tr> <tr> <td>Medical Subsidy</td> <td style="text-align: right;"><u>0.14</u></td> <td style="text-align: right;"><u>0.58</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$0.54</td> <td style="text-align: right;">\$1.48</td> </tr> </table>		SGF	AF	Cash Subsidy	\$0.40	\$0.90	Medical Subsidy	<u>0.14</u>	<u>0.58</u>	Total	\$0.54	\$1.48	(\$0.5)	(\$1.48)	No new subsidy agreements would be originated	365 children	Adoption contracts may grow significantly as the number of children being adopted could be significantly reduced.
	SGF	AF															
Cash Subsidy	\$0.40	\$0.90															
Medical Subsidy	<u>0.14</u>	<u>0.58</u>															
Total	\$0.54	\$1.48															

*Option impacts program included in the consensus caseload estimating process.

Description of Service or Population	Estimated Reduction Below GBR (in millions)		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
	SGF	AF			
CHILD WELFARE SERVICES (continued)					
<p>Family Preservation Services This is a contracted service which provides intensive, short-term intervention for families whose children are at imminent risk of removal from the family home and placement in foster care. The GBR holds this program to the approved FY 02 amount (\$10.2 million) and does not fund anticipated growth of \$6.5 million. The GBR includes a reduction in SGF based on the collection of fees from parents. Option reflects total elimination of services.</p> <p style="text-align: right;">SGF AF Reduction in GBR: (\$1.9) (\$10.2)</p>	(\$1.9)	(\$10.2)	Contracts for family preservation services would be cancelled.	2,652 families	More children may be removed from their homes and placed in foster care.
<p>Community Support and Family Services These programs fund services to families whose children are at risk of being removed from the home and placed in foster care. These services support families in maintaining their children in the family homes. This option reflects total elimination of services.</p> <p style="text-align: right;">SGF AF Reduction in GBR: (\$1.5) (\$4.0)</p>	(\$1.4)	(\$4.0)	Grants and allocations would not be issued	350 families	More children could be removed from their homes and placed in foster care.

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Description of Service or Population	Estimated Reduction Below GBR (in millions) SGF AF		Type of Change Required to Implement	Estimated Number of People Affected	Consequences or Implications
CHILD SUPPORT ENFORCEMENT SERVICES					
<p>Child Support Enforcement Fees - Those not Receiving SRS Aid Currently a fee is charged for every child support payment handled by SRS for a family not receiving TAF, Food Stamps, Medicaid, or a Child Care subsidy from SRS. SRS keeps 34% of this revenue, the remaining two-thirds goes to the federal government. At the present time this fee is 4% of the payment. It could be raised. For each one-percent increase in this fee SRS would retain \$42,500. Raising this monthly fee to the following levels would produce the following:</p> <p>5% - \$42,500 7% - \$127,500 9% - \$212,500 6% - \$85,000 8% - \$170,000 10% - \$255,000</p>	(\$0.1- \$0.3)	(\$0.0)	Amend Regulations Amend State Plan	3,000 families	Less money is available to the parent to meet household expenses. The state retains 1/3rd of this loss of family revenue, while the federal government receives 2/3rds of it.

Targeted Rate Reductions

An option to target provider groups for rate reductions is available. There are implications to consider before making this decision. Generally, when rates are reduced, the number of providers willing to participate in programs decreases which impacts access to services and continuity of care. Reductions to contracts may have legal implications, but minimally will require services to be prioritized and reduced. The ability of community partners and providers to maintain their fiscal integrity must also be considered. Communities may be affected by reduced revenues flowing to the community and greater burdens being shifted to local social service providers.

Federal Policy Issues

Over one billion dollars, or 59% of SRS funding comes from federal sources. Federal funding is integral in meeting the needs of our customers. Increased flexibility in federal funding would improve the Department's ability to more effectively serve customers. The ability to affect change in many programs is impacted by federal regulations. A longer term strategy might include working toward changing federal policies.

Federal funding is often used to meet state priorities. Elimination or reduction of a service or population may result in a state general fund savings, but the corresponding loss of federal funds is disproportionately high and must be considered.

<p>Targeted Federal Policies:</p> <ul style="list-style-type: none"> • SOBRA regulations re provision of emergency medical services to illegal aliens. • Spousal Impoverishment - federal law allows the surviving spouse assets of up to \$87,000 to be protected. • DSH -limited access for use in state psychiatric hospitals.

Some Medicaid expenditures are the result of deliberate efforts to maximize federal resources for services that would otherwise been paid for entirely with state funds. The table below identifies some of these expenditures.

Optional Medicaid Services Used to Draw Down Federal Medicaid to Fund State Priorities		
	SGF	AF
<p>Local Education Agencies This benefit provides federal funding to schools for services provided that are medically related. This service provides significant federal Medicaid funds to defray the cost of special education services.</p>	\$0.00	\$23.60
<p>Early Childhood Intervention This benefit covers health and developmental services for children with developmental delays and disabilities. Nearly all of these funds are federal Medicaid funds that supplement the early child intervention program administered by Health and Environment.</p>	\$0.24	\$28.51
<p>Community Mental Health Services for Adults This benefit covers mental health services and supports primarily for persons with severe and persistent mental illnesses. These federal funds provide increased federal funding for community mental health services.</p>	\$0.00	\$20.30
<p>Behavior Management This benefit covers behavioral health services primarily for children in the custody of the Secretary of SRS and JJA.. This optional service allows Kansas to draw down federal Medicaid funds to pay for required services to children in the custody of the state.</p>	\$9.13	\$19.70

Appendix A

Poverty Guidelines

Annual Income Guidelines for 1-5 Member Households (HH)

<u>Selected SRS Services</u>	<u>% of 2001 FPL*</u>	<u>HH-1</u>	<u>HH-2</u>	<u>HH-3</u>	<u>HH-4</u>	<u>HH-5</u>
TAF and GA - Cash & Medical	34%	\$2,921	\$3,947	\$4,974	\$6,001	\$7,028
Elderly/Disabled Persons on SSI-Medical	74%	6,357	8,591	10,826	13,061	15,296
Children 6-18 Medicaid and Medicaid Waivers	100%	8,590	11,610	14,630	17,650	20,670
Food Assistance and Energy Assistance	130%	11,167	15,093	19,019	22,945	26,871
Children Age 1-5 - Medicaid	133%	11,424	15,441	19,457	23,474	27,491
Pregnant Women & Infants - Medicaid	150%	12,885	17,415	21,945	26,475	31,005
Child Care Subsidy	185%	15,892	21,479	27,066	32,653	38,240
Children's Health Insurance Program	200%	17,180	23,221	29,260	35,300	41,340
Breast and Cervical Cancer	250%	21,475	29,025	36,575	44,125	51,675
Working Healthy	300%	25,770	34,830	43,890	52,950	62,010

*FPL is the Federal Poverty Level

Appendix B

**Comparison of Economic Benefits by State
AVERAGE FAMILY OF 3**

BENEFITS	KANSAS	MISSOURI	OKLAHOMA	IOWA	NEBRASKA	COLORADO
TANF-Cash (average for 3 persons)	\$290 (34% FPL)	\$247 (23% FPL)	\$345 (25% FPL)	\$320 (25%) (35% FPL)	\$324 (45% FPL)	\$286 (31% FPL)
Food Stamps (maximum benefit for 3)	\$356	\$356	\$356	\$356	\$356	\$356
Medical Limits						
• TANF Family	34% FPL (\$4,974)	100% FPL (\$14,630)	25% FPL (\$3,657)	35% FPL (\$5,120)	45%FPL (\$6,583)	31% FPL (\$4,535)
• Pregnant Women	150% FPL (\$21,945)	185%FPL (\$27,065)	185% FPL (\$27,065)	200% FPL (\$29,260)	185% FPL (\$27,065)	133% FPL (\$19,458)
• Children Under 1	150% FPL (\$21,945)	185% FPL (\$27,065)	185% FPL (\$27,065)	200% FPL (\$29,260)	185% FPL (\$27,065)	133% FPL (\$19,458)
• Child 1- 5	133% FPL (\$19,458)	133% FPL (\$19,458)	185% FPL (\$27,065)	133% FPL (\$19,458)	185% FPL (\$27,065)	133% FPL (\$19,458)
• Child 6 - 18	100% FPL (\$14,630)	100% FPL (\$14,630)	185% FPL (\$27,065)	133% FPL (\$19,458)	185% FPL (\$27,065)	100% FPL (\$14,630)
• Children's Health Insurance Program	200% FPL (\$29,260)	300% FPL (\$43,890)	185% FPL (\$27,065)	185% FPL (\$27,065)	185% FPL (\$27,065)	185% FPL (\$27,065)
Child Care Income Limit	185% FPL (\$27,065)	144% FPL (\$21,067)	155% FPL (\$22,676)	100% FPL (\$14,630)	106% FPL (\$15,508)	145% FPL (\$21,213)
• Monthly Fee For TANF Family	0	\$1/year	0	0	0	\$36
• Monthly Fee at 100% of Poverty	\$58	\$43	\$44	\$22	\$18	\$96

Appendix C

BENEFITS FOR NON-CITIZENS

COVERED NON-CITIZEN GROUP	BENEFITS AVAILABLE			
	CASH	MEDICAL	FOOD STAMPS	CHILD CARE
I. Legal - Entered U.S. on or Before 8-22-96				
• Refugees	Yes	Yes	Yes	Yes
• Asylees	Yes	Yes	Yes	Yes
• Deportation has been Withheld	Yes	Yes	Yes	Yes
• Cuban/Haitian Entrants	Yes	Yes	Yes	Yes
• Amerasians	Yes	Yes	Yes	Yes
• Granted Parole or Conditional Entry Status	Yes	Yes	No	Yes
• Lawful Permanent Residents	Yes	Yes	Yes, if have 40 qualifying quarters of work	Yes
• Certain Battered Spouses/ Children	Yes	Yes	Yes	Yes
• Veterans or Active Duty Status (includes spouses and dependent children)	Yes	Yes	Yes	Yes
• Non-citizens who are: - receiving blindness/ disability benefits - 65 years of age or older - under age 18	No	No	Yes	No

II. Legal - Entered U.S. after 8-22-96	CASH	MEDICAL	FOOD STAMPS	CHILD CARE
• Refugees	Yes	Yes	Yes	Yes
• Asylees	Yes	Yes	No, until in the U.S. for 7 years	Yes
• Cuban/Haitian Entrants	Yes	Yes	No, until in the U.S. for 7 years	Yes
• Amerasians	Yes	Yes	No, until in the U.S. for 7 years	Yes
• Deportation has been Withheld	Yes	Yes	No, until in the U.S. for 7 years	Yes
• Granted Parole or Conditional Entry Status	No, until in the U.S. for 5 years	No, until in the U.S. for 5 years	No	No, until in the U.S. for 5 years
• Lawful Permanent Residents	No, until in the U.S. for 5 years	No, until in the U.S. for 5 years	Yes, if have 40 qualifying quarters of work	No, until in the U.S. for 5 years
• Certain Battered Spouses/ Children	No, until in the U.S. for 5 years	No, until in the U.S. for 5 years	No, until in the U.S. for 7 years	No, until in the U.S. for 5 years
• Veterans or Active Duty Status (includes spouses and dependent children)	Yes	Yes	Yes	Yes
• Victims of Human Trafficking	Yes	Yes	No	Yes
• American Indians Born in Canada	No	Yes	Yes	No
• Certain Members of Hmong and Laotian Tribes	No	No	Yes	No

	CASH	MEDICAL	FOOD STAMPS	CHILD CARE
III. Other Legal Non-citizens (regardless of how long in U.S.)	No	*Yes, for emergency medical coverage only	No	No
IV. Illegal or Undocumented Non-citizens	No	*Yes, for emergency medical coverage only	No	No

* The individual must meet Medicaid eligibility criteria except for their non-citizen status. Emergency services are defined as services required because of a medical condition manifesting itself by acute symptoms of sufficient severity such that absence of immediate medical attention could result in:

- Placing the patient's health in serious jeopardy
- Serious impairment to bodily functions, or
- Serious dysfunction of any bodily organ or part.

Labor and delivery are defined as emergency services. Coverage is only for care sufficient to take care of the emergency.

Appendix D

Medicaid Mandatory and Optional Coverage Groups

In addition to defining the population within the group, Medicaid rules also specify a level of eligibility for coverage. This specific level of coverage is usually selected by the State from an allowable range of incomes. The minimal level of coverage must be provided or Medicaid funding may be sacrificed. If an optional group is selected the conditions of the coverage group often depend upon a minimal level of coverage as well. These required levels are also included below:

MANDATORY COVERAGE GROUPS	OPTIONAL COVERAGE GROUPS
<p>Temporary Assistance for Families (TAF) - Must cover families at 34% FPL</p> <ul style="list-style-type: none"> ▶ Low-income families with children, eligible at TAF income levels ▶ Families moving from TAF to work ▶ Families moving from TAF to child support <p>Poverty Level Eligibles - PLE - Must cover pregnant women and children of specific ages at 1989 levels</p> <ul style="list-style-type: none"> ▶ Pregnant Women up to 150% ▶ Children at the following levels <ul style="list-style-type: none"> ▶ birth to one year up to 150% ▶ one to five years up to 133% ▶ six to eighteen up to 100% FPL <p>Foster Care/Adoption Support - Must cover children in custody under IV-E:</p> <ul style="list-style-type: none"> ▶ foster care ▶ adoption ▶ juvenile justice <p>Supplemental Security Income Recipients - Must cover all SSI recipients</p> <ul style="list-style-type: none"> ▶ Persons who are disabled or blind ▶ Persons who are elderly <p>Medicare Savings Plans (QMB/LMB) - required to cover Medicare premiums and other cost sharing</p>	<p>HCBS waivers - The protected income level cannot be lower than the medically needy standard:</p> <ul style="list-style-type: none"> ▶ Expanded coverage through higher protected income level of \$716.00 per month ▶ Required disregard of parental income and resources <p>Medically Needy - Minimal protected income level is \$475/month; through a spenddown, persons contribute to the cost of care:</p> <ul style="list-style-type: none"> ▶ Pregnant women and children ▶ Elderly, disabled and blind persons <p>Women with Breast or Cervical Cancer - Must cover at level of the FREE to Know program</p> <ul style="list-style-type: none"> ▶ Uninsured persons up to age 65 ▶ Income level is currently 250% FPL <p>Working Healthy - Must cover persons with disabilities with incomes up to 300% of FPL</p> <p>MediKan Coverage - State funded group for persons who are receiving General Assistance or seeking federal disability benefits</p>

Appendix E

Medicaid Mandatory and Optional Services

The following table compares adult Medicaid beneficiaries only. It is inappropriate to include children in these comparisons because federal regulations of Early Periodic Screening, Diagnostic, and Treatment (EPSDT) preclude significant reduction or elimination of medically necessary services for children. Kansas, like other states provides EPSDT coverage for children to age 20.

Federally Mandated Services ¹	State Option Services
<ul style="list-style-type: none"> • Emergency Medical Services for Alien Individuals • Family Planning Services and Supplies • Home Health Services • Inpatient General Hospital Services • Laboratory and X-Ray Services • Medical Transportation • Outpatient General Hospital Services • Physician Services. This includes pregnancy related services, and some physician extender (i.e., nurse-midwife and nurse practitioner) services. 	<ul style="list-style-type: none"> • Alcohol and Drug Abuse Treatment • Attendant Care for Independent Living • Audiological Services • Behavior Management • Community Mental Health Center and Psychological Services • Dental Services. Limited to KAN Be Healthy consumers (children), except for medically necessary extractions. • Durable Medical Equipment, Medical Supplies, Orthotics, and Prosthetics • Early Childhood Intervention • Health Clinics • Home or community-based services • Hospice Services • Inpatient Psychiatric Services. For individuals under age 21 • Intermediate care facility (ICF/MR) services • Local Education Agencies • Local Health Department Services • Nursing Services (ARNP) • Physical therapy, occupational therapy, and services for individuals with speech, hearing and language disorders. • Prescribed Drugs • Podiatric Services • Respiratory care for ventilator-dependent individuals. • Services for Special Disorders • Targeted Case Management for Assistive Technology • Vision Services

¹Federal rules require that when services are reduced or eliminated, they must be reduced or eliminated for all adults covered by Medicaid. However, federal rules for Early Periodic Screening, Diagnostic, and Treatment do not allow for significant reduction or elimination of medically necessary services for children.

Each service is provided only when medically necessary to the beneficiary. In addition, each provided service must be defined in the Kansas State Plan.

Appendix F

Comparison of Most Common Optional Medical Services for Adults

Optional Services	Kansas	Colorado	Missouri	Nebraska	Oklahoma
Dental Services	Very limited	Very limited	Yes	Yes	Limited
Clinic services.	Yes	Yes	Yes	Yes	Yes
Pharmacy	Yes	Yes	Yes	Yes	Yes
Optometrist services and eyeglasses.	Limited	Limited	Yes	Yes	Limited
Transportation services.	Yes	Yes	Yes	Yes	Yes
Rehabilitation and physical therapy services.	Limited to 6 months of rehabilitative care only	Limited to 30 visits per diagnosis per year	Yes	Yes, but limited to restoration of lost function due to illness or injury	Yes
Audiology	Yes	Limited to hearing aids for congenital & traumatic injury hearing loss	Yes	Yes	na
Durable Medical Equipment (DME)	Yes	Limited	Yes	Yes	Yes
Transplants	Limited	Limited	Yes	na	na
Podiatry	Yes	na	Yes	Yes	Yes

Appendix G Comparison of Medical Eligibility by State

MANDATORY GROUPS - States must cover certain populations. Some states have different minimal requirements than Kansas because coverage levels for certain groups were frozen at different points over the past several years. In most instances, the level of coverage at the time had to be maintained.								
Category	Minimal Requirements/K S Options	Kansas	Nebraska	Missouri	Iowa	Oklahoma	Colorado	
1. Family Medical under 1931 - (TAF)	AFDC rules in effect 07-16-96	TANF Limit- 34% FPL	TANF Limit-45% FPL	100% FPL	TANF Limit- 35% FPL	TANF Limit- 25% FPL	TANF Limit- 31% FPL	
2. Transitional Medical - ineligible for 1931 due to excess earnings	Required to cover first 6 months	Up to 12 months	Up to 24 months	Up to 48 months	Up to 12 months	Up to 12 months	Up to 12 months	
3. Extended Medical - ineligible for 1931 due to child or spousal support	Required to cover 4 months	Yes - 4 months	Yes	Yes	Yes	Yes	Yes	
4. Pregnant Women	Kansas frozen at 150%	150% FPL	185% FPL	185% FPL*	200% FPL	185%FPL (150)**	133% FPL*^	
5. Newborns under 1 year	Kansas frozen at 150%	150% FPL	185% FPL	185% FPL*	200% FPL	185% FPL(150)**	133% FPL*^	
6. Children under 6	133% FPL	133% FPL	185% FPL	133% FPL*(185)	133% FPL	185% FPL(133)**	133% FPL*^	
7. Children under 19	100% FPL	100% FPL	185% FPL	100% FPL*(185)	133%	185% FPL(100)**	100%	
8. SSI Recipients and deemed recipients	No options for Kansas - SSI is 76% FPL	yes	yes	*** 80% FPL	yes	*** more restrictive	yes	
9. Medicare Cost Sharing (QMB/LMB)	No options for Kansas	yes	yes	yes	yes	yes	yes	
10. Protected Groups	No options for Kansas	yes	yes	yes	yes	yes	yes	
11. IV-E Foster & Adoption Support Children	KS expanded, see 15 below	yes	yes	yes	yes	yes	yes	

	Category	Minimal Requirements/K S Options	Kansas	Nebraska	Missouri	Iowa	Oklahoma	Colorado
12.	SOBRA - Coverage for non-citizens	No options for Kansas	yes	yes	yes	yes	yes	yes
OPTIONAL GROUPS								
13.	Home and Community Based Services (HCBS) Waivers	Optional. If an obligation is determined, must not be < 1 person med needy standard	Standard is \$716.00 for all waivers	Standard is \$716.00 for all waivers, except assisted living - 1 person SSI FBR (\$545/month)	For most waivers, standard is \$952.00	300% SSI limit for all waivers (\$1635). Not elig if income > than this limit.	Standard is \$259 + \$325 allowance for spouse	300% SSI limit for all waivers (\$1635). Not elig if income > than this limit
14.	Katie Beckett Kids		no	yes	yes	yes	04-01-02	yes
15.	Reasonable Classifications of children < 21	Optional, but many persons would be picked up in other groups	All children in custody Children in institution Adoption sbsdy	Adoption sbsdy	FC children in PLE group Some temp absent kids Adoption sbsdy	Children in institution Some temp absent kids Adoption sbsdy	All children < 21 in custody Adoption sbsdy	All children < 18 in custody Adoption sbsdy
16.	Chafee/ Foster Care Independence Act		no	unknown	no	no	unknown	no
17.	Optional SSI State Supplement	States are required to cover 1972 converts only	conversion only	yes, expanded	conversion only	yes, expanded	yes, expanded	yes, expanded
18.	Aged-blind-disabled Poverty Level Group	Levels between SSI and 100% FPL	no	100% FPL Asset Test-\$4000 - 1 hh \$6000 - 2 hh	no	no	100% FPL	no
19.	Special Institutional Level for NF coverage	If chosen 300% is maximum	300% SSI	no	no	300% SSI	300% SSI	300% SSI
20.	COBRA Eligibles		no	no	no	no	no	no
21.	Institutional Hospice		no	no	yes	no	no	no

Category	Minimal Requirements/K S Options	Kansas	Nebraska	Missouri	Iowa	Oklahoma	Colorado
22. HMO for < min period		no	unknown	no	no	yes	yes
23. Breast and Cervical Cancer (BCC)	Minimal levels provided	yes	yes	yes	yes	no	no
24. Tuberculosis		no	no	no	no	yes	no
25. Working Disabled (BBA or TWIAA)		July, 2002	yes	April, 2002	yes	no	no
26. Medically Needy pregnant women, children, caretakers, aged, blind, disabled	Yes. If chosen pregnant women and children < 18 must be included	pw, children, aged, blind, disabled \$475- 1 hh \$475- 2 hh person	all groups \$392 - 1 hh \$392 - 2 hh Resource Test: \$4000 - 1 hh \$6000 - 2 hh	No, SPNDWN*** aged, blind, disabled, 80% FPL or \$573 - 1 hh \$750 - 2 hh	all groups \$483 - 1 hh \$483 - 2 hh	Same groups as Kansas,** \$291 - 1 hh	no
OTHER OPTIONAL GROUPS/POLICIES							
27. Continuous Eligibility (kids)	Periods up to 12 months	12 months	12 months	no	no	12 months	12 months
28. Presumptive Eligibility	Optional, PW, kids, BCC only	no	PW, kids, BCC	PW, BCC	PW, BCC	PW	PW
29. SCHIP	Yes. Medicaid MOE	200% FPL	185% FPL	300% FPL*	185% FPL	185% FPL**	185% FPL

Notes:

*Missouri has utilized a Medicaid expansion program for children up to 300% FPL, but imposes nominal cost sharing on families over 185% and expanded cost sharing on families over 225%

**Oklahoma is currently implementing program cuts that would reduce eligibility levels to 150% for PW and newborns, 133% for children under 6, 100% for children under 19, eliminate the medically needy program and eliminate RX coverage for QMB eligibles

***Missouri and Oklahoma are 209(b) states able to set more restrictive criteria. Missouri does not have a medically needy program, but does apply spenddown rules to other groups through 209(b) status

*^Colorado had differing eligibility levels at the time the freeze was implementing, thus setting the minimal threshold below that of Kansas.

Appendix H

**Summary of Key Targeted Program Eliminations, Reductions and Revenue Enhancements
-Governor's "Existing Resources" Budget**

Description	FY 02 (millions)		FY 03 (millions)		*Page No.
	SGF	AF	SGF	AF	
Targeted reductions and eliminations					
Eliminate the funeral assistance program	(\$0.1)	(\$0.1)	(\$0.7)	(\$0.7)	124
Limit length of General Assistance and MediKan to 24 months	-0-	-0-	(4.3)	(4.3)	51/125
Reduce Child Care caseload projections	(0.2)	(0.8)	-0-	-0-	122
Limit spending by targeting family preservation and family services to the most at-risk families	(7.1)	(8.1)	(8.5)	(9.5)	168
Limit payments for persons in Nursing Facilities for Mental Health to persons with a severe and persistent mental illness	(0.6)	(0.8)	(1.8)	(2.5)	52
State MR Hospital Reductions	-0-	-0-	(0.5)	(1.4)	53
Reduce census at Osawatomie and Larned State Hospitals and close units	-0-	-0-	(0.8)	(2.7)	55
Increase shrinkage at the State Hospitals	-0-	-0-	(1.2)	(1.4)	58
Reduce school budget at Larned State Hospital	-0-	-0-	(0.2)	(0.2)	37
Reduce payments to outside medical providers by Larned State Hospital and Osawatomie State Hospital	(0.1)	(0.2)	(0.1)	(0.1)	59
Eliminate transfer to the Kansas Department of Health & Environment for teen pregnancy program evaluation	-0-	-0-	0.0	(0.2)	126
Explore new ways to serve elderly blind and visually impaired Kansans in their communities rather than through Topeka-based group and residential programming	(0.01)	(0.03)	(0.01)	(0.03)	127
Reduce developmental disability community support grants	-0-	-0-	(1.5)	(1.5)	60
Reduce community mental health center flexible community support grants	-0-	-0-	(3.1)	(3.1)	60
Discontinue three child welfare projects through Kansas Legal Services	(0.2)	(0.4)	(0.4)	(0.5)	170
Do not spend new funding for Substance Abuse Treatment medications	0.0	(0.3)	0.0	(0.3)	61
Reduce attendant care wages on the PD waiver	(0.7)	(1.8)	(0.6)	(1.6)	62
Reduce administrative expenditures	(0.6)	(5.2)	(0.9)	(7.2)	33/183

Description	FY 02 (millions)		FY 03 (millions)		*Page No.
	SGF	AF	SGF	AF	
Shared responsibility					
Require parents to contribute to the cost of providing support through the HCBS waivers or other community based services for their minor children	-0-	-0-	(1.2)	0.0	63
Require family financial participation for families accessing preservation services	-0-	-0-	(0.5)	(0.5)	168
Start pilot project to collect support payments from parents of children in SRS or Juvenile Justice custody	-0-	-0-	(0.8)	0.0	127
Limit the growth in medical expenditures					
Pharmacy changes – decrease pharmacy dispensing fee	-0-	-0-	(0.7)	(1.8)	64
Pharmacy changes – change prescription ingredient cost calculation	-0-	-0-	(1.3)	(3.2)	64
Pharmacy changes – begin a voluntary, preferred formulary	-0-	-0-	(0.4)	(1.0)	65
Pharmacy changes – increase co-pay for pharmaceuticals	-0-	-0-	(1.3)	(3.3)	64
Improve administration and management of Home Health services	-0-	-0-	(4.7)	(11.9)	66
Eliminate enhanced transportation for those on PD and FE waivers and non-emergency medical transportation	(0.3)	(0.7)	(0.5)	(1.2)	67
Limit terminally ill patients to services provided through the PD waiver	-0-	-0-	(0.2)	(0.4)	68
Improve billing practices for therapy services	-0-	-0-	(0.1)	(0.3)	69
Substantially reduce payments to Community Mental Health Centers (CMHCs) and psychologists for services to persons living in nursing facilities for mental health.	-0-	-0-	(1.3)	(1.3)	69
Reduce Mental Health reimbursement rates provided through MediKan	-0-	-0-	(1.8)	(1.8)	33
Revenue Enhancements					
Maximize SGF appropriated to the Office of Judicial Administration and reduce SRS SGF for Child Support Enforcement	-0-	-0-	0.1	0.1	128
Maximize use of federal funds through DD services	0.0	6.5	0.0	11.0	70
Increase collections from the Estate Recovery Program	-0-	-0-	0.1	-0-	129
Decrease SGF and increase IGT funding for the DD waiver	-0-	-0-	(19.5)	0.0	40
Disproportionate Share for State Mental Health Hospitals	-0-	-0-	0.0	10.0	49



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Senate Ways and Means Committee

February 15, 2002

Caseload Eligibility Requirements

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Senate Ways and Means
2-15-02
Attachment 2

REPORT TO THE SENATE WAYS AND MEANS COMMITTEE
BY
SECRETARY CONNIE HUBBELL
KANSAS DEPARTMENT ON AGING
February 15, 2002

Good morning, Mr. Chairman and members of the Committee. Thank you for this opportunity to provide you with information about the eligibility requirements for entry into a nursing facility or the Home and Community Based Services waiver for the frail elderly.

The Kansas Department on Aging manages the functional eligibility component of the Medicaid eligibility criteria. Functional eligibility is measured by a Long Term Care Threshold or Level of Care score. The indicators used for the LOC score affect an individual's ability to function safely on their own. Each indicator is assigned a value related to its likelihood to contribute to a need for long-term care services. The collective total of these "values" becomes an individual's LOC score. The minimum LOC score is currently 26 (see **Attachment A**).

Factors to Consider when Discussing Options regarding LOC Scores:

1. The population group served by KDOA must already have spent their own resources before qualifying for Nursing Home or Home and Community Based Services/Frail Elderly waiver programs.
2. Waivers have been a Medicaid service in Kansas since 1985. In 1994, the Legislative Long-Term Care Action Committee focused on the long-term care system. As a result of that Legislative foresight and action, the current system for Medicaid customers includes viable community based options.
3. The caseloads of the Nursing Home and Home and Community Based Services/Frail Elderly programs are growing at a pace consistent with the Kansas 85+ population as a whole. The Nursing Home program has seen a decrease in caseload and a negative woodwork effect has not been realized with the implementation of the Home and Community Based Services/Frail Elderly waiver (see **Attachment B**).
4. The average age of a Nursing Home resident in Kansas is 84. The average age of a Home and Community Based Services/Frail Elder waiver customer in Kansas is 79.
5. The average Level of Care score of a nursing home resident is 73. The average Level of Care score for a Home and Community Based Services/Frail Elderly waiver customer is 50.
6. Changes in the Level of Care score will impact future Medicaid customers for both

the Nursing Home and Home and Community Based Services/Frail Elderly waiver programs (see **Attachment C**). Consideration should be given to “grandfathering” in of current Nursing Home and Home and Community Based Services/Frail Elderly waiver customers if changes are made to the Level of Care score. In addition, the Physically Disabled (PD) waiver will also be impacted as the Nursing Home program is used to meet its cost-effectiveness requirement.

The three charts in Attachment C show the number of estimated Nursing Home and Home and Community Based Services/Frail Elderly waiver customers by Level of Care scores who would seek admission to the programs in FY03. The first chart is a combined summary of both programs. The second chart reflects the Nursing Home program and the third shows the Home and Community Based Services/Frail Elderly waiver program. The estimated average monthly cost is also provided and a “savings” of SGF dollars for FY03. This analysis assumes grandfathering in of all current customers.

As you can see the majority of Nursing Home customers have scores well above 26. When given an option, most seniors will chose community based services even with the Nursing Home score at 26. For the Home and Community Based Services/Frail Elderly waiver program, the majority of customers have scores above 40. Also, the “lighter care” waiver customers (scores below 40) have lower Plan of Care costs which correlate with their individual needs.

An estimate of the expenditures that could have been realized in Kansas if not for the option of community based services is attached (**Attachment D**).

On August 7, 2001, I provided testimony on this same subject. At that time I indicated it would be difficult for KDOA to make a recommendation regarding the option of increasing the Level of Care score in Kansas for the Nursing Home and Home and Community Based Services/Frail Elderly waiver programs. We did recommend that if the score needed to be changed it should be no higher than 30, maintaining the same indicators, but noted research was being conducted by the University of Kansas Medical Center, Center on Aging, that may make other recommendations.

The Draft Executive Summary follows, which includes the findings from the research performed by Dr. Linda Redford and June Belt-Marchesi of the Center on Aging.

**PRELIMINARY REPORT ON THE LEVEL OF CARE CRITERIA
DERIVED FROM THE UNIFORM ASSESSMENT INSTRUMENT**

Linda J. Redford, R.N., Ph.D. & June Belt-Marchesi, R.N., M.N., ARNP

Submitted to the Kansas Department on Aging
February 13, 2002

“The University of Kansas Medical Center, Center on Aging, is currently evaluating the validity and reliability of the Uniform Assessment Instrument (UAI) for the Kansas Department of Aging and Kansas Department of Social and Rehabilitation Services. The Instrument is used to determine the eligibility of Kansas’ elders for nursing facility care and for home and community-based services provided through Medicaid, Older Americans Act, and state dollars. The purpose of this phase of the study is to determine if the Uniform Assessment Instrument is adequately and accurately identifying and measuring the characteristics known to be associated with need for and placement in nursing facilities.

Study Protocol

The following provides an overview of the protocol for this study. Area Agencies on Aging throughout the state provide the Center on Aging project staff the names and contact information on elders receiving UAI assessments in the last 90 days. Names are randomly pulled from the list provided and, in collaboration with AAA staff, it is determined whether the elders selected are able and willing to participate. Each eligible elder is contacted by phone and an appointment for a visit from a project assessor is arranged. The assessor responsible for screening all elders discussed in this report is a Master’s prepared nurse practitioner with specialty preparation and extensive experience in geriatrics. All assessments are conducted in the elder’s place of residence.

Nine screening instruments are currently being used to reassess AAA clients. Five of these tools are relevant to this analysis. These include the Mini-Mental State Examination (Folstein Exam) which is one of the gold standard measures of cognitive evaluation. Lower scores on this exam (<20) can indicate the need for proxy interview as well as caregiver presence and supervision. To measure personal and instrumental activities of daily living both the Katz and Lawton scales are used. These scales evaluate independence in areas such as bathing, dressing, toileting (Katz) and the ability to manage medications and money (Lawton). Loss of skill and ability as measured on these scales along with loss of lower extremity strength and function as measured by the Nagi scale is significantly associated with nursing home placement (Wolinsky, 1993). A Nagi scale of upper and lower mobility/strength is included in our screening. The Geriatric Depression Scale, an accepted screening tool for identifying mild to severe depression, is also used. It is known that untreated depression affects functional ability, perceived cognitive ability

and overall health in a deleterious manner. Finally, an instrument is also used to screen for excess disability risk. This screen includes six items, including the number of medications used, recent onset of urinary incontinence and recent history of falling. Multiple positive responses to the Excess Disability Screen is highly correlated with an overall increase in symptoms and higher health care utilization (Laird, 1999).

Findings

As of this date, 25 assessments have been completed. These assessments have been conducted in the Johnson and Wyandotte County areas. The low number of assessments available at this time is the result of delays by our Institutional Review Board in approving the project for an exempt status and allowing us to go into the field. We are now conducting assessments at the rate of 15 per week and anticipate this number will increase next week when we add an additional assessor. The need to get immediate information to the Department on Aging and the state legislature for analysis of the Level of Care measures requires that we provide this summary of our findings to date.

For analysis purposes, the characteristics of elders scoring 26-39; 40-69; and 70+ were grouped and examined. Of the five people with scores above 70, all were found to have Folstein scores of less than 23, indicating cognitive impairment. Four of the five had scores below 8, indicating a level of cognitive impairment requiring constant supervision and "some" to "total" assistance with all ADL and IADL tasks. In some of these individuals, their cognitive score would suggest that their functional abilities are more impaired than is indicated by their score. There is no question that these individuals would not remain in the community without a full-time informal caregiver (usually a family member). This level of impairment is frequently associated with caregiver "burnout" and subsequent institutional placement. The provision of home and community-based services to this group is unquestionably critical to relieving informal caregivers, thereby reducing the likelihood or delaying institutional placement.

Elders with scores 40-69 tended to be fairly cognitively intact, but required some or total assistance with two or more IADL tasks and one or more ADL tasks. Most also had high Nagi scores, indicating lower and upper extremity impairments, and high excess disability scores. Depression was also a significant issue in this group, with five of the seven elders meeting the criteria for depressive disorder. All of these factors are associated in increased risk of nursing facility placement.

Of the five elderly individuals who scored between 26 and 39, most were cognitively intact, with the exception of one who scored 20. All required at least some assistance in two or more IADLs and two required assistance with one ADL task. Although most did not have severe impairments in the ADL areas, the UAI score does not appear to adequately capture other components of disability and risk for imminent functional decline. The Nagi and Excess Disability scores of this group of elders tend to be high, as are the Geriatric Depression Scale scores. Two of the five elders in this group

have Nagi scores comparable to those of elders scoring above 40 on the UAI. The Nagi, Excess Disability and Geriatric Depression Scales are all measures that have been shown to reflect, as well as predict decline in function and increased likelihood of nursing facility placement.

Summary

The Level of Care Scores derived from the UAI reflect cognitive impairment more accurately than limitations from physiological and structural impairments. Even among individuals with severe cognitive impairment, there appears to be a tendency to underestimate their level of functional impairment. While physical impairments may be more effectively addressed with assistive devices and home modifications than cognitive limitations, many times these devices and modifications are not available. Even with assistive devices, the majority of elders, including those in the 26 to 39 scoring range, required assistance from another person for some basic daily tasks. In a number of cases, the elders with physical disabilities lived alone and would have considerable difficulty remaining in their homes without some supportive services.

The indication that the UAI measures may be underestimating the level of physical disability of those with minimal or no cognitive impairment, as well as those with severe cognitive impairment, suggests that caution is warranted in making determinations of level of care need based on the available scores. Although we do not yet have enough data to confirm the observations in this analysis, they do suggest that Level of Care Scores may not accurately reflect nursing facility need or need for in-home services to avert institutionalization among some elders. It is particularly problematic to make definitive statements about the likelihood of elders who score in the 26 to 40 range being at high or low risk of institutionalization, given the questionable accuracy of the UAI measures and LOC scoring methodology in reflecting some critical aspects of disability. “

Mr. Chairman and members of the Committee, thank you for the opportunity to provide information on eligibility requirements for KDOA's Medicaid programs. I will now stand for questions.

ATTACHMENT A

Indicators, weights, and multipliers are used to determine a collective Level of Care (LOC) score:

Indicators:

Bathing	4
Dressing	3
Toileting	5
Transfer	5
Mobility	3
Eating	4
Bladder Incontinence	5
A/N/E by Others	5
Support Unavailable	4
Impaired Cognition	4
Falls	3

Weights:

Meal Preparation	5
Shopping	3
Money Management	4
Transportation	3
Telephone Usage	3
Laundry/Housekeeping	3
Med. Management	5

Multipliers:

Independent	0
Physical Assistance	1
Supervision	1
Unable to Perform	2

ATTACHMENT B

MONTHLY AVERAGE HCBS/FE AND NURSING HOME CUSTOMERS

	SFY 98	SFY 99	SFY 00	SFY 01
Monthly average Nursing Home beneficiaries	11,788	11,340	11,394	11,162
Monthly average HCBS/FE beneficiaries	3,332	4,284	4,878	5,237
Total nursing home and HCBS/FE beneficiaries	15,120	15,624	16,272	16,399
% of increase in beneficiaries from prior year		3.33%	4.15%	0.78%

As shown in the chart below, the growth for the population over 85 between 1998 and 1999 was **1.81%**. Those over 85 make up the fastest growing segment of the population, and the average age of a nursing home customer is 84 while the average age of a Home and Community Based Services/Frail Elderly waiver customer is 79.

POPULATION AGE	60-64	65-69	70-74	75-79	80-84	85 and over
% CHANGE FROM 1998 to 1999	1.12%	-2.19%	-1.16%	1.08%	0.32%	1.81%

ATTACHMENT C

2-9

Kansas Department on Aging
Level of Care Scores on Nursing Homes and HCBS Frail Elderly Programs Combined

Level of Care Score	Number
26 to 30	301
31 to 40	693
41 to 50	889
51 to 60	899
61 to 70	992
71 to 80	910
81 to 90	851
91 to 100	430
101 to 110	203
111 to 120	144
121-125	7
Total	6,319

Level of Care Score Less Than:	Estimated Number Of Admissions*	SFY 2003 Average Monthly Cost (see attached)	SFY 2003 Savings for All Funds (see attached)	SFY 2003 State General Fund
30	301			\$493,149
40	994			\$1,838,241
50	1,883			\$4,571,209
60	2,782			\$8,367,307
70	3,774			\$13,404,143
80	4,684			\$18,346,497
90	5,535			\$23,133,722
100	5,965			\$25,630,869
110	6,168			\$26,818,942
120	6,312			\$27,659,273
125	6,319			\$27,700,248

* This assumes admissions are equally distributed with one-twelfth occurring in each month for the HCBS/FE program and assumes admissions are distributed with half the admissions in the first half of the year and half in the second for the NF program.

Kansas Department on Aging
 Level of Care Scores on Nursing Home Admission

2-10

Level of Care Score	Number
26 to 30	48
31 to 40	122
41 to 50	303
51 to 60	504
61 to 70	730
71 to 80	763
81 to 90	761
91 to 100	405
101 to 110	180
111 to 120	122
121 to 125	7
Total	3,945

Level of Care Score Less Than:	Estimated Number # Of Admissions	SFY 2003 Average Monthly Cost	SFY 2003 Savings for Half Year*	SFY 2003 State General Fund
30	48	\$2,439	\$702,432	\$280,973
40	170	\$2,439	\$2,487,780	\$995,112
50	473	\$2,439	\$6,921,882	\$2,768,753
60	977	\$2,439	\$14,297,418	\$5,718,967
70	1,707	\$2,439	\$24,980,238	\$9,992,095
80	2,470	\$2,439	\$36,145,980	\$14,458,392
90	3,231	\$2,439	\$47,282,454	\$18,912,982
100	3,636	\$2,439	\$53,209,224	\$21,283,690
110	3,816	\$2,439	\$55,843,344	\$22,337,338
120	3,938	\$2,439	\$57,628,692	\$23,051,477
125	3,945	\$2,439	\$57,731,130	\$23,092,452

* This assumes admissions are equally distributed with half the admissions in the first half of the year and half in the second half of the year for SFY 2003.

Kansas Department on Aging
 Level of Care Scores on HCBS Frail Elderly Program

2-11

Level of Care Score	Number
26 to 30	253
31 to 40	571
41 to 50	586
51 to 60	395
61 to 70	262
71 to 80	147
81 to 90	90
91 to 100	25
101 to 110	23
111 to 120	22
121-125	0
Total	2,374

Level of Care Score Less Than:	Estimated Number # Of Admissions	SFY 2003 Average Monthly Cost**	SFY 2003 Savings for All Funds	SFY 2003 State General Fund
30	253	\$349.43	\$530,440	\$212,176
40	824	\$426.34	\$2,107,823	\$843,129
50	1,410	\$532.64	\$4,506,140	\$1,802,456
60	1,805	\$611.34	\$6,620,850	\$2,648,340
70	2,067	\$687.80	\$8,530,120	\$3,412,048
80	2,214	\$731.73	\$9,720,263	\$3,888,105
90	2,304	\$763.30	\$10,551,850	\$4,220,740
100	2,329	\$777.73	\$10,867,948	\$4,347,179
110	2,352	\$793.93	\$11,204,010	\$4,481,604
120	2,374	\$808.73	\$11,519,490	\$4,607,796
125	2,374	\$808.73	\$11,519,490	\$4,607,796

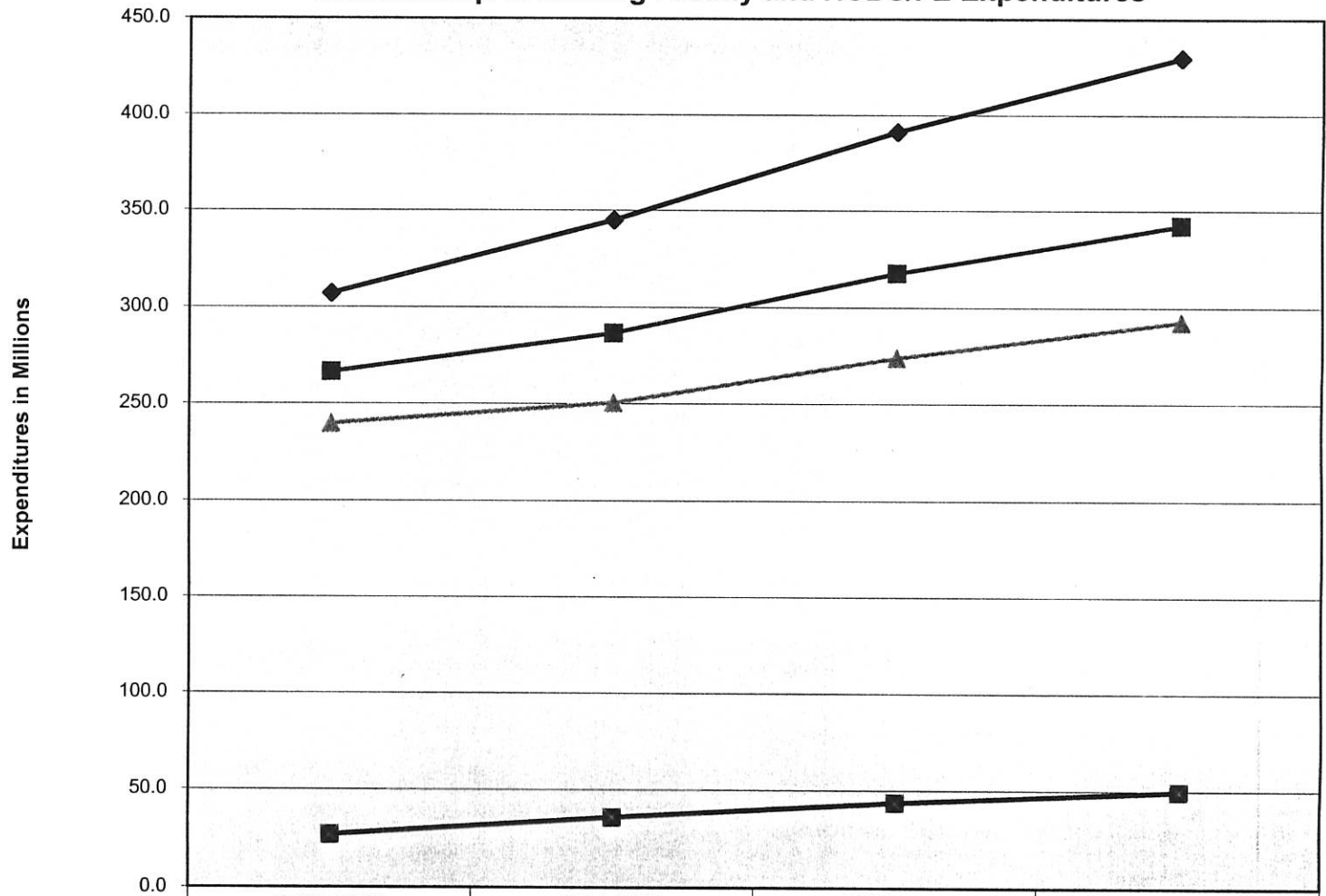
* This assumes admissions are equally distributed, with one-twelfth occurring in each month.

** Projected SFY 2003 costs are based on a sample of 2,214 case file reviews conducted during SFY-2001. At the 99% Confidence Level, results could vary by 2.3%.

ATTACHMENT C

Kansas Department on Aging Relationship of Nursing Facility and HCBS/FE Expenditures

ATTACHMENT D



	SFY 1998	SFY 1999	SFY 2000	SFY 2001
◆ Estimated NF expenditures if Kansas serves the same number of customers at the NF rate*	307.1	344.9	391.0	429.6
■ Actual Total NF & HCBS/FE Expenditures	266.6	286.4	317.6	342.1
▲ Nursing Facility	239.7	250.5	273.9	292.5
■ HCBS/FE	26.9	35.9	43.7	49.6

Source: SRS Medical Assistance Reports (MARS)
 * May be overstated because some customers will be served in both programs during a fiscal year and not all HCBS/FE customers would choose to enter a nursing facility even though they are eligible