

# KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—HEALTH

## FY 2024 – FY 2026 BUDGET SUMMARY

FIG. 1 BUDGET SUMMARY, FY 2024 – FY 2026

	Actual FY 2024	Agency FY 2025	Legislative Budget Committee FY 2025	Agency FY 2026	Legislative Budget Committee FY 2026
<b>EXPENDITURES:</b>					
<b>State Operations*</b>	<b>\$ 377,102,014</b>	<b>\$ 430,929,705</b>	<b>\$ 391,034,077</b>	<b>\$ 405,636,980</b>	<b>\$ 368,131,432</b>
Salaries and Wages	90,563,885	113,739,636	113,312,816	114,442,149	111,262,808
Contractual Services	269,017,394	298,703,388	259,234,580	282,673,207	248,347,000
Commodities	13,248,390	8,610,005	8,610,005	6,871,535	6,871,535
Capital Outlay	4,272,345	9,876,676	9,876,676	1,650,089	1,650,089
<b>State Aid and Assistance</b>	<b>\$ 3,390,175,230</b>	<b>\$ 3,680,746,135</b>	<b>\$ 3,650,974,831</b>	<b>\$ 3,638,468,616</b>	<b>\$ 3,745,769,291</b>
Aid to Local Units	95,844,970	75,601,884	75,601,884	73,650,601	73,650,601
Other Assistance	3,294,330,260	3,605,144,251	3,575,372,947	3,564,818,015	3,672,118,690
<b>Capital Budget and Debt</b>	<b>\$ 1,907,429</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Capital Improvements	1,907,429	-	-	-	-
Debt Service Principal	-	-	-	-	-
Debt Service Interest	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 3,769,184,673</b>	<b>\$ 4,111,675,840</b>	<b>\$ 4,042,008,908</b>	<b>\$ 4,044,105,596</b>	<b>\$ 4,113,900,723</b>
<b>FINANCING:</b>					
State General Fund	\$ 802,621,415	\$ 970,980,020	\$ 919,692,648	\$ 918,380,801	\$ 961,021,522
Children's Initiatives Fund	8,730,946	10,015,611	10,015,611	9,884,990	9,884,990
Federal Funds	2,386,035,330	2,487,118,480	2,468,638,920	2,469,386,807	2,488,176,213
All Other Funds	571,796,982	643,561,729	643,661,729	646,452,998	654,817,998
<b>TOTAL</b>	<b>\$ 3,769,184,673</b>	<b>\$ 4,111,675,840</b>	<b>\$ 4,042,008,908</b>	<b>\$ 4,044,105,596</b>	<b>\$ 4,113,900,723</b>
<b>PERCENTAGE CHANGE:</b>					
State General Fund	14.4 %	21.0 %	(5.3) %	(5.4) %	4.6 %
All Funds	(2.5) %	9.1 %	(1.7) %	(1.6) %	1.7 %
FTE Positions	1,384.2	1,440.1	1,393.2	1,445.1	1,393.2

\* Note: Expenditures for debt service interest are reflected under "Capital Budget and Debt."

## AGENCY OVERVIEW

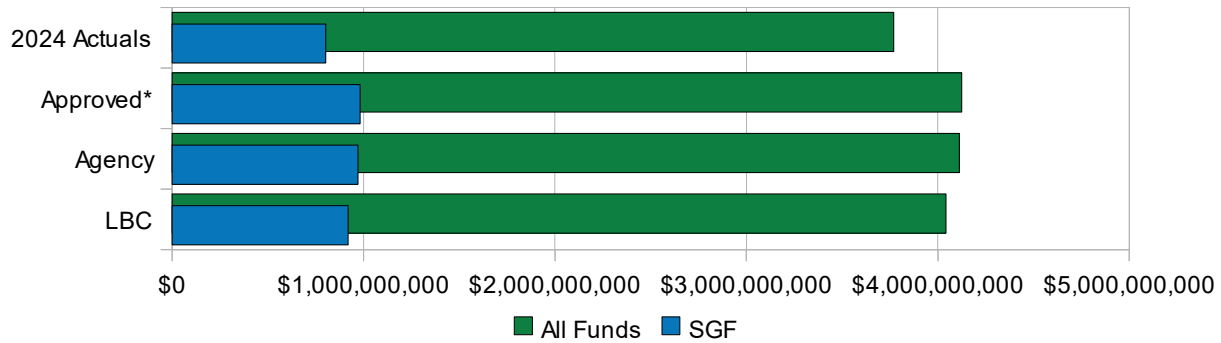
The Kansas Department of Health and Environment's mission is to protect and improve the health of all Kansans. This is accomplished through public health programs and the state Medicaid program, KanCare. The agency is divided into two main divisions: the Division of Public Health and the Division of Health Care Finance.

The Division of Public Health works with local health departments and other organizations to help assure the health of Kansans through public health services and regulatory programs. The Division includes the Office of the Director and the following eight bureaus: Disease Control and Prevention, Health Promotion, Facilities Licensure, Family Health, Community Health Systems, Oral Health, Epidemiology and Public Health Informatics, and the Health and Environmental Laboratories. The Administration program is also included in the Division of Public Health function.

The Division of Health Care Finance develops and maintains a coordinated health policy agenda, which combines the effective purchasing and administration of health care with health promotion-oriented public health strategies. The powers, duties, and functions of the Division are intended to be exercised to improve the health of the people of Kansas by increasing the quality, efficiency, and effectiveness of health services and to coordinate with public health programs. The Division oversees the State's Medicaid and Children's Health Insurance programs.

## FY 2025 ANALYSIS

FIG. 2 BUDGET HIGHLIGHTS, FY 2025



\* Note: Includes SGF reappropriations.

FIG. 3 BUDGET COMPARISON, FY 2025

Fund	2024 Actuals	2025 Approved*	2025 Agency	Agency Change from Previous Year Actuals		Agency Change from Approved*	
SGF	\$ 802,621,415	\$ 983,038,289	\$ 970,980,020	\$ 168,358,605	21.0 %	\$ (12,058,269)	(1.2) %
All Other Funds	2,966,563,258	3,141,630,632	3,140,695,820	174,132,562	5.9	(934,812)	(0.0)
<b>TOTAL</b>	<b>\$ 3,769,184,673</b>	<b>\$ 4,124,668,921</b>	<b>\$ 4,111,675,840</b>	<b>\$ 342,491,167</b>	<b>9.1 %</b>	<b>\$ (12,993,081)</b>	<b>(0.3) %</b>

\* Note: Includes SGF reappropriations.

## BUDGET ANALYSIS

FIG. 4 SUMMARY OF BUDGET REQUEST, FY 2025

	Agency			Legislative Budget Committee		
	SGF	All Funds	FTE	SGF	All Funds	FTE
<b>Approved, FY 2025</b>	<b>\$ 983,038,289</b>	<b>\$ 4,124,668,921</b>	<b>1,393.2</b>	<b>\$ 967,406,591</b>	<b>\$ 4,109,037,223</b>	<b>1,393.2</b>
2024 SB 28 & HB 2551	919,623,909	4,061,123,920	1,393.2	919,623,909	4,061,123,920	1,393.2
1. SGF Reappropriation	63,414,380	63,414,380	-	47,782,682	47,782,682	-
2. Children's Initiatives Fund Reappropriation	-	130,621	-	-	130,621	-
<b>Supplemental Requests</b>	<b>\$ 7,595,042</b>	<b>\$ 24,263,930</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
3. Health Facilities Inspections	2,000,000	2,000,000	-	-	-	-
4. Gainwell Contract Increase	4,828,222	16,247,110	-	-	-	-
5. ePASRR Assessment Tool (OT)	750,000	6,000,000	-	-	-	-
6. Epidemiology Staffing	16,820	16,820	-	-	-	-
<b>Other Changes</b>	<b>\$ (19,653,311)</b>	<b>\$ (37,257,011)</b>	<b>46.8</b>	<b>\$ (47,713,943)</b>	<b>\$ (67,028,315)</b>	<b>-</b>
7. Children's Health Insurance Program (CHIP) Assistance	(19,653,311)	(58,050,763)	-	(19,653,311)	(58,050,763)	-
8. Federal Immunization Funding	-	13,753,197	-	-	13,753,197	-
9. Epidemiology and Laboratory Capacity	-	7,733,333	-	-	7,733,333	-
10. Strengthening Public Health Grant	-	6,906,385	-	-	6,906,385	-
11. Rural Hospital Innovation Grant Program	-	(5,000,000)	-	-	(5,000,000)	-
12. FTE Increase	-	-	46.9	-	-	--
13. All Other Adjustments	-	(2,599,163)	-	-	(2,599,163)	-
14. Human Services Caseloads	-	-	-	(28,060,632)	(29,771,304)	-
<b>TOTAL</b>	<b>\$ 970,980,020</b>	<b>\$ 4,111,675,840</b>	<b>1,440.1</b>	<b>\$ 919,692,648</b>	<b>\$ 4,042,008,908</b>	<b>1,393.2</b>

## 1. SGF REAPPROPRIATION

KDHE carried \$63,414,380 in unspent SGF moneys into FY 2025. The primary sources of the reappropriated funds were:

- \$18.1 million for human services caseloads. These funds will be lapsed during the creation of the new caseload estimates;
  - \$19.7 million for the Children's Health Insurance Program (CHIP). The allocated amount exceeded program expenditures largely due to lower than anticipated enrollment. These funds are limited to use by the CHIP program and are lapsed in the agency's FY 2025 revised budget;
  - \$9.0 million for the special enhanced FMAP in FY 2025;
  - \$4.4 million for moving laboratory equipment to the new facility. These funds were anticipated to be used during FY 2024 and FY 2025;
  - \$3.1 million in the Public Health Operating account, largely due to funds allocated for the Early Childhood Data Management System by the 2024 legislature. The funds were allocated late in FY 2024 and the agency has budgeted them in FY 2025;
  - \$2.5 million for the childcare pilot in FY 2025; and
  - \$6.6 million for other SGF reappropriations in FY 2025.
- **LBC:** Delete \$15.6 million SGF to lapse reappropriations for safety-net clinics (\$583,120), local health departments (\$10,419), Childcare Pilot Program (\$2.5 million), Health Care Finance operations (\$1.4 million), laboratory equipment (\$429,385), Administration program operations (\$1.4 million), the pregnancy maintenance initiative (\$253,684), and SGF savings from the Enhanced FMAP (\$9.1 million) in FY 2025. All reappropriation lapses will be reconsidered during the 2025 Legislative Session.

## 2. CHILDREN'S INITIATIVES FUND REAPPROPRIATION

The agency received \$130,621 in reappropriations from the Children's Initiatives Fund (CIF) from FY 2023 into FY 2024 from the Healthy Start Home Visiting Program.

## 3. HEALTH FACILITIES INSPECTIONS

The agency's revised estimate includes \$2.0 million SGF in FY 2025 for the Bureau of Facilities and Licensing (BFL) to address a shortfall in funding that is necessary for the continuation of federally required facility surveys. The BFL is responsible for ensuring compliance with state licensing laws and federal certification regulations for the Centers for Medicare and Medicaid Services (CMS) for all acute and continuing healthcare providers, including acute and specialty hospitals, critical access hospitals, rural emergency hospitals, and home health agencies. Surveyors also conduct surveys for allegations of abuse, neglect, or exploitation and manage new construction and remodeling projects. In 2024 - 2025 BFL will be taking an additional responsibility for surveying private Psychiatric Hospitals and Psychiatric Residential Treatment Facilities.

Due to staffing shortages that began with COVID, the program has seen a backlog in survey activity. Additional contractual staff were engaged to increase survey activity and the rate of completed surveys increased from 15.0 percent in 2022 to 40.0 percent in

2023-2024. The agency is currently on a Corrective Action Plan with CMS to make improvements in survey productivity with a goal of completing 70% of required surveys for 2024-2025. Failure to meet goals can lead to a reduction in federal match funding.

- **Agency:** Add \$2.0 million SGF for health facility surveys in FY 2025.
- **LBC:** Delete \$2.0 million SGF for health facility surveys in FY 2025.

#### **4. GAINWELL CONTRACT INCREASE**

The agency's revised estimate includes \$16.2 million, including \$4.8 million SGF for a Gainwell Contract Increase. The contract was originally procured in 2015 with costs based on the scope of the project at that time. Since this time, federal regulations have required system upgrades, which led to a modernization project, completed in 2022. The funds requested are to fund increased expenditures for staff (\$8.3 million all funds) and technical support (\$7.9 million all funds). The number of staff required to support the enhanced system is higher than that included in the original contract and the cost per hour is increasing from \$107.88 to \$125.17. Since 2015, Gainwell has added 536 more servers, 694 more databases for testing and production, and software licensing costs have increased.

- **Agency:** Add \$16.2 million, including \$4.8 million SGF for the agency's contract with Gainwell Technologies in FY 2025.
- **LBC:** Delete \$16.2 million, including \$4.8 million SGF for the agency's contract with Gainwell Technologies in FY 2025.

#### **5. EPASRR ASSESSMENT TOOL (OT)**

The agency's revised estimate includes \$6.0 million, including \$750,000 SGF for electronic Pre-Admission Screening and Resident Review (ePASARR). The ePASARR, which has replaced the CARE system, provides individuals with individualized information on long term care options, determines appropriate placements, and evaluates individuals suspected of an intellectual/Developmental Disability or Related Conditions for specialized services. The agency plans to contract with a vendor to bring the Kansas PASRR program into compliance with Federal Regulations, streamline information sharing with KDHE, and increase the efficiency and accuracy of processing assessments. Currently, much of the information needs to be manually entered into the database, which takes time and increases the possibility for error.

The FY 2025 request includes one-time implementation costs of \$4.0 million. Outyear expenditures are anticipated to be \$2.0 million all funds, including \$500,000 SGF each year as reflected in the agency's FY 2026 request. This project is eligible for 90% federal match for development expenditures and 75% for operational costs.

- **Agency:** Add \$6.0 million, including \$750,000 SGF, for electronic Pre-Admission Screening and Resident Review (ePASARR) in FY 2025.
- **LBC:** Delete \$6.0 million, including \$750,000 SGF, for electronic Pre-Admission Screening and Resident Review (ePASARR) in FY 2025.

#### **6. EPIDEMIOLOGY STAFFING**

The agency's revised estimate includes \$16,820 SGF to upgrade two current entry-level epidemiologist positions to senior epidemiologists. Several programs within KDHE, for

example, the injury and overdose prevention programs, require the skill set of a senior level epidemiologist. These programs, however, have budgets that are limited by the federal cooperative agreement and do not allow funds for advanced or senior level staff, which have a minimum of five years of experience working in applied epidemiology.

- **Agency:** Add \$16,820 SGF to upgrade two current entry-level epidemiologist positions to Senior epidemiologists in FY 2025.
- **LBC:** Delete \$16,820 SGF to upgrade two current entry-level epidemiologist positions to Senior epidemiologists in FY 2025.

## **7. CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP) ASSISTANCE**

The agency's revised estimate includes the deletion of \$58.1 million, including \$19.7 million SGF for CHIP. The SGF decrease is due to funds that were reappropriated from FY 2024 into FY 2025 when the amount budgeted for the program exceeded the need. The agency did not budget these reappropriated funds in FY 2025. The federal funds decrease is also due to a decrease in federal matching funds as several services that temporarily received a 100.0 percent federal match during the public health emergency return to the base CHIP match rate.

- **Agency:** Delete \$58.1 million, including the deletion of \$19.7 SGF, for the Children's Health Insurance Program in FY 2025.
- **LBC:** No changes.

## **8. RURAL HOSPITAL INNOVATION GRANT PROGRAM**

The agency's revised request includes a deletion of \$5.0 million, all federal funds, for rural hospital innovation grants. This program, funded with \$10.0 million in federal ARPA funds, awarded grants to fifteen hospitals across the state. The last awards were made in FY 2024 and no further funding has been appropriated.

- **Agency:** Delete \$5.0 million, all federal funds, for rural hospital innovation grants in FY 2025.
- **LBC:** No changes.

## **9. FEDERAL IMMUNIZATION FUNDING**

The agency's revised estimate includes an increase of \$13.8 million, all federal funds, for immunization grants. The increase reflects federal grants that were anticipated to expire in FY 2024 and, therefore, not budgeted in the original FY 2025 request. The timeline for expending the grant funds has since been extended through FY 2025 and the budget has been adjusted to reflect this.

- **Agency:** Add \$13.8 million, all federal funds, for immunization grants in FY 2025.
- **LBC:** No changes.

## **10. EPIDEMIOLOGY AND LABORATORY CAPACITY (ELC) FUNDS**

The agency's revised estimate includes an increase of \$7.7 million, all federal funds, for ELC grant funding. These funds are intended to help state and large local health departments enhance and maintain the laboratory and epidemiologic capacity to prevent and respond to outbreaks of infectious disease.

- **Agency:** Add \$7.7 million, all federal funds, for epidemiology and laboratory capacity grant funding in FY 2025.
- **LBC:** No changes.

## 11. STRENGTHENING PUBLIC HEALTH GRANT

The agency's revised estimate includes an increase of \$6.9 million, all federal funds, for the Strengthening Public Health Grant. This federal grant through the Centers for Disease Control and Prevention (CDC) supports critical public health infrastructure with a focus on workforce, foundational capabilities, and data modernization.

- **Agency:** Add \$6.9 million, all federal funds, for the Strengthening Public Health Grant in FY 2025.
- **LBC:** No changes.

## 12. FTE INCREASE

The agency's revised estimate includes an increase of 46.9 FTE positions. Thirty of the added positions are funded entirely with federal grants with the rest being funded with a mix of state general, special revenue, and federal funds. These added positions are offset by a decrease in 8.4 FTE positions in the Medical and CHIP Administration programs and the Bureaus of Oral Health, and CHIP administration. Added positions include:

- **17.6 positions in the administration program**, including two program consultants, a data analyst, three director positions, and a grant monitor;
  - **13 positions in the Bureau of Family Health**, including three program managers, four program consultants, and three program coordinators;
  - **7 positions in Health Promotions**, including a program director, public health educator, and two coordinators;
  - **5 positions in the Laboratory program**, including three chemists;
  - **4 positions in the Bureau of Epidemiology and Public Health Informatics**, including three epidemiologists;
  - **3 positions in the Bureau for Disease Control and Prevention**, including a program manager, coordinator, and senior administrative assistant;
  - **3 positions in Facilities and Licensing**, including a program manager, coordinator, and registered nurse; and
  - **2 positions in the Bureau of Community Health Systems**, a program manager and public health educator.
- **Agency:** Add 46.9 FTE positions across the agency in FY 2025.
  - **LBC:** Delete 46.9 FTE positions across the agency in FY 2025.

## 13. ALL OTHER ADJUSTMENTS

The agency's revised estimate includes a decrease of \$2.6 million, all special revenue funds, largely due to shifts in operating expenditures in the Division of Public Health and adjustments to a variety of federal grants in the Division of Public Health.

- **Agency:** Delete \$2.6 million, all special revenue funds, for all other adjustments in FY 2025.
- **LBC:** No changes.

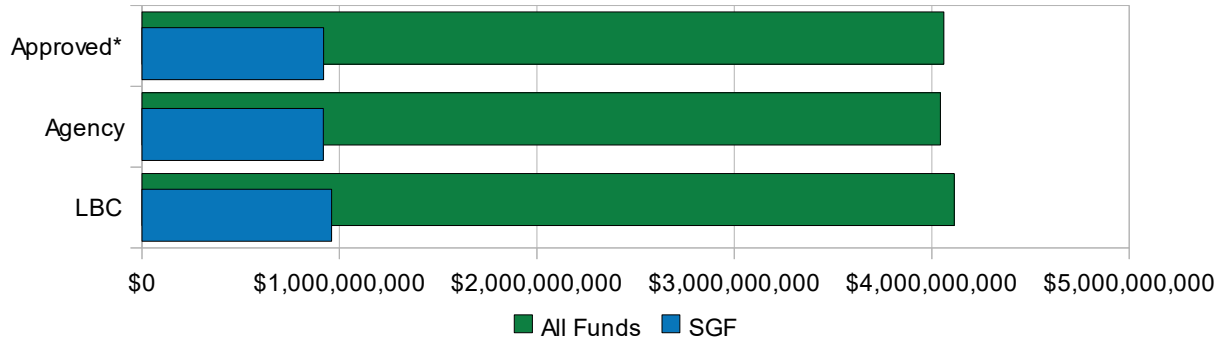
#### 14. HUMAN SERVICES CASELOAD ESTIMATES

The Legislative Budget Committee adopted the 2024 Fall Human Services Caseloads Estimates.

- **Agency:** No Changes
- **LBC:** Delete \$29.8 million, including the deletion of \$28.1 million SGF, to adopt the fall human services caseload estimate in FY 2025.

## FY 2026 ANALYSIS

FIG. 5 BUDGET HIGHLIGHTS, FY 2026



\* Note: Reflects legislative approved expenditures for FY 2025, excluding reappropriations.

FIG. 6 BUDGET HIGHLIGHT CHANGES, FY 2026

Fund	2025 Agency	2025 Approved*	2026 Agency	Agency Change from Previous Year Agency		Agency Change from Approved*	
SGF	\$ 970,980,020	\$ 919,623,909	\$ 918,380,801	\$ (52,599,219)	(5.4) %	\$ (1,243,108)	(0.1) %
All Other Funds	3,140,695,820	3,141,500,011	3,125,724,795	(14,971,025)	(0.5)	(15,775,216)	(0.5)
<b>TOTAL</b>	<b>\$ 4,111,675,840</b>	<b>\$ 4,061,123,920</b>	<b>\$ 4,044,105,596</b>	<b>\$ (67,570,244)</b>	<b>(1.6) %</b>	<b>\$ (17,018,324)</b>	<b>(0.4) %</b>

\* Note: Reflects legislative approved expenditures for FY 2025, excluding reappropriations.

## BUDGET ANALYSIS

FIG. 7 SUMMARY OF BUDGET REQUEST, FY 2026

	Agency			Legislative Budget Committee		
	SGF	All Funds	FTE	SGF	All Funds	FTE
<b>Approved, FY 2025</b>	<b>\$ 919,623,909</b>	<b>\$ 4,061,123,920</b>	<b>1,393.2</b>	<b>\$ 919,623,909</b>	<b>\$ 4,061,123,920</b>	<b>1,393.2</b>
2024 SB 28 & HB 2551	919,623,909	4,061,123,920	1,393.2	919,623,909	4,061,123,920	1,393.2
<b>Enhancement Requests</b>	<b>\$ 13,422,466</b>	<b>\$ 38,957,388</b>	<b>5.0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
1. IT Security Upgrades	1,000,000	1,000,000	-	-	-	-
2. Health Facility Inspections	2,000,000	2,000,000	-	-	-	-
3. Infectious Disease Prevention	2,334,332	2,334,332	-	-	-	-
4. Epidemiology Staffing	70,639	70,639	-	-	-	-
5. Local Public Health Program	504,978	504,978	5.0	-	-	-
6. ePASRR Assessment Tool	500,000	2,000,000	-	-	-	-
7. Gainwell Contract Increase	4,973,069	16,734,523	-	-	-	-
8. Provider Credentialing (OT)	1,474,973	12,861,076	-	-	-	-
9. Partial Hospital Services	564,475	1,451,840	-	-	-	-
<b>Other Changes</b>	<b>\$ (14,665,574)</b>	<b>\$ (55,975,712)</b>	<b>46.9</b>	<b>\$ 41,397,613</b>	<b>\$ 52,776,803</b>	<b>-</b>
10. Inpatient Behavioral Health	(5,000,000)	(5,000,000)	-	(5,000,000)	(5,000,000)	-
11. Laboratory Move	(3,039,000)	(3,039,000)	-	(3,039,000)	(3,039,000)	-
12. Community Testing	(2,500,000)	(2,500,000)	-	(2,500,000)	(2,500,000)	-
13. Rural Hospital Bridge Funding	(2,000,000)	(2,000,000)	-	(2,000,000)	(2,000,000)	-
14. Specialty Health Care Access	(550,000)	(550,000)	-	(550,000)	(550,000)	-
15. HIV Testing Supplies	(48,600)	(48,600)	-	(48,600)	(48,600)	-
16. Children's Health Insurance Program	-	(51,920,276)	-	-	(51,920,276)	-
17. HIV Formula Grant	-	4,139,520	-	-	4,139,520	-
18. Epidemiology and Laboratory Capacity	-	1,394,462	-	-	1,394,462	-
19. FTE Increase	-	-	46.9	-	-	-
20. All Other Adjustments	(1,527,974)	3,548,182	-	(1,527,974)	3,548,182	-
21. Human Services Caseloads	-	-	-	56,063,187	108,752,515	-
<b>TOTAL</b>	<b>\$ 918,380,801</b>	<b>\$ 4,044,105,596</b>	<b>1,445.1</b>	<b>\$ 961,021,522</b>	<b>\$ 4,113,900,723</b>	<b>1,393.2</b>



## 1. IT SECURITY UPGRADES

The agency is requesting \$1.0 million SGF to invest in IT Security Upgrades. The funds will be used to upgrade software and hardware, increase monitoring, provide ongoing training to IT staff, and ensure that the agency's systems and software meet regulatory requirements. Specific projects include complying with new regulations to purchase licenses for all staff for Java security updates, a subscription for a more advanced cyber security application, and OutSystems, a low-code platform for applications.

- **Agency:** Add \$1.0 million SGF for IT Security Upgrades for FY 2026.
- **LBC:** Delete \$1.0 million SGF for IT Security Upgrades for FY 2026.

## 2. HEALTH FACILITY INSPECTIONS

The agency's revised estimate includes \$2.0 million SGF in FY 2025 for the Bureau of Facilities and Licensing (BFL) to address a shortfall in funding that is necessary for the continuation of federally required facility surveys. The BFL is responsible for ensuring compliance with state licensing laws and federal certification regulations for the Centers for Medicare and Medicaid Services (CMS) for all acute and continuing healthcare providers, including acute and specialty hospitals, critical access hospitals, rural emergency hospitals, and home health agencies. Surveyors also conduct surveys for allegations of abuse, neglect, or exploitation and manage new construction and remodeling projects. In 2024 - 2025 BFL will be taking an additional responsibility for surveying Private Psychiatric Hospitals and Psychiatric Residential Treatment Facilities.

Due to staffing shortages that began with COVID, the program has seen a backlog in survey activity. Additional contractual staff were engaged to increase survey activity and the rate of completed surveys increased from 15.0 percent in 2022 to 40.0 percent in 2023-2024. The agency is currently on a Corrective Action Plan with CMS to make improvements in survey productivity with a goal of completing 70% of required surveys for 2024-2025. Failure to meet goals can lead to a reduction in federal match funding.

- **Agency:** Add \$2.0 million SGF for health facility surveys for FY 2026.
- **LBC:** Delete \$2.0 million SGF for health facility surveys for FY 2026.

## 3. INFECTIOUS DISEASE PREVENTION

The agency is requesting \$2.3 million SGF to continue infectious disease prevention in the Bureau of Disease Control and Prevention. The agency was awarded a five-year federal grant to expand and improve efforts to combat infectious diseases, such as syphilis, chlamydia, tuberculosis, and HIV. The funding for years four and five were rescinded, however, as part of the federal debt ceiling agreement in June 2023. The work includes administering tests, training local public health professionals, and identifying outbreaks and hotspots to prevent the spread of disease in all 105 Kansas counties. The funding will ensure that current operations can continue and will serve as a bridge until additional federal funds become available.

- **Agency:** Add \$2.3 million SGF to continue infectious disease prevention activities in the Bureau of Disease Control and Prevention for FY 2026.
- **LBC:** Delete \$2.3 million SGF to continue infectious disease prevention activities in the Bureau of Disease Control and Prevention for FY 2026.

#### 4. EPIDEMIOLOGY STAFFING

The agency is requesting \$70,639 SGF to upgrade two current entry-level epidemiologist positions to Senior epidemiologists. Several programs within KDHE, for example, the injury and overdose prevention programs, require the skill set of a senior level epidemiologist. These programs, however, have budgets that are limited by the federal cooperative agreement and do not allow funds for advanced or senior level staff, which have a minimum of five years of experience working in applied epidemiology.

- **Agency:** Add \$70,639 SGF to upgrade two current entry-level epidemiologist positions to Senior epidemiologists for FY 2026.
- **LBC:** Delete \$70,639 SGF to upgrade two current entry-level epidemiologist positions to Senior epidemiologists for FY 2026.

#### 5. LOCAL PUBLIC HEALTH PROGRAM

The agency is requesting \$504,978 SGF and 5.0 FTE positions for the Bureau of Community Health Systems Local Public Health Program (LPHP) for FY 2026. The goals of the LPHP are to increase the capacity and capabilities of local health departments (LHDs) by providing funding, workforce development, and to increase coordination between KDHE, LHDs, and other public health system partners. The LPHP includes a team of eight nurses based in the regions they serve, the Kansas Grant Management System, and KansasTRAIN, a learning management system that provides workforce development for the Kansas Public Health system. These funds will be used to continue these services with local partners across the state.

- **Agency:** Add \$504,978 SGF and 5.0 FTE positions for the Bureau of Community Health Systems Local Public Health Program (LPHP) for FY 2026.
- **LBC:** Delete \$504,978 SGF and 5.0 FTE positions for the Bureau of Community Health Systems Local Public Health Program (LPHP) for FY 2026.

#### 6. EPASRR ASSESSMENT TOOL

The agency is requesting \$2.0 million, including \$500,000 SGF for electronic Pre-Admission Screening and Resident Review (ePASARR). The ePASARR, which has replaced the CARE system, provides members with individualized information on long term care options, determines appropriate placements, and evaluates individuals suspected of an intellectual/Developmental Disability or related conditions for specialized services. These funds are for ongoing program operations and support. This project is eligible for 90% federal match for development expenditures and 75% for operational costs.

- **Agency:** Add \$2.0 million, including \$500,000 SGF, for electronic Pre-Admission Screening and Resident Review (ePASARR) for FY 2026.
- **LBC:** Delete \$2.0 million, including \$500,000 SGF, for electronic Pre-Admission Screening and Resident Review (ePASARR) for FY 2026.

#### 7. GAINWELL CONTRACT INCREASE

The agency's revised estimate includes \$16.7 million, including \$5.0 million SGF for a Gainwell Contract Increase. The contract was originally procured in 2015 with costs based on the scope of the project at that time. Since this time, federal regulations have required system upgrades, which led to a modernization project, completed in 2022. The funds requested are to fund increased expenditures for staff (\$8.3 million all funds)

and technical support (\$7.9 million all funds). The number of staff required to support the enhanced system is higher than that included in the original contract and the cost per hour is increasing from \$107.88 to \$125.17. Since 2015, Gainwell has added 536 more servers, 694 more databases for testing and production, and software licensing costs have increased.

- **Agency:** Add \$16.7 million, including \$5.0 million SGF, for the agency's contract with Gainwell Technologies for FY 2026.
- **LBC:** Delete \$16.7 million, including \$5.0 million SGF, for the agency's contract with Gainwell Technologies for FY 2026.

## **8. PROVIDER CREDENTIALING (OT)**

The agency is requesting \$12.9 million, including \$1.5 million SGF to procure and implement a Medicaid provider centralized credentialing module. Currently, each Managed Care Organization (MCO) has a separate credentialing process which can result in a provider being asked to respond to multiple requests for information. This centralized module will replace the MCO's current credentialing responsibility and is expected to reduce the amount of time and effort both providers and MCO's spend to establish credentials by having a consistent set of required documents and targeting communication directly to the groups needing to respond. KDHE has been researching solutions and processes used by other states and has developed an RFP. This funding will allow the agency to move into the development and implementation stage of the process. The current funding request includes \$11.5 million in one time implementation costs, however, there are expected to be ongoing costs of approximately \$3.0 million in the outyears.

- **Agency:** Add \$12.9 million, including \$1.5 million SGF to procure and implement a Medicaid provider centralized credentialing module for FY 2026.
- **LBC:** Delete \$12.9 million, including \$1.5 million SGF to procure and implement a Medicaid provider centralized credentialing module for FY 2026.

## **9. PARTIAL HOSPITAL SERVICES**

The agency is requesting \$1.5 million, including \$564,475 SGF, to provide behavioral health partial hospital services. Children's Mercy Hospital is proposing a 24 bed hospitalization program creating a new reimbursable service in KanCare. The average length of enrollment is expected to be 4 to 6 weeks, 5 days a week with a daily reimbursement rate of \$279.20. The requested funding is for six months of FY 2026.

- **Agency:** Add \$1.5 million, including \$564,475 SGF, to provide behavioral health partial hospital services for FY 2026.
- **LBC:** Delete \$1.5 million, including \$564,475 SGF, to provide behavioral health partial hospital services for FY 2026.

## **10. INPATIENT BEHAVIORAL HEALTH**

The agency's revised request includes a decrease of \$5.0 million SGF for behavioral health hospitals. This was a one-time addition to the FY 2025 budget by the 2024 legislature and is not included in the FY 2026 agency request.

- **Agency:** Delete \$5.0 million SGF for adult inpatient behavioral health for FY 2026.

- **LBC:** No changes.

#### **11. LABORATORY MOVE**

The agency's revised request includes a deletion of \$3.0 million SGF for costs associated with furnishing and moving into the new laboratory facility. This was a one-time addition to the FY 2025 budget by the 2024 legislature and is not included in the FY 2026 agency request.

- **Agency:** Delete \$3.0 million SGF for one-time expenditures associated with furnishing and moving into the new laboratory facility for FY 2026.
- **LBC:** No changes.

#### **12. COMMUNITY TESTING**

The agency's revised request includes a decrease of \$2.5 million SGF for community grants to perform comprehensive testing for individuals in at-risk communities identified based on environmental factors. This was a one-time addition to the FY 2025 budget by the 2024 legislature and is not included in the FY 2026 agency request.

- **Agency:** Delete \$2.5 million SGF for community grants to perform comprehensive testing for individuals in at-risk communities identified based on environmental factors for FY 2026.
- **LBC:** No changes.

#### **13. RURAL HOSPITAL BRIDGE FUNDING**

The agency's revised request includes a deletion of \$2.0 million SGF to reimburse hospitals that are operating as Rural Emergency Hospitals without the designation as such. This was a one-time addition to the FY 2025 budget by the 2024 legislature and is not included in the FY 2026 agency request.

- **Agency:** Delete \$2.0 million SGF to reimburse hospitals that are operating as Rural Emergency Hospitals without the designation as such for FY 2026.
- **LBC:** No changes.

#### **14. SPECIALTY HEALTH CARE ACCESS**

The agency's revised request includes a deletion of \$550,000 SGF for Project Access, Health Access, and Wy Jo Care which provide healthcare to low-income, uninsured residents of Sedgwick, Wyandotte, and Johnson Counties. This was a one-time addition to the FY 2025 budget by the 2024 legislature and is not included in the FY 2026 agency request.

- **Agency:** Delete \$550,000 SGF for Project Access, Health Access, and Wy Jo Care specialty health care access programs for FY 2026.
- **LBC:** No changes.

#### **15. HIV TESTING SUPPLIES**

The agency's revised request includes a deletion of \$48,600 SGF for HIV testing supplies. This was a one-time addition to the FY 2025 budget by the 2024 legislature and is not included in the FY 2026 agency request.

- **Agency:** Delete \$48,600 SGF for HIV testing supplies for FY 2026.
- **LBC:** No changes.

#### **16. CHILDREN'S HEALTH INSURANCE PROGRAM**

The agency's revised request includes a deletion of \$51.9 million, all federal funds, for the Children's Health Insurance Program (CHIP). This is due to the number of enrolled children being lower than anticipated in the agency's original FY 2025 budget request, as well as a decrease in federal matching funds as several services that had been fully covered with federal funds during the public health emergency have returned to the regular CHIP match rate.

- **Agency:** Delete \$51.9 million, all federal funds, for the Children's Health Insurance Program (CHIP) for FY 2026.
- **LBC:** No changes.

#### **17. HIV CARE FORMULA GRANT**

The agency's revised estimate includes an increase of \$4.1 million, all federal funds for the HIV care formula grant. The objective of HIV care formula grants is to improve the quality, availability, and organization of care, treatment, and support services for eligible individuals with HIV.

- **Agency:** Add \$4.1 million, all federal funds, for the HIV care formula grant for FY 2026.
- **LBC:** No changes.

#### **18. EPIDEMIOLOGY AND LABORATORY CAPACITY (ELC) FUNDS**

The agency's revised estimate includes an increase of \$1.4 million, all federal funds, for ELC grant funding. These funds are intended to help state and large local health departments enhance and maintain the laboratory and epidemiologic capacity to prevent and respond to outbreaks of infectious disease.

- **Agency:** Add \$1.4 million, all federal funds, for epidemiology and laboratory capacity grant funding for FY 2026.
- **LBC:** No changes.

#### **19. FTE INCREASE**

The agency's revised request includes an increase of 46.9 FTE positions. Thirty of the added positions are funded entirely with federal grants with the rest being funded with a mix of state general funds and special revenue funds. These added positions are offset by a decrease in 8.4 FTE positions in Medical Administration, Bureaus of Oral Health, and CHIP administration.

- **Agency:** Add 46.9 FTE positions across the agency for FY 2026.
- **LBC:** Delete 46.9 FTE positions across the agency for FY 2026.

#### **20. ALL OTHER ADJUSTMENTS**

The agency's revised request includes an increase of \$1.6 million, including \$402,496

SGF for other adjustments in FY 2026. These are adjustments across the various agency programs.

The Kansas Children's Cabinet and Trust Fund recommendations for the Children's Initiative Fund do not include funding the Children's Health and Safety Grants in FY 2026 using CIF funding.

- **Agency:** Add \$1.6 million, including \$402,496 SGF, for other adjustments for FY 2026.
- **LBC:** No changes.

## **21. HUMAN SERVICES CASELOAD ESTIMATES**

The Legislative Budget Committee adopted the 2024 Fall Human Services Caseloads Estimates.

- **Agency:** No Changes
- **LBC:** Add \$108.8 million, including \$56.1 million SGF, to adopt the fall human services caseload estimate for FY 2026.

## REFERENCE TABLES

FIG. 8 **10-YEAR EXPENDITURE HISTORY, FY 2017 – FY 2026**

Fiscal Year	SGF	Change	All Funds	Change	FTE	CPI-U Change**
FY 2017	\$ 675,013,902	2.4 %	\$ 2,588,442,931	3.6 %	706.3	0.0 %
FY 2018	666,261,035	(1.3)	2,634,012,940	1.8	780.5	0.2
FY 2019	765,291,421	14.9	2,777,149,178	5.4	810.3	0.0
FY 2020	625,983,990	(18.2)	2,903,576,635	4.6	1,101.5	0.8
FY 2021	564,270,730	(9.9)	3,113,867,131	7.2	1,138.8	2.4
FY 2022	664,728,812	17.8	3,555,232,603	14.2	1,231.1	9.2
FY 2023	701,383,740	5.5	3,866,755,842	8.8	1,407.7	5.8
FY 2024	802,621,415	14.4	3,769,184,673	(2.5)	1,384.2	3.0
FY 2025 Agency	970,980,020	21.0	4,111,675,840	9.1	1,440.1	2.5
FY 2026 Agency	918,380,801	(5.4)	4,044,105,596	(1.6)	1,445.1	2.4
10-Yr. Chg. (FY 2017– 2026)	\$ 243,366,899	36.1 %	\$ 1,455,662,665	56.2 %	738.8	33.4 %
3-Yr. Avg. (FY 2022– 2024)*	\$ 722,911,322		\$ 3,730,391,039		1,341.0	

\* Note: Reflects three most recent years of actuals data.

\*\* Note: Consumer Price Index – All Urban Consumers estimate for FY 2025 and FY 2026 is from the Consensus Revenue Estimating Group.

FIG. 9 **EXPENDITURES BY PROGRAM, FY 2024 – FY 2026**

Program	Actual FY 2024	Agency FY 2025	LBC FY 2025	Agency FY 2026	LBC FY 2026
Administration	\$ 28,924,211	\$ 39,504,088	\$ 38,117,923	\$ 40,730,226	\$ 39,730,226
Public Health	311,623,871	285,127,757	279,334,330	232,108,695	227,198,746
Health Care Finance	3,428,636,591	3,787,043,995	3,724,556,656	3,771,266,675	3,846,971,751
<b>TOTAL</b>	<b>\$ 3,769,184,673</b>	<b>\$ 4,111,675,840</b>	<b>\$ 4,042,008,909</b>	<b>\$ 4,044,105,596</b>	<b>\$ 4,113,900,723</b>

FIG. 10 **FTE POSITIONS BY PROGRAM, FY 2024 – FY 2026**

Program	Actual FY 2024	Agency FY 2025	LBC FY 2025	Agency FY 2026	LBC FY 2026
Administration	152.7	170.3	152.7	170.2	152.7
Public Health	606.5	640.0	610.7	645.0	610.7
Health Care Finance	625.0	629.8	629.8	629.8	629.8
<b>TOTAL</b>	<b>1,384.2</b>	<b>1,440.1</b>	<b>1,393.2</b>	<b>1,445.0</b>	<b>1,393.2</b>