

February 28, 2022

The Honorable Brenda Landwehr, Chairperson  
House Committee on Health and Human Services  
Statehouse, Room 112-N  
Topeka, Kansas 66612

Dear Representative Landwehr:

**SUBJECT:** Fiscal Note for HB 2699 by House Committee on Health and Human Services

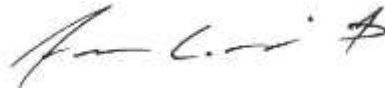
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2699 is respectfully submitted to your committee.

If a district court appoints the Secretary for Aging and Disability Services as the receiver of a skilled nursing care facility, HB 2699 would exempt the facility from Quality Care Assessments while the Secretary is the receiver. The exemption would start upon the filing of an application for receivership and terminate on the date the Secretary is removed as receiver if the receivership is dismissed, the court substitutes a private receiver, or the court orders the transfer of the facility from the Secretary as receiver to a new operation. After exemption from the assessment terminates, the Quality Care Assessment would be assessed against the new owner, lessee, sublessee, manager, or operator of the facility on the first day following termination of the exemption. Any licensee that owned, leased, subleased, managed, or operated a facility immediately prior to the filing of an application for receivership would be liable for the total amount of unpaid assessments due and owing. The bill would eliminate certain sections related to costs of certain assessments and refunds of monies paid that are no longer applicable.

Estimated State Fiscal Effect				
	FY 2022 SGF	FY 2022 All Funds	FY 2023 SGF	FY 2023 All Funds
Revenue	--	--	--	(\$382,824)
Expenditure	--	--	\$382,824	--
FTE Pos.	--	--	--	--

Currently, the Kansas Department for Aging and Disability Services (KDADS), has one facility in receivership where the agency is appointed the receiver. If the facility is still in receivership in FY 2023, the agency estimates that HB 2699 would reduce revenue into the Quality Care Fund by \$382,284. This reduced revenue into, and expenditures from, the Quality Care Service Fund would need to be replaced with \$382,284 from the State General Fund for caseload related expenditures. Any future receiverships would result in decreases to Quality Care Fund revenue depending on several facility specific variables, but KDADS is unable to determine the fiscal effect. The Kansas Department of Health and Environment indicates the bill would have no fiscal effect on agency operations. Any fiscal effect associated with HB 2699 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt  
Director of the Budget

cc: Dan Thimmesch, Health & Environment  
Leigh Keck, Aging & Disability Services  
Vicki Jacobsen, Judiciary