

FY 2013

Senate Ways and Means Subcommittee

Kansas Department of Health and Environment - Health



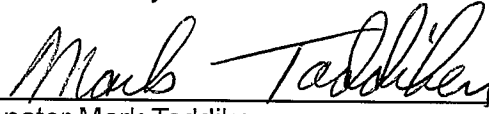
Senator Vicki Schmidt, Chair



Senator Laura Kelly



Senator Carolyn McGinn



Senator Mark Taddiken

Senate Ways and Means

Date: 02-15-2012

Attachment: 2

Senate Subcommittee Report

Agency: Kansas Department of Health and Environment - Health and Health Care Finance **Bill No. --**

Bill Sec. --

Analyst: Mariani

Analysis Pg. No. --

Budget Page No. 240

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 606,852,247	\$ 651,814,085	\$ 0
Other Funds	1,147,224,501	1,231,580,948	0
Subtotal	<u>\$ 1,754,076,748</u>	<u>\$ 1,883,395,033</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 1,754,076,748</u></u>	<u><u>\$ 1,883,395,033</u></u>	<u><u>\$ 0</u></u>
FTE positions	505.7	470.2	0.0
Non FTE Uncl. Perm. Pos.	224.8	224.8	0.0
TOTAL	<u><u>730.5</u></u>	<u><u>695.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2013 reportable operating expenditures of \$1.8 billion, including \$606.9 million from the State General Fund. This request includes \$19.0 million for the Administration function, \$154.0 million for the Health function, and \$1.6 billion for the Health Care finance function. The agency's estimate included 505.7 FTE positions. The agency request is \$6.4 million, or 0.4 percent, below the agency's revised FY 2012 estimate. This is largely due to the end of federal American Reinvestment and Recovery Act (ARRA) funding and other federal grants and changes in Federal Medical Assistance percentage (FMAP) which decreased for FY 2013.

Governor's Recommendation

The **Governor** recommends FY 2013 reportable expenditures of \$1.9 billion, including \$651.8 million from the State General Fund, which is an increase of \$54.1 million, or 3.0 percent, above the FY 2012 revised estimate. This includes \$19.0 million for the Administration function, \$151.7 million for the Health function, and \$1.7 billion for the Health Care Finance function. The Governor's recommendation includes 470.2 FTE positions. The recommendation also includes \$141.6 million, including \$49.6 million from the State General Fund to fund the human services consensus caseload estimate for regular medical for FY 2013.

The Governor's recommendation includes:

- **State General Fund** expenditures of \$606.9 million, which is an increase of \$32.8 million, or 5.3 percent, above the revised FY 2012 estimate.
- **Children's Initiative Funds** expenditures of \$7.3 million, a decrease of \$44,856, or less than 0.6 percent, below the revised FY 2012 estimate.
- **Federal Funds** expenditures of \$1.1 billion, a increase of \$19.5 million, or 1.8 percent, above the revised FY 2012 estimate.
- **All Other Funds** expenditures of \$111.1 million, an increase of \$1.9 million, or 1.8 percent, above the revised FY 2012 estimate.

The Governor recommends the transfer of the functions associated with the program that licenses and certifies Nurse Aides, Medication Aides, Home Health Aides, speech-language Pathologists, Audiologists, Dieticians, Adult Care Home Administrators to the Board of Nursing, Board of Healing Arts and Department on Aging. The licensees will continue to pay fees for their credentials and the receiving agency will manage the operating costs for the transferred function. The proposal eliminates the program within the Department of Health and Environment. The Governor's Budget reduces expenditures by \$689,695 from the State General Fund, and \$898,844 from all funds and eliminates 12.8 FTE positions. In addition, the The Governor recommends transfer of the Health Facilities Survey Program to the Department on Aging. This program is responsible for the survey and certifications of hospitals, surgical centers and other medical facilities. The Governor's recommendation transfers funds totaling \$1,727,176, including \$264,912 from the State General Fund and 19.5 FTE positions; however the recommendation notes the transfer is subsequently no longer recommended and a Governor's Budget Amendment is likely.

The Governor has presented Executive Reorganization Order (ERO) No. 41 to the 2012 Legislature. The ERO transfers parts of the Health Occupations Credentialing Program to the Department for Aging and Disability Services. This would include Nurse Aides, Medication Aides, Home Health Aides, Dieticians, Adult Care Home Administrators, Residential Care Facility Operators, Activity Directors, Social Service Designees, as well as maintenance of the Kansas Nurse Aide Registry Act and Criminal History Record Check Program. ERO No. 41 would also transfer related program funding.

Senate Subcommittee Recommends

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

1. Delete \$500,000, all from the State General Fund, for the Medicaid Reform Health Savings Account (HSA) Program and delete \$134,584, all from the State General Fund, for agency operating expenditures. The Subcommittee directs the Kansas Department of Health and Environment report the number of participants and the total expenditures year to date for the HSA Program in FY 2013 to the Subcommittee during the 2013 Legislative Session.
2. Add \$634,584, all from the State General Fund, to the Primary Care - Safety Net Clinics Program for a total program expenditure of \$7,877,649. Of the \$634,585 additional funds

for the Safety Net Clinics, up to \$200,000 can be used for the Capitol Improvements Grant Program.

3. The Subcommittee recommends the proposed transfer of the Health Occupations Credentialing function and the Health Facilities Survey Program and the related reorganization be reviewed at Omnibus to determine if the positions and funding shifts are needed after review of Executive Reorganization Order (ERO) No. 41. The ERO transfers part of the Health Occupation Credentialing Program and does not transfer the Health Facilities Surveyor Program. The Subcommittee also wants to review the outcome of HB 2659 which proposes to transfer the Health Occupation Credentialing for Speech/Language Pathologist and Audiologist to the Board of Healing Arts.
4. The Subcommittee notes the need to review the Spring Human Services Consensus Caseload Estimates at Omnibus for potential funding adjustments for regular medical caseloads.
5. The Subcommittee notes its recommendation that the FY 2013 \$100,000 funding for Pure and Simple Health Education Inc. for Abstinence Education within the Teen Pregnancy Prevention Program in FY 2013 not be expended and the funds instead be used for teen pregnancy case management in the Teen Pregnancy Prevention Program.