

SESSION OF 2020

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2550

As Amended by House Committee on Social
Services Budget

Brief*

HB 2550, as amended, would direct the Secretary for Aging and Disability Services (Secretary) to provide increases in the reimbursement rates for providers of services under the Medicaid Home and Community Based Services (HCBS) waiver for individuals with an intellectual or developmental disability (I/DD). The bill would appropriate from the State General Fund (SGF) amounts for a 7.0 percent rate increase in FY 2021, a 6.0 percent rate increase above the previous amount for FY 2022, and a 5.0 percent rate increase above the previous amount for FY 2023. This funding would be used to draw down additional federal revenue through the Federal Medical Assistance Percentage (FMAP).

In FY 2024 and each year thereafter, the Secretary would be directed to provide increases in the reimbursement rates for providers of services under the Medicaid HCBS I/DD waiver using the greater amount of either:

- A 2.0 percent increase; or
- The annual percentage increase in the consumer price index for urban wage earners and clerical workers for the immediately preceding calendar year according to the U.S. Department of Labor.

The bill would also direct the Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

and KanCare Oversight to review the number of individuals on the waiting list for the Medicaid HCBS I/DD waiver at its quarterly meetings during FY 2021 and make findings and recommendations to be included in written reports to the 2021 Legislature and the 2022 Legislature.

Background

The bill was introduced in the House Committee on Social Services Budget at the request of Interhab.

In the House Committee hearing, proponent testimony was provided by representatives of Interhab, Starkey, Inc., Sunflower Diversified Services, Inc., TARC Inc., and private citizens. Proponents testified provider reimbursement rates for Medicaid HCBS I/DD waiver services have been underfunded and the provider network has been limited by difficulty recruiting and retaining staff due to low wages and competition for staff from other employers.

Written-only proponent testimony was provided by representatives of Achievement Services for Northeast Kansas, Inc.; Big Lakes Developmental Center, Inc.; Community Developmental Disability Organization of Butler County; Developmental Services of Northwest Kansas, Inc.; Flinthills Services Inc.; Franklin County Intellectual/Developmental Disability Services; Johnson County Developmental Supports; Mosaic; Multi Community Diversified Services; OCCK, Inc.; Rainbows United, Inc.; and private citizens.

Neutral testimony was provided by representatives of the Kansas Council on Developmental Disabilities (Council) and the Disability Rights Center of Kansas. Neutral testimony noted support of additional funding for Medicaid HCBS waivers, but encouraged broader actions, including addressing other HCBS waivers, increasing the number of individuals who can receive waiver services, and consideration of additional performance measures for the

increased funding. Written-only neutral testimony was provided by representatives of the Grassroots Advocates for Independent Living, KanCare Advocates Network, the KU Life Span Institute, and other representatives of the Council.

Opponent testimony was provided by representatives of the Self Advocate Coalition of Kansas who noted additional funding needs and expressed displeasure on the lack of guidance or outcomes for the additional funding in the bill.

The House Committee amended the bill to adjust the appropriated SGF totals for FY 2021, FY 2022, and FY 2023 to reflect estimates from the Kansas Department for Aging and Disability Services (KDADS) on the amount of funding needed to provide rate increases as directed in the bill. Also, the House Committee amended the bill to reference the SGF account currently used by KDADS for Medicaid HCBS I/DD waiver expenditures.

No fiscal note was prepared by the Division of the Budget on the bill (this is an appropriations bill). Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2021 Governor's Budget Report*.