# Kansas Department for Aging and Disability Services

| | Actual FY 2020 | Agency Est. FY 2021 | Gov. Rec. FY 2021 | Agency Req. FY 2022 | Gov. Rec. FY 2022 |
|---|---|---|---|---|---|
| **Operating Expenditures:** | | | | | |
| State General Fund | $ 752,187,869 | $ 835,057,715 | $ 733,020,070 | $ 884,303,004 | $ 0 |
| Other Funds | 1,251,761,311 | 1,384,159,571 | 1,592,766,764 | 1,323,944,953 | 0 |
| *Subtotal* | *$ 2,003,949,180* | *$ 2,219,217,286* | *$ 2,325,786,834* | *$ 2,208,247,957* | *$ 0* |
| **Capital Improvements:** | | | | | |
| State General Fund | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 |
| Other Funds | 7,890,842 | 18,486,108 | 18,486,108 | 9,131,142 | 0 |
| *Subtotal* | *$ 7,890,842* | *$ 18,486,108* | *$ 18,486,108* | *$ 9,131,142* | *$ 0* |
| **TOTAL** | **$ 2,011,840,022** | **$ 2,237,703,394** | **$ 2,344,272,942** | **$ 2,217,379,099** | **$ 0** |
| **Percentage Change:** | | | | | |
| Operating Expenditures | | | | | |
| State General Fund | (1.1) % | 11.0 % | (2.5) % | 5.9 % | (100.0) % |
| All Funds | 11.0 | 10.7 | 16.1 | (0.5) | (100.0) |
| FTE Positions | 287.0 | 285.0 | 285.0 | 285.0 | 0.0 |

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

# Agency Overview

The Kansas Department for Aging and Disability Services (KDADS) was established by statute in 1977 as a cabinet-level agency, known as as the Department of Aging until 2012, headed by a secretary appointed by the Governor, subject to confirmation by the Senate. The agency goals are to promote security, dignity, and independence of older adults and persons with disabilities. KDADS is responsible for Medicaid long-term care payments, survey and certification for adult care homes, behavioral health programs, home and community-based services for older adults and persons with disabilities, and the management and oversight of the four state hospitals. The Department is mandated under the federal Older Americans Act to serve as an advocate for seniors and to administer programs funded by Older Americans Act appropriations.

KDADS is responsible for overseeing the administration of the Medicaid Home and Community Based Services (HCBS) waivers for older adults and persons with disabilities. Kansas currently has seven separate HCBS waivers: Autism (AU), Frail Elderly (FE), Intellectual and Developmental Disability (I/DD). Physical Disability (PD), Serious Emotional Disturbance (SED), Technology Assisted (TA), and Brain Injury (BI).

The Department is organized into the major areas of Administration; Commission on Aging and Disability Community Services and Programs; Medicaid programs; Behavioral Health Commission; the Survey, Certification, and Credentialing Commission; and the State Hospital Commission.

## MAJOR ISSUES FROM PRIOR YEARS

The **2010 Legislature** passed Senate Sub. for Senate Sub. for Sub. for HB 2320, which established a provider assessment up to $1,950 on each licensed bed within skilled nursing care facilities, including nursing facilities for mental health and hospital long-term care units. The Kansas Soldiers' Home and the Kansas Veterans' Home were excluded from the assessment. A provider assessment is a mechanism used to maximize the amount of federal funding for the State by generating new state funds. After collection, the additional funds are used to draw down additional federal funds. This results in increased Medicaid payments to providers for Medicaid-eligible services in licensed nursing facilities. The 2004 Legislature had implemented a provider assessment for hospitals. The nursing facility assessment sunsets in four years and after the first three years, the assessment amount will be adjusted to be no more than 60.0 percent of the assessment collected in previous years. As of December 2011, there were 342 skilled nursing facilities in Kansas. The assessment, in the form passed by the 2010 Legislature, received approval from the federal Centers for Medicare and Medicaid Services on February 11, 2011.

In addition, the **2010 Legislature** added $1,262,863, including $311,835 from the State General Fund (SGF), to fund telehealth services for 500 individuals to the Home and Community Based Services–Frail Elderly Waiver program for fiscal year (FY) 2011. However, the agency delayed implementation of the telehealth program due to shortfalls in the appropriations for existing Home and Community Based Services Waiver programs. The agency stated it did not appear prudent to implement a new service when doing so could create a strong possibility of needing to reduce existing services levels or start waiting lists, and never used the appropriated funds for implementation during FY 2011. The program was implemented October 1, 2011.

For **FY 2011**, the Legislature deleted $2.0 million, including $1.7 million SGF, including:

- $300,000 SGF for the Nutrition program, resulting in a reduction of 53,286 meals, or 240 fewer seniors receiving services. However, the agency determined it could absorb this reduction within the agency operations portion of the budget and this reduction did not occur;

- $1.3 million SGF for Senior Care Act direct services, case management, assessments, and administration, which would have eliminated services for approximately 1,140 seniors and increased the waiting list. The agency indicated it would absorb this reduction with the agency operations instead; and

- $345,180, including $102,304 SGF, for agency operations. The agency indicated it would reduce expenditures through layoffs, furloughs, leaving positions vacant, and other administrative reductions.

The **2011 Legislature** also deleted $3.0 million, including $1.2 million SGF, and 20.0 FTE (filled and unfilled) positions for agency operations for FY 2012, and funding was used for increased caseloads in the Home and Community Based Services for the Frail Elderly Waiver.

The **2011 Legislature** also deleted 30.0 vacant FTE positions for FY 2012. The agency's FY 2012 FTE position limitation was 164.0 FTE positions.

The **2012 Legislature** acknowledged the enactment of Executive Reorganization Order (ERO) No. 41, which became effective July 1, 2012. Specifically, the ERO transferred programs from the Department of Social and Rehabilitation Services to the Department on Aging, which was renamed the Kansas Department for Aging and Disability Services (KDADS), including the following items:

- Mental health and substance abuse, serious emotionally disturbed, developmental disability, physical disability, traumatic brain injury, autism, technology assistance, and money follows the person Medicaid waivers and programs;
- Licensure and regulation of community mental health centers;
- Regulation of community developmental disability organizations;
- Licensure of private psychiatric hospitals;
- Licensure and regulation of facilities and providers of residential services;
- Licensure of providers of addiction and prevention services; and
- Any other programs and related grants administered by the Disability and Behavioral Health Services Section.

Further, some areas were transferred from the Kansas Department of Health and Environment (KDHE) to KDADS. The following areas of the Health Occupations Credentialing program of KDHE were transferred and will be administered by KDADS:

- Licensure of adult care home administrators;
- Licensure of dieticians;
- Certification of residential care facility operators, activity directors, social service designees, nurse aides, medication aides, and home health aides; and
- Maintenance of the Kansas Nurse Aide Registry and Criminal History Record Check program, as authorized by credentialing statutes or rules and regulations.

The KDHE Psychiatric Residential Treatment Facility (PRTF) licensure program was also transferred to KDADS.

The **2012 Legislature** added $1.2 million, including $532,343 SGF, to fund an additional 60 individuals on the Home and Community Based Services–Physical Disability Waiver for FY 2013 to meet the maintenance of effort requirement for the federal Affordable Care Act.

The **2012 Legislature** added $1.2 million, all from the Children’s Initiatives Fund (CIF), and deleted the same amount from the SGF for the Children’s Mental Health Initiative for FY 2013 and added $4.8 million, all from the CIF, for the Family Centered System of Care for FY 2013.

The **2012 Legislature** added $1.8 million, all SGF, for reimbursement of non-Medicaid psychiatric inpatient screening for FY 2013.

The **2012 Legislature** added $881,920, all SGF, to fully fund the Senior Care Act program for FY 2013, thereby eliminating the waiting list of 340 Kansas seniors.

The **2012 Legislature** added $4,148,421, including $1,800,000 SGF, to fund approximately 97 persons on the waiver for the developmentally disabled and added $4,148,421, including $1,800,000 SGF, to fund approximately 201 persons on the waiver for the physically disabled.

The **2012 Legislature** added $5.0 million, all SGF, for mental health grants for FY 2013.

In **FY 2012**, the Governor vetoed the addition of funds to increase the Financial Management System reimbursement rate for service costs to payroll agents from $115 to $125 from November 2011 through June 2012.

The **2013 Legislature** deleted $659,760, including $338,310 SGF, in FY 2013 and $673,297, including $336,497 SGF, for FY 2014 for salaries and wages and $7,490,205, including $3,250,000 SGF, in both FY 2013 and FY 2014 for the Home and Community Based Services Waiver for the Frail Elderly for savings achieved through efficiencies the agency implemented. The Legislature also added $19,161,842, including $8,276,000 SGF, to fund Home and Community Based Services Waivers for individuals with Developmental Disabilities and Physical Disabilities for FY 2014, and $19,235,036, including $8,276,000 SGF, for FY 2015. This additional funding was estimated to serve approximately 437 people waiting for Physical Disability Waiver services and 233 people waiting for Developmental Disability Waiver services for FY 2014 and continues funding for these same people for FY 2015.

The **2013 Legislature** made a series of modifications to the Problem Gambling and Addictions Grant Fund, including:

- Transferred $550,000 from the Problem Gambling and Addictions Grant Fund to the Domestic Violence Grants Fund of the Office of the Governor for FY 2014 and FY 2015;
- Transferred $150,000 from the Problem Gambling and Addictions Grant Fund to the Child Advocacy Centers Grants Fund of the Office of the Governor for FY 2014 and FY 2015;
- Added language requiring continued funding for an FTE position for the Problem Gambling Services Coordinator position for FY 2014 and FY 2015; and
- Added language requiring that at least 10.0 percent of the amount allocated to the Problem Gambling Services program for FY 2014 and FY 2015 be spent on public awareness campaigns for possible problems related to gambling addictions and for services to address gambling and other addictions.

In addition, the **2013 Legislature** deleted $3.75 million from the CIF and $6.00 million SGF for FY 2014 and FY 2015 for mental health grants; added $9.75 million for mental health grants for at-risk individuals from the Children's Health Insurance Program Fund for FY 2014 and from the Mental Health Grant–State Highway Fund for FY 2015; and added $355,000, all SGF, for Community Mental Health Center (CMHC) grants for the Crisis Screening program for FY 2014 and FY 2015.

The **2014 Legislature** appropriated $4.0 million, all SGF, in both FY 2014 and FY 2015 for the Home and Community Based Services Waiver for individuals with developmental disabilities to replace funding that lapsed January 1, 2014. In addition, the 2014 Legislature added language directing that expenditures be made to continue providing services to individuals removed from the Home and Community Based Services Waiver for individuals with developmental disabilities and the Home and Community Based Services Waiver for individuals with physical disabilities waiting lists and provide services in FY 2014 and FY 2015, and added language directing any unbudgeted amounts by the Secretary from the Home and Community Based Services Waiver for individuals with physical disabilities appropriation of $4.0 million made during the 2013 Session be expended for the Home and Community Based Services Waiver for the individuals with developmental disabilities underserved waiting list in FY 2014 and FY 2015.

The **2014 Legislature** also added language allowing funding transferred from SGF accounts of the Kansas Neurological Institute to be expended for the Home and Community Based Services Waiver for individuals with developmental disabilities in FY 2014 and FY 2015. The Legislature also added $16.3 million, including $7.1 million from the KDADS Social Welfare Fund, to provide additional services to individuals on the underserved waiting list for the Home and Community Based Services Waiver for individuals with developmental disabilities for FY 2015, and added $10.2 million, including $5.0 million SGF, to add funding for Home and Community Based Services Waivers for individuals with physical disabilities and developmental disabilities, mental health grants, and substance use disorder treatment for FY 2015.

The **2014 Legislature** transferred $2.5 million from the Problem Gambling and Addictions Grant Fund to the SGF in FY 2014 and added language specifying no one who seeks treatment for problem gambling shall be refused treatment and added language transferring up to $1.0 million from the KDADS Social Welfare Fund to the Problem Gambling and Addictions Grant Fund if needed for FY 2015.

The **2014 Legislature** added $3.7 million, all from the SGF, associated with the closure of the Rainbow Mental Health Facility and contract for services with Rainbow Mental Health, Inc., for FY 2015. The Legislature also deleted $54.1 million, including $32.9 million from the SGF, for human services consensus caseload estimates in FY 2014, and deleted $136.5 million, including $60.9 million SGF, for FY 2015.

The **2015 Legislature** deleted $382,000, all from the Problem Gambling and Addictions Grant Fund, for FY 2016 and FY 2017 and transferred $94,993 to the SGF and $287,007 to the KDADS Social Welfare Fund. In addition, the Legislature added language to transfer the remaining balances in the Problem Gambling and Addictions Grant Fund to the SGF at the end of FY 2016 and FY 2017.

The **2015 Legislature** added $3.5 million, all SGF, for FY 2016 for additional community resources needed while building improvements are being completed at Osawatomie State Hospital.

In addition, the **2015 Legislature** shifted savings totaling $1.5 million from the Kansas Neurological Institute to the KDADS budget for FY 2016 and FY 2017 to be expended for the Home and Community Based Services Waiver for Individuals with Developmental Disabilities. The Legislature increased expenditures by $1.9 million in additional federal Medicaid funds for FY 2016 and FY 2017 as a result of the additional SGF expenditures.

The **2015 Legislature** deleted $1,198,469 for a 4.0 percent operating reduction for FY 2016 and FY 2017 and deleted $57.0 million, including $25.0 million SGF, for FY 2016 and $56.8 million, including $25.0 million SGF, for FY 2017, associated with the implementation of KanCare policy changes.

Additionally, the **2015 Legislature** added $1.0 million, all SGF, for mental health services for FY 2016 and FY 2017 to provide behavioral health access for transitional and intermediate levels of care; added $6.8 million, including $3.0 million SGF, for FY 2016 and FY 2017 to reduce the waiting list for services on the Home and Community Based Services Wavier for Individuals with Developmental Disabilities; and added $2.3 million, including $1.0 million SGF, for FY 2016 and FY 2017 to reduce the waiting list for services on the Home and Community Based Services Wavier for Individuals with Developmental Disabilities.

The **2015 Legislature** also deleted $14.8 million, including $6.5 million SGF, for FY 2017 associated with a reduction of the State's payment error rate measurement. The reduction is anticipated with ERO No. 43, which transfers the responsibility for Medicaid eligibility to the KDHE beginning January 1, 2016.

For **FY 2016**, the agency transferred $1.0 million from the KDADS Social Welfare Fund to the SGF for the Governor's July 30, 2015 allotment in FY 2016. The agency also deleted $13.3 million, all SGF, for the Governor's November 6, 2015, allotment in FY 2016.

The **2016 Legislature** added $3.0 million, all from federal funds, for a new grant from the federal Centers for Medicare and Medicaid Services to develop a fully automated system designed to utilize fingerprints to provide state and national criminal records checks in FY 2016 and FY 2017.

The **2016 Legislature** deleted $2.3 million, including $1.0 million SGF, for the Home and Community Based Services Waiver for Individuals with Physical Disabilities for FY 2017.

The **2016 Legislature** deleted $3.8 million, all SGF, for the Children's Mental Health Initiative for FY 2017. This program historically received an appropriation from the CIF. Funding from the CIF is now recommended by the Children's Cabinet regarding the levels and funding sources for the expenditures with final decisions to be made by the Governor for FY 2017.

The **2016 Legislature** added $47.4 million, including $10.6 million SGF, to fund human services consensus caseload estimates in FY 2016, and added $10.7 million, including deleting $4.9 million SGF, to fund human services consensus caseload estimates for FY 2017.

The **2016 Legislature** deleted $2.7 million, including $23.6 million SGF, to reallocate non-caseload medical savings to caseload programs in FY 2016, and deleted $27.8 million, including $7.7 million SGF, to reallocate non-caseload medical savings to caseload programs for FY 2017.

The **2016 Legislature** added $3.9 million, all SGF, to fund the continuation of a contract for diversion beds for Osawatomie State Hospital for FY 2017.

The **2017 Legislature** added $10.5 million, all SGF, for FY 2018 and added $13.2 million, all SGF, for FY 2019 for community mental health centers grants; added language to lapse $3.5 million, all SGF, for FY 2018 and to lapse $5.0 million, all SGF, for FY 2019, contingent upon the passage of 2017 HB 2180 or any similar legislation transferring such funding from the Health Management Organization (HMO) privilege fees; and added language to lapse $3.0 million, all SGF, for FY 2018 and to lapse $6.0 million, all SGF, for FY 2019, contingent upon the passage of 2017 HB 2313 or any similar legislation transferring such funding from receipt of lottery vending machine revenues. HB 2079 (2017) was enacted, transferring $3.5 million for FY 2018 and $5.0 million for FY 2019 from HMO privilege fees, so those amounts were lapsed from the SGF appropriation. The Governor vetoed HB 2313, and no similar legislation concerning lottery vending machines was passed.

In addition, the **2017 Legislature** added $20.3 million, including $9.1 million SGF, for FY 2018 and $48.1 million, including $21.6 million SGF, for FY 2019 to provide a 3.0 percent rate increase for FY 2018 and a 4.0 percent rate increase for FY 2019 for providers of Home and Community Based Services (HCBS) under each of the waivers. The Legislature added $3.0 million, including $1.3 million SGF, in FY 2017, FY 2018, and FY 2019 for the disallowance of the Capable Person Policy by the federal Centers for Medicare and Medicaid Services. The Legislature added $2.1 million, all SGF, for FY 2018 and FY 2019 for the Senior Care Act. The Legislature added $1.3 million, all SGF, for FY 2018 and FY 2019 for Medicaid inpatient referrals.

The **2017 Legislature** added language requiring quarterly reports on Medicaid HCBS waivers to the Kansas Legislative Research Department and the Kansas Division of the Budget, requiring a separate report for each waiver, including actual and projected expenditures, actual and projected number of individuals served, average cost per members served, and summarized encounter data by waiver population or comparable data to allow for review at the program level for FY 2018 and FY 2019. The Legislature also added language to create a mental health task force to study certain topics related to the current status of various mental health programs in Kansas. Language was also added for a report to be presented to the Legislature at the beginning of the 2018 Legislative Session.

In addition, the **2017 Legislature** added funding for a 2.5 percent adjustment for all state employees with less than five years of service (except for Highway Patrol law enforcement personnel, legislators, teachers, and licensed personnel and employees at the Schools for the Deaf and the Blind, employees at Kansas Bureau of Investigation who are part of the Recruitment and Retention Plan, and other statewide elected officials); a 5.0 percent adjustment for state employees who have not had a pay adjustment in five years; and a 2.5 percent adjustment for judges and non-judicial staff for FY 2018 and FY 2019. For KDADS, the Legislature added $211,910, including $77,296 SGF, for both FY 2018 and FY 2019.

The **2018 Legislature** added $39.8 million, including $17.7 million SGF, for an increase in nursing facility reimbursement rates for FY 2019. Also, the Legislature added language notwithstanding KSA 75-5958, which requires yearly rebasing of nursing facility reimbursement rates using the three most current years of actual costs, to allow the Secretary for Aging and Disability Services to provide an adjusted rate increase for nursing facilities in FY 2018 and for FY 2019.

The **2018 Legislature** added $22.0 million, including $10.4 million SGF, in FY 2018 and added $25.2 million, including $6.3 million SGF, for FY 2019 for additional expenditures on Medicaid HCBS waivers and the Program for All-Inclusive Care for the Elderly (PACE).

The **2018 Legislature** added $9.6 million, including $4.8 million SGF, to provide Administrative Case Management services for individuals on the Physical Disability (PD), Traumatic Brain Injury (TBI), and Frail Elderly (FE) HCBS waivers for FY 2019. This amount includes $4.4 million, including $2.2 million SGF, for individuals on the PD waiver; $589,462, including $294,731 SGF, for individuals on the TBI waiver; and $4.5 million, including $2.3 million SGF, for individuals on the FE waiver for FY 2019.

The **2018 Legislature** added $4.8 million, including $2.2 million SGF, for supported behavioral health housing services projects for individuals for FY 2019 and added language to require the agency to provide a report to the 2019 Legislature on the status of changes to the state plan concerning housing. Also, the Legislature added $600,000, all from the General Fees Fund, to provide emergency crisis housing and associated living expenses for individuals who were served by the Rainbow Services Inc. Crisis Center, Comcare Crisis Center, and Valeo Center for FY 2019. The Legislature added language that the funding is to be spread evenly between the facilities for FY 2019 and required the agency to provide a report to the 2019 Legislature on the status of changes to the state plan concerning housing.

The **2018 Legislature** added $3.2 million, all from federal funds, in FY 2018 and FY 2019 due to receipt of a new federal opioid grant to provide an increase in access to opioid addiction treatment (including methadone clinics), reduce unmet treatment needs, and reduce opioid overdose by region.

The **2018 Legislature** added $3.0 million for Community Crisis Stabilization Centers and $1.0 million for Clubhouse Model Programs, all from special revenue funds, for FY 2019 due to the transfer of such funding from the Kansas Lottery Operating Fund from the passage of 2018 Sub. for HB 2194.

The **2018 Legislature** added $1.2 million, all from the KDADS General Fee Fund, to be granted to Rainbow Services Inc. to pay off a loan the entity incurred to remodel its current building in FY 2018; $1.0 million, all from the Problem Gambling and Addictions Grant Fund, for additional substance abuse treatment services in FY 2018 and FY 2019; $935,111, including $299,000 SGF, for a salary increase for nursing facility surveyors for FY 2019; $200,000, all SGF, to provide funding for additional meals through grants to the senior nutrition program (Meals on Wheels) for FY 2019; and $116,200, all SGF, to contract with the Association of Community Mental Health Centers of Kansas to fund a statewide Train the Trainer course for Mental Health First Aid training for FY 2019.

The **2018 Legislature** included language in 2018 House Sub. for SB 109 to:

- Require the agency to develop a long-term plan to eliminate the Medicaid HCBS waivers waiting lists and to include this plan in its revised budget estimate submission for FY 2019;

- Continue the Mental Health Task Force authorized by 2017 Senate Sub. for HB 2002 to meet during the 2018 Legislative Interim to study various mental health topics, including the creation of a strategic plan addressing the recommendations of the 2017 Mental Health Task Force and recommending the number and location of additional psychiatric beds, and to submit a written report of its findings to the 2019 Legislature; and

- Require the agency to implement a change to the Medicaid Home and Community Based Services Traumatic Brain Injury (TBI) waiver to allow coverage for individuals with a documented brain injury acquired from a cause not already covered under the waiver, eliminate the requirement that individuals on the waiver be at least 16 years old, and allow expenditures within existing resources to provide coverage for new individuals on the waiver in FY 2018, FY 2019, and FY 2020.

In addition, the **2018 Legislature** added $288,167, including $106,929 SGF, for salary adjustments for FY 2019 equivalent to two steps on the Statewide Pay Matrix for employees who did not receive a salary adjustment as part of the 2017 Salary Initiatives and one step for employees who received approximately one step on the Statewide Pay Matrix in FY 2018.

The **2019 Legislature** added $12.4 million, including $5.3 million SGF, to increase the protected income level for Medicaid HCBS waiver services recipients and individuals in the Program for All-inclusive Care for the Elderly (PACE) to $1,177 for FY 2020.

The **2019 Legislature** added $10.1 million, including $4.2 million SGF, to provide a 1.5 percent increase in the reimbursement rates for providers of Medicaid HCBS waiver services for FY 2020. The Legislature also added $6.8 million, including $3.1 million SGF, to rebase the reimbursement rate for PACE for FY 2020.

The **2019 Legislature** added $6.8 million, including $2.8 million SGF, to provide a 1.0 percent increase in the reimbursement rate for nursing facilities for FY 2020.

The **2019 Legislature** added $6.0 million, including $2.5 million SGF, to reduce the waitlists for Medicaid HCBS waivers for individuals with an intellectual/developmental disability ($5.0 million from all funds) and individuals with a physical disability ($1.0 million from all funds) for FY 2020. This additional funding should allow the agency to decrease the Intellectual/Developmental Disability Waiver waitlist by approximately 110 individuals and the Physical Disability Waiver waitlist by approximately 54 individuals for FY 2020.

The **2019 Legislature** added $5.0 million, all SGF, for CMHC grants for FY 2020.

The **2019 Legislature** added $2.1 million, all SGF, to provide funding for CMHCs providing Crisis Center services and maintain funding for Crisis Center and CMHC grant needs and added $250,000, all SGF, to provide funding for Clubhouse Model Programs due to an estimated shortfall of revenue from lottery vending machines in FY 2019.

The **2019 Legislature** added $196,304, all SGF, to allow for the opening and expansion of Clubhouse Model Programs in Hutchinson, Olathe, and Topeka, as well as expenses for travel to and training at the Clubhouse training center based in St. Louis, Missouri.

The **2019 Legislature** added $500,000, all SGF, for additional drug and alcohol substance abuse services for individuals ineligible for Medicaid services for FY 2020.

The **2019 Legislature** added $154,585, including $38,646 SGF, to increase reimbursements for the Client Assessment Referral and Evaluation program in FY 2019.

The **2019 Legislature** included language in 2019 House Sub. for SB 25 to require modifications to the current Medicaid HCBS Traumatic Brain Injury Waiver program, no later than July 1, 2019, in accordance with the 2018 appropriations bill and also to restore the unduplicated waiver slot count to 723 and lower such waiver's entry age to birth and add acquired brain injuries to such waiver while setting the financial eligibility requirements for children under 18 to be the same as the Kansas Serious Emotional Disturbance Waiver.

In addition, the **2019 Legislature** added $428,264, including $153,226 SGF, for a 2.5 percent salary adjustment for most state employees for FY 2020.

The **2020 Legislature** included funding in the FY 2021 budget for reimbursement rate increases for FY 2021. These include increases for I/DD wavier provider rates; rates for specialized medical care for the TA waiver, and a 1.0 percent increase for nursing facility reimbursement rates. The Legislature also added funding for additional regional psychiatric beds, eight acute care psychiatric beds for youth, and a PRTF pilot program at Ember Hope in Newton in FY 2021. Due to the COVID-19 pandemic, the Director of the Budget determined the the ending balance for FY 2021 would fall below zero, which prompted the Governor to develop an allotment plan to bring the balance above zero. Due to the allotment plan, several of the items the Legislature added were removed, which are detailed below.

## BUDGET SUMMARY AND KEY POINTS

***FY 2021 – Current Year.*** The **agency** requests a revised estimate of $2.2 billion, including $835.1 million from the State General Fund (SGF), for operating expenditures in FY 2021. This is an all funds increase of $75.8 million, or 3.5 percent, above the FY 2021 approved amount. This includes an SGF decrease of $44.1 million, or 5.0 percent, and an all other funds increase of $120.0 million, or 9.5 percent, from the FY 2021 approved amount. The revised estimate includes 285.0 FTE positions, which is an increase of 3.0 FTE positions above the approved number.

The increase is primarily related to one-time expenditures of COVID-19-related federal relief funds and establishment of the Electronic Health Records (EHR) system for the state hospitals. In addition to these one-time expenditures are expenses related to the implementation of several KanCare initiatives, including the Administrative Case Management program and funding for brain injury (BI) waiver services, all of which are anticipated to continue into the future. As it relates to funding sources, the agency received additional federal funds resulting from the temporary increased Federal Medical Assistance Percentage (FMAP) rate due to the COVID-19 pandemic. This allowed the agency to reduce its utilization of SGF required to draw down federal Medicaid moneys.

The revised estimate includes $18.5 million, all from the State Institutions Building Fund, for capital improvement expenditures in FY 2021. This is an increase of $4.4 million, or 31.0 percent above the approved amount. These include several rehabilitation and remodeling projects at the state hospitals, as well as debt service for the state security hospital and previous rehabilitation projects The increase is primarily related to the delay of several projects from FY 2020.

The **Governor** recommends $2.3 billion, including $733.0 million SGF, for operating expenditures in FY 2021. This is an all funds increase of $106.6 million, or 4.8 percent, above the agency's FY 2021 revised estimate. This includes an SGF decrease of $102.0 million, or 12.2 percent, and an all other funds increase of $208.6 million, or 15.1 percent, above the agency's FY 2021 revised estimate. The increase is primarily related to an additional award of federal Coronavirus Relief Fund moneys by the SPARK Taskforce for personal protective equipment (PPE) and sanitation supplies for nursing facilities. The increase is also due to additional expenditures related to KanCare expenditures for entitlement programs; which are primarily related to Medicaid population growth and a new agency policy related to PRTF reimbursement. The fluctuation in funding sources is due to the Governor's recommendation that the agency utilize special revenue funds rather than SGF moneys for mental health grants and programs. The recommendation includes 285.0 FTE positions, which is the same number as the agency's FY 2021 revised estimate.

The Governor concurs with the agency's revised FY 2021 estimate for capital improvements.

***FY 2022 – Budget Year.*** The **agency** requests $2.2 billion, including $884.3 million SGF, for operating expenditures for FY 2022. This is an all funds decrease of $11.0 million, or 0.5 percent, below the FY 2021 revised estimate. This includes an SGF increase of $49.2 million, or 5.9 percent, and all other funds decrease of $60.2 million, or 4.4 percent, from the FY 2021 revised estimate. The request includes 285.0 FTE positions, which is the same number as the FY 2021 revised estimate.

The decrease is primarily related to the absence of several one-time expenditures in FY 2021 for COVID-19-related pandemic relief and the infrastructure for the EHR system. The decrease is partially offset by the agency's enhancement requests, which include: the maintenance of its EHR system; funding for HCBS waiver services related to avoiding wait list growth or establishment for the physical disability (PD), intellectual/developmentally disabled (I/DD) waiver, and BI wavier; and several new behavioral health initiatives. Due to the expiration of the temporary FMAP rate increase, the agency anticipates increased SGF expenditures.

The agency's request includes $9.1 million, all from the State Institutions Building Fund, for capital improvement expenditures for FY 2022. The request is a reduction of $9.4 million, or 50.6 percent, below the FY 2021 revised estimate. The request includes several rehabilitation and remodeling projects for the state hospitals, as well as debt service for the state security hospital and previous rehabilitation projects.

The **Governor** recommends all expenditures be shifted to the budget of the newly created Department of Human Services, pursuant to an Executive Reorganization Order, which would combine the Kansas Department for Aging and Disability Services and the Department for Children and Families for FY 2022. For the purposes of this summary, the Governor's recommendation for FY 2022 services is included within the budget for the Department for Children and Families for FY 2022.

# Performance Measures

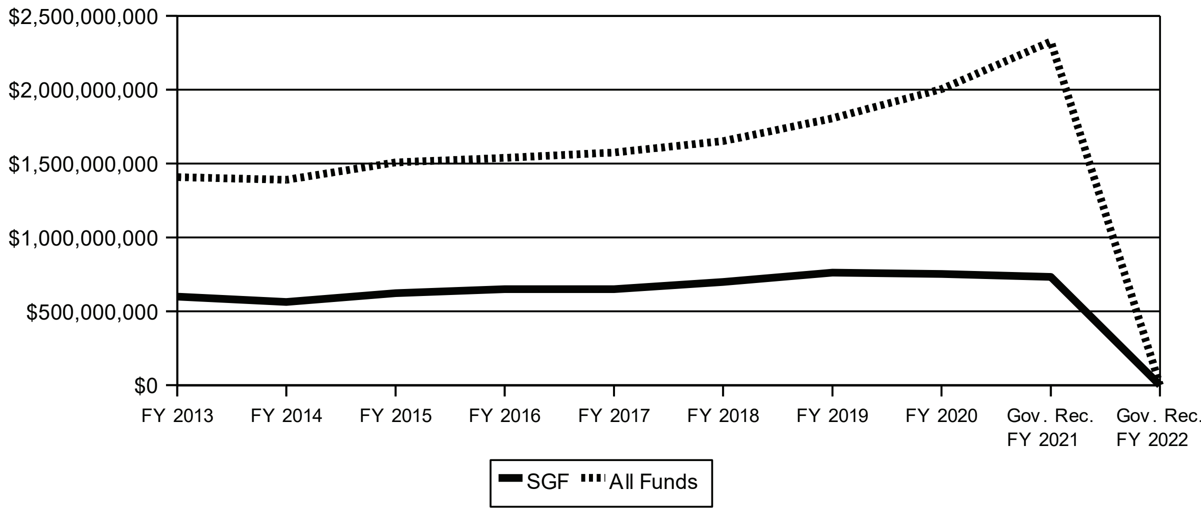
The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness. Measures to evaluate agency-wide performance are presented below. Additional measures to evaluate specific programs appear in the relevant program sections.

**PERFORMANCE MEASURES**

| Measure | Actual FY 2018 | Actual FY 2019 | Gov. Rec. FY 2020 | Actual FY 2020 | Gov. Rec. FY 2021 | Gov. Rec. FY 2022 |
|---|---|---|---|---|---|---|
| Number of Persons with Severe and Persistent Mental Illness Receiving Outpatient Services* | 21,019 | 18,764 | 19,000 | 16,674 | 20,000 | N/A |
| Number of Individuals Served in a KDADS-Funded Crisis Program* | 25,100 | 23,796 | 25,000 | 13,094 | 14,000 | N/A |
| Average Number of Months between Surveys for the Survey, Certification, and Credentialing program* | 18.9 | 13.0 | 13.0 | 13.0 | 13.0 | N/A |
| **Agency Expenditures** | | | | | | |
| All Funds (Dollars in Billions) | $ 1.7 | $ 1.9 | $ 2.1 | $ 2.0 | $ 2.3 | $ 0.0 |
| FTE Positions | 283.0 | 282.0 | 282.0 | 285.0 | 285.0 | 0.0 |

*The Governor's Office does not utilize this measure for evaluation purposes.

## OPERATING EXPENDITURES
## FY 2013 – FY 2022




## OPERATING EXPENDITURES
## FY 2013 – FY 2022

| Fiscal Year | | SGF | % Change | | All Funds | % Change | FTE |
|---|---|---|---|---|---|---|---|
| 2013 | $ | 597,859,761 | 177.8 % | $ | 1,407,782,256 | 152.8 % | 278.5 |
| 2014 | | 561,860,405 | (6.0) | | 1,389,821,712 | (1.3) | 275.0 |
| 2015 | | 622,246,143 | 10.7 | | 1,507,475,129 | 8.5 | 275.0 |
| 2016 | | 649,214,816 | 4.3 | | 1,538,018,107 | 2.0 | 284.0 |
| 2017 | | 648,920,943 | (0.0) | | 1,574,589,864 | 2.4 | 295.0 |
| 2018 | | 697,321,455 | 7.5 | | 1,651,859,548 | 4.9 | 283.0 |
| 2019 | | 760,717,209 | 9.1 | | 1,805,680,663 | 9.3 | 282.0 |
| 2020 | | 752,187,869 | (1.1) | | 2,003,949,180 | 11.0 | 287.0 |
| 2021 Gov. Rec. | | 733,020,070 | (2.5) | | 2,325,786,834 | 16.1 | 285.0 |
| 2022 Gov. Rec. | | 0 | (100.0) | | 0 | (100.0) | 0.0 |
| Ten-Year Change Dollars/Percent | $ | (597,859,761) | (100.0)% | $ | (1,407,782,256) | (100.0)% | (278.5) |

## Summary of Operating Budget FY 2020 - FY 2022

| | | Agency Estimate | | | | Governor's Recommendation | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Actual FY 2020 | Estimate FY 2021 | Request FY 2022 | Dollar Change from FY 21 | Percent Change from FY 21 | Rec. FY 2021 | Rec. FY 2022 | Dollar Change from FY 21 | Percent Change from FY 21 |
| **By Program:** | | | | | | | | | |
| Administration | $ 28,118,525 | $ 83,156,582 | $ 22,335,094 | $ (60,821,488) | (73.1) % | $ 97,924,421 | $ 0 | $ (97,924,421) | (100.0)% |
| Aging and Disability Commission | 50,877,399 | 53,005,815 | 52,908,645 | (97,170) | (0.2) | 53,005,815 | 0 | (53,005,815) | (100.0) |
| Medicaid Programs | 1,807,093,653 | 1,945,544,512 | 1,998,204,151 | 52,659,639 | 2.7 | 2,040,061,721 | 0 | (2,040,061,721) | (100.0) |
| Behavioral Health Commission | 106,100,455 | 114,249,057 | 119,215,304 | 4,966,247 | 4.3 | 111,533,557 | 0 | (111,533,557) | (100.0) |
| Survey and Certification Commission | 10,058,746 | 11,996,623 | 12,083,299 | 86,676 | 0.7 | 11,996,623 | 0 | (11,996,623) | (100.0) |
| State Hospital Commission | 1,700,402 | 11,264,697 | 3,501,464 | (7,763,233) | (68.9) | 11,264,697 | 0 | (11,264,697) | (100.0) |
| **TOTAL** | **$ 2,003,949,180** | **$ 2,219,217,286** | **$ 2,208,247,957** | **$ (10,969,329)** | **(0.5) %** | **$ 2,325,786,834** | **$ 0** | **$(2,325,786,834)** | **(100.0)%** |
| **By Major Object of Expenditure:** | | | | | | | | | |
| Salaries and Wages | $ 17,709,938 | $ 20,211,464 | $ 20,509,906 | $ 298,442 | 1.5 % | $ 20,211,464 | $ 0 | $ (20,211,464) | (100.0)% |
| Contractual Services | 44,095,236 | 128,410,040 | 67,970,858 | (60,439,182) | (47.1) | 135,177,879 | 0 | (135,177,879) | (100.0) |
| Commodities | 139,888 | 143,903 | 137,702 | (6,201) | (4.3) | 2,143,903 | 0 | (2,143,903) | (100.0) |
| Capital Outlay | 322,208 | 10,048,185 | 2,272,985 | (7,775,200) | (77.4) | 10,048,185 | 0 | (10,048,185) | (100.0) |
| Debt Service | 1,026,346 | 771,350 | 504,275 | (267,075) | (34.6) | 771,350 | 0 | (771,350) | (100.0) |
| *Subtotal - Operations* | *$ 63,293,616* | *$ 159,584,942* | *$ 91,395,726* | *$ (68,189,216)* | *(42.7) %* | *$ 168,352,781* | *$ 0* | *$ (168,352,781)* | *(100.0)%* |
| Aid to Local Units | 81,656,899 | 82,640,352 | 89,943,207 | 7,302,855 | 8.8 | 79,924,852 | 0 | (79,924,852) | (100.0) |
| Other Assistance | 1,858,998,665 | 1,976,991,992 | 2,026,909,024 | 49,917,032 | 2.5 | 2,077,509,201 | 0 | (2,077,509,201) | (100.0) |
| **TOTAL** | **$ 2,003,949,180** | **$ 2,219,217,286** | **$ 2,208,247,957** | **$ (10,969,329)** | **(0.5) %** | **$ 2,325,786,834** | **$ 0** | **$(2,325,786,834)** | **(100.0)%** |
| **Financing:** | | | | | | | | | |
| State General Fund | $ 752,187,869 | $ 835,057,715 | $ 884,303,004 | $ 49,245,289 | 5.9 % | $ 733,020,070 | $ 0 | $ (733,020,070) | (100.0)% |
| Title XIX Funds | 1,119,504,095 | 1,189,064,127 | 1,195,177,736 | 6,113,609 | 0.5 | 1,346,949,323 | 0 | (1,346,949,323) | (100.0) |
| Children's Initiatives Fund | 3,800,000 | 3,800,000 | 3,800,000 | 0 | 0.0 | 3,800,000 | 0 | (3,800,000) | (100.0) |
| Problem Gambling and Additions Grant Fund | 2,709,164 | 6,709,093 | 6,709,093 | 0 | 0.0 | 8,209,093 | 0 | (8,209,093) | (100.0) |
| All Other Funds | 125,748,052 | 184,586,351 | 118,258,124 | (66,328,227) | (35.9) | 233,808,348 | 0 | (233,808,348) | (100.0) |
| **TOTAL** | **$ 2,003,949,180** | **$ 2,219,217,286** | **$ 2,208,247,957** | **$ (10,969,329)** | **(0.5) %** | **$ 2,325,786,834** | **$ 0** | **$(2,325,786,834)** | **(100.0)%** |

## A. FY 2021 – Current Year

### Adjustments to Approved State General Fund Budget

The 2020 Legislature approved a State General Fund (SGF) budget of $2.1 billion for the Kansas Department for Aging and Disability Services in FY 2021. Several adjustments have been made subsequently to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made:

- An increase of $86.8 million, based on the reappropriation of FY 2020 funding that was not spent in FY 2020 and has shifted to FY 2021;
- An increase of $13,284, based on the reimbursement of SGF expenditures in FY 2020 for COVID-19 related expenditures and reimbursed from the Coronavirus Relief Fund as approved by the State Finance Council on June 16, 2020 resulting in the reappropriation of funding that was not spend in FY 2020 and has shifted to FY 2021; and
- A decrease of $83.9 million as the result of the Governor's June 29, 2020, SGF allotment.

These adjustments change the FY 2021 approved SGF amount to $2.2 billion. That amount is reflected in the table below as the currently approved FY 2021 SGF amount.

**CHANGE FROM APPROVED BUDGET**

| | Legislative Approved FY 2021 | Agency Estimate FY 2021 | Agency Change from Approved | Governor Rec. FY 2021 | Governor Change from Approved |
|---|---|---|---|---|---|
| State General Fund | $ 879,201,341 | $ 835,057,715 | $ (44,143,626) | $ 733,020,070 | $ (146,181,271) |
| All Other Funds | 1,278,302,544 | 1,402,645,679 | 124,343,135 | 1,611,252,872 | 332,950,328 |
| **TOTAL** | **$ 2,157,503,885** | **$ 2,237,703,394** | **$ 80,199,509** | **$ 2,344,272,942** | **$ 186,769,057** |
| FTE Positions | 282.0 | 285.0 | 3.0 | 285.0 | 3.0 |

The **agency** requests a revised estimate of $2.2 billion, including $835.1 million SGF, for operating expenditures in FY 2021. This is an all funds increase of $75.8 million, or 3.5 percent, above the FY 2021 approved amount. This includes an SGF decrease of $44.1 million, or 5.0 percent, and an all other funds increase of $120.0 million, or 9.5 percent, from the FY 2021 approved amount. The revised request include 285.0 FTE positions, which is an increase of 3.0 FTE positions above the approved number.

The all funds increase is primarily related to the receipt of federal Coronavirus Relief Fund (CRF) moneys, of which the agency expended $58.8 million in FY 2021. Due to the ongoing COVID-19 pandemic, the State received $1.25 billion in federal funds. The Strengthening People and Revitalizing Kansas (SPARK) Taskforce was charged with making recommendations to the governor, which were subject to approval of the State Finance Council. Based on a SPARK allocation from the federal CRF, the agency expended $58.8 million related to rate increases for nursing facilities, Program of All-Inclusive Care for the Elderly (PACE) providers, and HCBS providers. Additional SPARK recommendations included funds for the purchase of personal protective equipment (PPE) for adult nursing care facilities, and to supplement existing behavioral health grants to support the transition to telemedicine.

Outside of COVID-19 pandemic-related transactions, the revised estimate includes increases for continued implementation of the agency's Administrative Case Management (ACM) program. The ACM program, which was designed to assist individuals in applying for PD, frail elderly (FE), and BI waiver services, was first implemented in FY 2020. The agency additionally requests supplemental expenditures for additional funding for BI waiver services and other medicaid related expenditures. Finally, the agency's request includes a one-time reallocation of funds for the infrastructure for the EHR system for the state hospitals. According to the agency, the new EHR system will allow the hospitals to more securely and efficiently manage patient data.

In addition to the agency's receipt of COVID-19-related federal relief funds, the increases in all other funds is related to two factors. The first is related to a temporarily increased Federal Medical Assistance Percentage (FMAP) rate due to the ongoing COVID-19 pandemic. The FMAP rate was increased by 6.2 percent and is extended until the last day of the calender quarter in which the COVID-19 public emergency is declared ended. As a result, the agency required less SGF moneys to draw down more federal funds, which accounts for a large portion of the funding source shift. The second factor is related to the extension of the quality care assessment for nursing facilities to FY 2030. The assessment was set to sunset in FY 2020, and as a result, revenues for the fund were estimated to be low in the previous year. With the extension, the agency anticipates revenue to increase and remain consistent over the next several years, which will be for nursing facility expenses.

The revised estimate includes an increase of 3.0 FTE positions to assist in administering grants and programs in the Behavioral Health Commission and Aging and Disability Services Commission. Outside of the increase in FTE positions, the agency has shifted several positions related to the creation of the State Hospital Commission.

The revised estimate includes $18.5 million, all from the State Institutions Building Fund, for capital improvement expenditures in FY 2021. This is an increase of $4.4 million, or 31.0 percent above the approved amount. These include several rehabilitation and remodeling projects at the state hospitals, as well as debt service for the state security hospital and previous rehabilitation projects The increase is primarily related to the delay of several projects from FY 2020.

The **Governor** recommends $2.3 billion, including $733.0 million SGF, for operating expenditures in FY 2021. This is an all funds increase of $106.6 million, or 4.8 percent, above the agency's FY 2021 revised estimate. This includes an SGF decrease of $102.0 million, or 12.2 percent, and an all other funds increase of $208.6 million, or 15.1 percent, above the agency's FY 2021 revised estimate. The increase is primarily related to an additional award of federal Coronavirus Relief Fund moneys by the SPARK Taskforce for PPE and sanitation supplies for nursing facilities. The increase is also due to additional expenditures related to KanCare expenditures for entitlement programs, which are primarily related to Medicaid population growth and a new agency policy related to PRTF reimbursement. The fluctuation in funding sources is due to the Governor's recommendation that the agency utilize special revenue funds rather than SGF moneys for mental health grants and programs. The recommendation includes 285.0 FTE positions, which is the same number as the agency's FY 2021 revised estimate.

The Governor concurs with the agency's revised FY 2021 estimate for capital improvements.

## Supplemental Detail

**FY 2021 SUPPLEMENTALS**

| | Agency Estimate | | | Governor's Recommendation | | |
|---|---|---|---|---|---|---|
| Supplementals | SGF | All Funds | FTE | SGF | All Funds | FTE |
| Funding for BI Waiver Services | $ 1,792,070 | $ 4,430,335 | 0.0 | $ 0 | $ 0 | 0.0 |

The **agency** requests $4.4 million, including $1.8 million SGF, for additional funding for BI waiver services. In August 2019, the waiver was amended and expanded to include individuals with an acquired brain injury. Since that time, the agency reports an increasing waiver population. The agency indicates that should the growth continue, it will need additional funding to serve its new members. According to the agency, without additional funding, it will need to submit a waiver amendment to the federal Centers for Medicare and Medicaid Services (CMS) to limit the number of individuals on the waiver, which will create a wait list for the waiver.

The **Governor** does not recommend the agency's supplemental request for BI waiver services funds.

## Governor's Allotments

On June 29, 2020, the Governor announced SGF allotments or reductions for FY 2021 of $374.5 million. Included in the Governor's allotted budget were $146.7 million in human services caseload adjustments, $79.3 million to delay the FY 2021 State Foundation Aid payment for K-12 Education, $46.7 million in reductions due to a suspension of Kansas Public Employees Retirement System (KPERS) Death and Disability contributions, and $101.8 million in other adjustments.

Allotments included in this document reduce the FY 2021 approved budget without any required Legislative approval and are included in the approved amounts in the table above. As it relates to this agency, the allotment adjustments totaled $83.9 million. The allotments applied to this agency are detailed below:

| GOVERNOR'S ALLOTMENTS | | | |
|---|---|---|---|
| Allotment | SGF | All Funds | FTE |
| July Allotment | | | |
| Spring Caseload Savings | $ (56,486,946) | $ (56,486,946) | 0.0 |
| I/DD Reimbursement | (8,958,340) | (22,146,700) | 0.0 |
| Senior Care Act Services | (3,000,000) | (3,000,000) | 0.0 |
| Behavioral Health Rate Increase | (3,000,000) | (7,400,000) | 0.0 |
| Nursing Facilities Rate Increase | (2,661,520) | (6,579,777) | 0.0 |
| TA Waiver Rate Increase | (2,557,443) | (6,384,790) | 0.0 |
| Regional Mental Health Beds | (2,500,000) | (2,500,000) | 0.0 |
| CMHC Grant Funding | (2,000,000) | (2,000,000) | 0.0 |
| Ember Hope Pilot Program | (1,000,000) | (1,000,000) | 0.0 |
| Douglas County Crisis Center | (750,000) | (750,000) | 0.0 |
| SUD Grants | (250,000) | (250,000) | 0.0 |
| KPERS Death and Disability | (55,728) | (55,728) | 0.0 |
| COVID-19 Relief Swap | (654,367) | (654,367) | 0.0 |
| **TOTAL** | **$ (83,874,344)** | **$ (109,208,308)** | **0.0** |

**Spring Caseload Savings.** The allotment included $56.5 million SGF, including FY 2020 savings from the temporary FMAP increase. Due to the COVID-19 pandemic, the President signed the Families First Coronavirus Response Act, which among other things, provided a temporary 6.2 percent increase to the FMAP rate. As a result, the agency experienced an SGF savings of $56.5 million, due to the additional federal funds received.

**I/DD Waiver Rate Increase.** The allotment included $9.0 million SGF related to the 5.0 percent increase in the provider reimbursement rate included in 2020 SB 66. This allotment corresponds to the additional decrease of $13.2 million in matching federal funds for FY 2021.

**Senior Care Act Services.** The allotment included $3.0 million SGF related to provide additional funding for Senior Care Act services included in 2020 SB 66.

**Behavioral Health Rate Increase.** The allotment included $3.0 million SGF related to the behavioral health rate increase included in 2020 SB 66. This allotment corresponds to the additional decrease of $4.4 million in matching federal funds for FY 2021.

**Nursing Facilities Rate Increase.** The allotment included $2.7 million SGF related to the 1.0 percent increase in the nursing facility reimbursement rate included in 2020 SB 66. This allotment corresponds to the additional decrease of $3.9 million in matching federal funds for FY 2021.

**TA Waiver Rate Increase.** The allotment included $2.6 million SGF related to the rate increases for the technology assisted (TA) waiver included in 2020 SB 66. These funds were included to provide an increase for a specific reimbursement category in the TA waiver. This allotment corresponds to the additional decrease of $3.8 million in matching federal funds for FY 2021.

**Regional Psychiatric Beds.** The allotment included $2.5 million SGF related to increased regional psychiatric beds included in 2020 SB 66. The original amount included in 2020 SB 66 was $5.0 million, but the allotment only reduced the funds available for regional beds by half.

**CMHC Grant Funding.** The allotment included $2.0 million SGF related to additional funding for community mental health center (CMHC) grant funding included in 2020 SB 66.

**Ember Hope Pilot Program.** The allotment included $1.0 million SGF related the establishment of a PRTF pilot program at Ember Hope in Newton included in 2020 SB 66.

**Douglas County Crisis Center.** The allotment included $750,000 SGF related to establishing an independent source of funding for the Douglas County Crisis Center included in 2020 SB 66.

**SUD Grants.** The allotment included $250,000 SGF related to substance use disorder (SUD) grants included in 2020 SB 66.

**KPERS Death and Disability Contributions.** The allotment included $55,728 SGF related to the suspension of KPERS Death and Disability employer contributions.

**COVID-19 Relief Swap.** The allotment included $654,367 SGF related to COVID-19-related expenditures that were reimbursed with federal COVID-19 relief funds.

## B. FY 2022 – Budget Year

**FY 2022 OPERATING BUDGET SUMMARY**

| | Agency Request | Governor's Recommendation | Difference |
|---|---|---|---|
| **Total Request/Recommendation** | $ 2,208,247,957 | $ 0 | $ (2,208,247,957) |
| **FTE Positions** | 285.0 | 0.0 | (285.0) |
| ***Change from FY 2021:*** | | | |
| *Dollar Change:* | | | |
| State General Fund | $ 49,245,289 | $ (733,020,070) | |
| All Other Funds | (60,214,618) | (1,592,766,764) | |
| **TOTAL** | **$ (10,969,329)** | **$ (2,325,786,834)** | |
| *Percent Change:* | | | |
| State General Fund | 5.9 % | (100.0) % | |
| All Other Funds | (4.4) | (100.0) | |
| **TOTAL** | **(0.5) %** | **(100.0) %** | |
| Change in FTE Positions | 0.0 | (285.0) | |

The **agency** requests $2.2 billion, including $884.3 million SGF, for operating expenditures for FY 2022. This is an all funds decrease of $11.0 million, or 0.5 percent, below the FY 2021 revised estimate. This includes an SGF increase of $49.2 million, or 5.9 percent, and an all other funds decrease of $60.2 million, or 4.4 percent, from the FY 2021 revised estimate. The request includes 285.0 FTE positions, which is the same as the FY 2021 revised estimate.

The all funds decrease is primarily attributed to one-time expenditures from COVID-19-related federal relief funds in FY 2021 that are not anticipated to continue for FY 2022. In addition to the COVID-19 relief funds, the expenditures to establish the EHR system in FY 2021 are not anticipated to continue for FY 2022. Partially offsetting the decreases attributed to one-time FY 2021 expenditures are the increases related to the agency's enhancement requests, detailed below. These requests are related to three major categories:

- **Continuation of FY 2021 Initiatives.** These include the request for ongoing maintenance for the agency's EHR system as well as the request for additional funding for BI waiver services;

- **New Waiver Initiatives.** These include requests related to limiting growth of the the PD and I/DD wavier wait lists as well as an expansion of I/DD waiver employment services; and

- **Behavioral Health Initiatives.** These include requests related to providing CMHC services in nursing facilitates, funding for the State's behavioral health crisis hotline, and funding for the a homelessness prevention program.

Outside of the agency's enhancement requests, it has indicated that it expects to maintain a level of expenditures similar to FY 2021, with a slight increase in salaries and wages expenditures for fringe benefits increases. Additionally, there are slight increases and decreases in the remaining categories based on historical trends.

The **Governor** recommends all expenditures be shifted to the budget of the newly created Department of Human Services, pursuant to an Executive Reorganization Order, which would combine the Kansas Department for Aging and Disability Services and the Department for Children and Families for FY 2022. For the purposes of this summary, the Governor's recommendation for FY 2022 services is included within the budget for the Department for Children and Families for FY 2021.

## Enhancement Detail

**FY 2022 ENHANCEMENTS**

| Enhancements | Agency Estimate SGF | Agency Estimate All Funds | Agency Estimate FTE | Governor's Recommendation SGF | Governor's Recommendation All Funds | Governor's Recommendation FTE |
|---|---|---|---|---|---|---|
| EHR Maintenance | $ 2,000,000 | $ 2,000,000 | 0.0 | $ 0 | $ 0 | 0.0 |
| BI Waiver Wait List Decrease | 8,733,420 | 21,777,755 | 0.0 | 0 | 0 | 0.0 |
| I/DD Employment Services | 8,814,880 | 21,980,880 | 0.0 | 0 | 0 | 0.0 |
| I/DD Waiver Wait List Reduction | 6,754,140 | 16,842,875 | 0.0 | 0 | 0 | 0.0 |
| PD Waiver Wait List Reduction | 1,275,300 | 3,180,095 | 0.0 | 0 | 0 | 0.0 |
| CMHC Specialized Services at NFMHs | 2,000,000 | 2,000,000 | 0.0 | 0 | 0 | 0.0 |
| CMHC Specialized Services at NFs | 802,050 | 2,000,000 | 0.0 | 0 | 0 | 0.0 |
| Statewide Mobile Response | 5,000,000 | 5,000,000 | 0.0 | 0 | 0 | 0.0 |
| Community Integration Housing First Program | 500,000 | 500,000 | 0.0 | 0 | 0 | 0.0 |
| Housing First Project Coordinator | 80,000 | 80,000 | 1.0 | 0 | 0 | 1.0 |
| **TOTAL** | **$ 35,959,790** | **$ 75,361,605** | **1.0** | **$ 0** | **$ 0** | **1.0** |

The **agency** requests $75.4 million, including $36.0 million SGF, for enhancements for FY 2022. The agency's enhancement requests includes 1.0 FTE position for FY 2022. The agency's enhancement request is detailed below:

- **State Hospital's Electronic Health Records System Funding.** The agency requests $2.0 million SGF for the support and maintenance of the state hospitals' new Electronic Health Records (EHR) system. In FY 2021, the agency reallocated existing funds for the development and implementation of a new EHR system. The EHR system is used to manage patient billing; pharmacy ordering and dispensing; and psychological staff scheduling. According to the agency, one of the state hospitals does not currently have an EHR system, and the other three have systems which are DOS-based systems. The request for FY 2022 would increase the agency's base budget to include yearly support and maintenance of the EHR system;

- **Brain Injury Waiver Wait List Reduction.** The agency requests $21.8 million, including $8.7 million SGF, to reduce the wait list for the Brain Injury (BI) waiver. In August 2019, the waiver was amended and expanded to include individuals with an acquired brain injury. Since that time, the agency reports an increasing waiver population. The agency indicates that should the growth continue, it will need additional funding to serve its new members. According to the agency, without additional funding, it will need to submit a waiver amendment to the Centers for Medicare and Medicaid Services (CMS) to limit the number of individuals on the waiver, which will create a wait list for the waiver;

- **I/DD Employment Services/Federal Final Settings Rule.** The agency requests $22.0 million, including $8.8 million SGF, to implement changes to the State's Intellectual/Developmental Disability (I/DD) waiver Employment Services programming. Currently, employment and day services are essentially one program, however, CMS requires these services to be provided as two separate services, per the Final Settings Rule. The enhancement was proposed to separate the waiver day services from the employment services programing, in order to bring the waiver in compliance with CMS rules. The agency also aims to increase the competitiveness and opportunities for individuals on the I/DD waiver;

- **I/DD Waiver Wait List Reduction.** The agency requests $16.8 million, including $6.8 million SGF, to add an additional 350 individuals to the I/DD waiver. As of August 2020, there were 4,267 individuals on the I/DD waiver wait list. According to the agency an average of 350 individuals are added to the wait list each year. The agency indicates that the additional funding would assist in preventing growth of the wait list while the agency works with providers and stakeholders to address the wait list challenges;

- **PD Waiver Wait List Reduction.** The agency requests $3.2 million, including $1.3 million SGF, to add an additional 150 individuals to the physical disability (PD) waiver. As of August 2020, there were 1,475 individuals on the PD waiver wait list. According to the agency, an average of 150 individuals are added to the wait list each year. The agency indicates that the additional funding would assist in preventing growth of the wait list while the agency works with providers and stakeholders to address the wait list challenges;

- **CMHC Specialized Mental Health Services in NFMHs.** The agency requests $2.0 million SGF to provide specialized services for Nursing Facilities for Mental Health (NFMHs). As part of the Client Assessment Referral and Evaluation (CARE) program, individuals are screened to ascertain individualized information regarding the appropriate level of care prior to admission into a nursing facility. The agency indicates that federal law requires a state to provide or arrange for the provision of specialized services while an individual resides in a nursing facility and is determined in need of those services. The agency proposes that Community Mental Health Centers (CMHCs) provide outpatient services to those individuals residing at NFMHs with severe and persistent mental illnesses. Currently, NFMHs are considered “Institutions for Mental Disease” and therefore do not receive Medicaid moneys for the care provided in those facilities;

- **CMHC Specialized Mental Health Services in Nursing Facilities.** The agency requests $2.0 million, including $802,050 SGF, to provide specialized services for regular nursing facilities (NFs). As part of the CARE program, individuals are screened to ascertain individualized information regarding the appropriate level of care prior to admission into a nursing facility. According to the agency, there are ten NFMHs specifically for individuals with severe and persistent mental illnesses Additionally, there are approximately 600 new admissions to regular nursing facilities each year who are determined to need specialized services. The agency proposes that CMHCs provide outpatient services to those individuals residing in regular nursing facilities;

- **Statewide Mobile Response and Stabilization Service Program and 988 Crisis Hotline.** The agency requests $5.0 million SGF to sustain and expand the services provided to those calling the behavioral health crisis hotline. In FY 2020, the Federal Communications Commission (FCC) announced the creation of 988 code to facilitate behavioral health crisis calls. Currently, the State routes these calls through COMCARE, the Sedgwick County-based CMHC, and a private non-profit organization operating in Lawrence. These services are currently grant-funded pilot programs that the agency seeks to sustain and expand. The agency's goal in expansion would be to assist individuals in identifying community interventions to prevent repeated hospitalizations; and

- **Community Integration Housing First Program.** The agency requests $580,000 SGF and 1.0 FTE position to sustain the necessary infrastructure for the Community Integration Housing First program and to establish a Housing First Project Coordinator. The program aims to assist individuals in identifying federal benefits and teaching them how to access various resources with the goal of finding permanent supportive community housing. To assist in the facilitation of the program, the agency requests an additional FTE position as Project Coordinator at $80,000 (including salary and fringe benefits).

The **Governor** recommends all expenditures be shifted to the budget of the newly created Department of Human Services, pursuant to an Executive Reorganization Order, which would combine the Kansas Department for Aging and Disability Services and the Department for Children and Families for FY 2022. For the purposes of this summary, the Governor's recommendation for FY 2022 services is included within the budget for the Department for Children and Families for FY 2022.

## FY 2022 Reduced Resources

The Governor has requested that specified agencies with SGF moneys provide a reduced resources budget submission of 10.0 percent for FY 2022. The information below provides details of the agency's reduced resources budget submission for the SGF.

**FY 2022 REDUCED RESOURCES**

| | Agency Recommendation | | | Governor's Recommendation | | |
|---|---|---|---|---|---|---|
| Item | SGF | All Funds | FTE | SGF | All Funds | FTE |
| Administrative Case Management FY 2021 | $ (3,000,000) | $ (6,000,000) | 0.0 | $ 0 | $ 0 | 0.0 |
| Administrative Case Management FY 2022 | (3,000,000) | (6,000,000) | 0.0 | 0 | 0 | 0.0 |
| Senior Care Act | (700,000) | (700,000) | 0.0 | 0 | 0 | 0.0 |
| Nutrition Programs | (850,000) | (850,000) | 0.0 | 0 | 0 | 0.0 |
| PACE Provider Rate Reduction | (640,830) | (1,584,520) | 0.0 | 0 | 0 | 0.0 |
| Nursing Facilities Rate Reduction | (12,147,500) | (30,291,130) | 0.0 | 0 | 0 | 0.0 |
| HCBS Rate Reduction | (14,910,750) | (36,880,720) | 0.0 | 0 | 0 | 0.0 |
| PRTF Rate Reduction | (748,200) | (1,865,720) | 0.0 | 0 | 0 | 0.0 |
| ICF Rate Reduction | (272,980) | (680,710) | 0.0 | 0 | 0 | 0.0 |
| Substance Use Disorder Treatment | (1,532,700) | (1,532,700) | 0.0 | 0 | 0 | 0.0 |
| CMHC State Aid Reduction | (2,464,770) | (2,464,770) | 0.0 | 0 | 0 | 0.0 |
| CMHC Grant Reductions | (511,660) | (511,660) | 0.0 | 0 | 0 | 0.0 |
| **TOTAL** | **$ (40,779,390)** | **$ (89,361,930)** | **0.0** | **$ 0** | **$ 0** | **0.0** |

The **agency** submits a reduced resources budget of $89.4 million, including $40.8 million SGF, to meet its reduced resources target of 10.0 percent for FY 2022. The agency's proposed reductions are detailed below:

- **Administrative Case Management Expenditures from FY 2021.** The agency submits a reduced resources budget of $6.0 million, including $3.0 million SGF. The agency's Administrative Case Management program went live in spring 2020, with a goal of assisting individuals in applying for BI, PD, and FE waiver services. Based on the current rate of growth of the program, the agency anticipates that it will not utilize $3.0 million SGF originally appropriated for FY 2021. The remaining funds would typically reappropriate into FY 2022, which the agency proposes to let lapse in order to meet its reduced resources target. Due to the fact that the program draws down federal Medicaid funds, a reduction of $3.0 million SGF would also result in the reduction of an additional $3.0 million in matching Medicaid funds;

- **Administrative Case Management Expenditures for FY 2022.** The agency submits a reduced resources budget of $6.0 million, including $3.0 million SGF. The agency believes the Administrative Case Management program will continue to serve the same number of individual in FY 2022 as it will in FY 2021. Barring no further growth in the program, the agency anticipates a decrease of $3.0 million SGF could be sustained. Therefore, the agency proposes to reduce the funding for the program by $3.0 million SGF to meet its reduced resources target. Due to the fact that the program draws down federal Medicaid funds, a reduction of $3.0 million SGF would also result in the reduction of an additional $3.0 million in matching Medicaid funds;

- **Reduction in Senior Care Act Expenditures.** The agency submits a reduced resources budget of $700,000, all SGF, for the Senior Care Act (SCA) program. The SCA program provides services for elderly Kansans in the individual's home, including: homemaker services, chore assistance, attendant care, and case management services. The aim of the program is to prevent premature nursing facility placement for individuals who have not exhausted their financial resources. The agency indicates that the reduction would potentially impact 200 seniors receiving services;

- **Reduction in Nutrition Program Expenditures.** The agency submits a reduced resources budget of $850,000, all SGF, for the Nutrition Program. The Nutrition Program provides an average of 3.1 million meals yearly to individuals over the age of 60 and individuals with disabilities. Meals are home-delivered and provided in a congregate setting. The agency indicates that the primary goal of the program is to provide meals, however it also serves as a means of checking participant welfare. The agency indicates that this reduction would result in 141,667 fewer meals served to seniors;

- **Rate Reduction for Program of All-Inclusive Care for the Elderly.** The agency submits a reduced resources budget of $1.6 million, including $640,830 SGF, to implement a 5.0 percent rate reduction to providers for the Program of All-Inclusive Care for the Elderly (PACE) program. PACE is a form of managed care in which the provider accepts a capitated rate, which is based off several factors. Due to the fact that the program draws down federal Medicaid funds, a reduction of $640,830 SGF would also result in the reduction of approximately $943,960 in matching Medicaid funds. The agency anticipates that any reduction in funding for the PACE program would reduce program growth and may result in increasing health care costs for older Kansans;

- **Reduction for Nursing Facilities Reimbursement Rates.** The agency submits a reduced resources budget of $30.3 million, including $12.1 million SGF, to implement a 5.0 percent rate reduction for nursing facilities reimbursement rates. Medicaid reimbursements provide revenue for Kansas nursing facilities for costs related to staffing and facility operations. Due to the fact that the program draws down federal Medicaid funds, a reduction of $12.1 million SGF would also result in the reduction of approximately $18.1 million in federal matching Medicaid funds. The agency indicates that any reduction in nursing facility reimbursement rates may negatively affect staffing and operations costs;

- **Reduction for Home and Community Based Services Rates.** The agency submits a reduced resources budget budget $36.9 million, including $14.9 million SGF, to implement a 5.0 percent rate reduction for all Medicaid Home and Community Based Services (HCBS) providers. Due to the fact that the program draws down federal Medicaid funds, a reduction of $14.9 million SGF would also result in the reduction of an approximately $22.0 million in federal matching Medicaid funds. The agency indicates that any reduction in HCBS reimbursement rates may negatively affect provider networks and may result in the individuals being placed in more restrictive and costly institutional settings. The reduction is detailed by waiver below:

  - **General Waiver Administration.** A 5.0 percent rate reduction for general waiver administration expenses would result in a reduction of $2.0 million SGF with a loss of approximately $3.0 million in federal Medicaid funds;
  - **I/DD Waiver Reduction.** A 5.0 percent rate reduction for the intellectual/developmentally disabled (I/DD) waiver would result in a reduction of $9.0 million SGF with a loss of approximately $13.2 million in federal Medicaid funds;
  - **AU Waiver Reduction.** A 5.0 percent rate reduction for the autism (AU) waiver would result in a reduction of $3,390 SGF with a loss of approximately $4,990 in federal Medicaid funds;
  - **PD Waiver Reduction.** A 5.0 percent rate reduction for the physical disability (PD) waiver would result in a reduction of $2.6 million SGF with a loss of approximately $3.9 million in federal Medicaid funds;
  - **BI Waiver Reduction.** A 5.0 percent rate reduction for the brain injury (BI) waiver would result in a reduction of $436,050 SGF with a loss of approximately $641,950 in federal Medicaid funds; and
  - **TA Waiver Reduction.** A 5.0 percent rate reduction for the technology assisted (TA) waiver would result in a reduction of $857,220 SGF with a loss of approximately $1.3 million in federal Medicaid funds;

- **Reduction for Psychiatric Residential Treatment Facility Rates.** The agency submits a reduced resources budget of $1.9 million, including $748,200 SGF, to implement a 5.0 percent rate reduction for Psychiatric Residential Treatment Facilities (PRTFs). PRTFs serve children with severe emotional disturbances that require removal from their home for treatment. Reimbursements provide revenue for facilities for costs related to staffing and operations. Due to the fact that the program draws down federal Medicaid funds, a reduction of $748,200 SGF would also result in the reduction of an approximately $1.1 million in federal Medicaid funds. The agency believes that any reduction in reimbursement rates may result in potential waiting lists and delayed admissions to facilitates;

- **Reduction for Intermediate Care Facilities Rates.** The agency submits a reduced resources budget of $680,710, including $272,980 SGF, to implement a 5.0 percent Medicaid provider rate reduction for Intermediate Care Facilities (ICFs). ICFs provide residential support for individuals with intellectual disabilities. Reimbursements provide revenue for facilities for costs related to staffing and operations. Due to the fact that the program draws down federal Medicaid funds, a reduction of $272,980 SGF would also result in the reduction of an approximately $407,730 in federal Medicaid funds. The agency indicates that any reduction in reimbursement rates may result in potential waiting lists and delayed admissions to facilitates;

- **Substance Use Disorder Treatment Reduction.** The agency submits a reduced resources budget of $1.5 million SGF to reduce funds for substance use disorder (SUD) treatment services for the uninsured. These are both inpatient and outpatient services, and are provided mainly to adults, but also children. The agency indicates that any reduction in treatment services would result in fewer individuals served and potentially increased pressure on justice and foster care systems;

- **Community Mental Health Center State Aid Reduction.** The agency submits a reduced resources budget of $2.5 million, all SGF, to reduce funds for mental health services for the uninsured. These funds support mental health services for uninsured adults and children, but primarily adults. The agency indicates that any reduction in community-based mental health services would result in higher demand for utilization of inpatient institutional resources, such as state hospitals. The agency also indicates that a reduction may result in the agency not meeting maintenance of effort requirements for the Mental Health Block Grant; and

- **Community Mental Health Center Grants Reduction.** The agency submits a reduced resources budget of $511,660, all SGF, to reduce funds for mental health services for the uninsured. These funds support mental health services for uninsured adults and children, but primarily adults. The agency indicates that any reduction in treatment services would result in higher demand for utilization of inpatients institutional resources, such as state hospitals. The agency also indicates that a reduction may result in the agency not meeting maintenance of efforts requirement for the Mental Health Block Grant.

The **Governor** recommends all expenditures be shifted to the budget of the newly created Department of Human Services, pursuant to an Executive Reorganization Order, which would combine the Kansas Department for Aging and Disability Services and the Department for Children and Families for FY 2022. For the purposes of this summary, the Governor's recommendation for FY 2022 services is included within the budget for the Department for Children and Families for FY 2022.

## Governor's Recommended Salary and Wage Adjustments

**For FY 2022,** the Governor recommends adding $31.5 million, including $11.3 million SGF, for a 2.5 percent state employee base pay adjustment. The plan would increase salaries for classified and unclassified employees in the Executive Branch, Legislative Branch, and Judicial Branch. Legislative and elected officials would be excluded from this salary adjustment. The funds would be appropriated to and certified for distribution by the State Finance Council if approved. Employees of state universities are also not included in the proposed pay plan; however, the Governor recommends adding $10.4 million, all SGF, to the university operating grants. This amount is equivalent to what the pay plan would have provided for university employees, but the funds are included in the Kansas Board of Regents budget for use at their discretion.

**Longevity Bonus Payments.** In FY 2021 and for FY 2022, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of $40 per year of service, with a 10-year minimum ($400) and a 25-year maximum ($1,000). Classified employees hired after June 15, 2008, are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2021 payment is $3.0 million, including $1.1 million SGF. For FY 2022, the estimated cost is $3.1 million, including $1.1 million SGF. **For this agency, FY 2021 longevity payments total $15,521, including $6,278 SGF. Due to the Governor's budget recommendation combining DCF and KDADS, any longevity payments for FY 2022 would appear in the budget of the Department for Human Services.**

**Kansas Public Employees Retirement System (KPERS).** The employer retirement contribution rate, including Death and Disability contributions, for the KPERS State and School Group is scheduled to be 14.23 percent in FY 2021 and 15.09 percent for FY 2022. The FY 2021 rate excludes the 1.0 percent KPERS Death and Disability contribution that is currently subject to a moratorium described below.

The Governor recommends the KPERS State and School Group be reamortized. The current amortization period was set by the Legislature in 1993 for 40 years. The Governor proposes the new amortization be set for 25 years beginning in FY 2022, an extension of 10 years to the current plan. Reamortization would reduce employer contributions for the KPERS State and School Group in the short term. It is estimated that resetting the amortization period to 25 years could produce budget savings of $177.3 million, including $158.7 million SGF, for FY 2022. The Governor’s recommendation would also incorporate $25.8 million in KPERS layering payments into the amortization schedules. **No savings from this policy are currently included in this agency’s budget.**

**KPERS Death and Disability Group Insurance Fund.** During FY 2021, a moratorium on employer contributions to the KPERS Death and Disability Group Insurance Fund was in effect. The fund had a sufficient balance to suspend payments on a temporary basis without affecting employee benefits. The moratorium was implemented *via* the Governor’s allotment authority; therefore, the Legislative and Judicial branches are currently excluded from the moratorium. The total savings for the moratorium are estimated at $46.7 million in contributions from the SGF. Included in this amount were savings of approximately $40.3 million from KPERS School Group contributions in the Kansas State Department of Education budget. No similar moratorium is proposed for FY 2022, requiring the addition of $46.7 million to annualize the payments for the full fiscal year.

## Funding Sources

| Funding Source | Agency Req. Percent of Total FY 2022 | Gov. Rec. Percent of Total FY 2022 |
|---|---|---|
| State General Funds | 40.0 % | 0.0 % |
| Title XIX Funds | 54.1 | 0.0 |
| Problem Gambling and Additions Grant Fund | 0.3 | 0.0 |
| Children's Initiatives Fund | 0.2 | 0.0 |
| All Other Funds | 5.4 | 0.0 |
| **TOTAL** | **100.0 %** | **0.0 %** |

(*Note:* Totals may not add due to rounding.)

| FTE POSITIONS BY PROGRAM FY 2020 – FY 2022 | | | | | |
|---|---|---|---|---|---|
| Program | Actual FY 2020 | Agency Est. FY 2021 | Gov. Rec. FY 2021 | Agency Req. FY 2022 | Gov. Rec. FY 2022 |
| Administration | 93.1 | 93.1 | 93.1 | 93.1 | 0.0 |
| Aging and Disability Commission | 44.0 | 44.0 | 44.0 | 44.0 | 0.0 |
| Medicaid Programs | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Behavioral Health Commission | 24.0 | 24.0 | 24.0 | 24.0 | 0.0 |
| Survey and Cert. Commission | 118.4 | 116.4 | 116.4 | 116.4 | 0.0 |
| State Hospitals Commission | 7.5 | 7.5 | 7.5 | 7.5 | 0.0 |
| **TOTAL** | **287.0** | **285.0** | **285.0** | **285.0** | **0.0** |

(*Note:* For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.)

## *A. Administration*

The Administration program includes all administrative functions of KDADS. The Secretary for Aging and Disability Services has organized the program into the Office of the Secretary and the Financial and Information Services Commission. The Office of the Secretary provides general administrative functions of KDADS. The Financial and Information Services Commission is responsible for all fiscal information and technology services for the agency.

### Office of the Secretary

KDADS is a cabinet-level agency administered by a Secretary who is appointed by and serves at the pleasure of the Governor. The Secretary serves as the chief executive officer, overseeing all aspects of agency operations. The Secretary has the authority to sign all documents, letters, contracts, and grants related to state and federal aging programs. The divisions within the office of the secretary are described below:

- **State Advisory Council.** The State Advisory Council on Aging was established (through KSA 75-5911) to advise the Governor and the Secretary about the needs of older Kansans and to advocate on their behalf. The Council is composed of 15 members, 11 of whom are appointed by the Governor, and the remaining 4 are appointed, 1 each, by the majority and minority leaders of the Kansas House of Representatives and the Kansas Senate. Legislative members serve at the pleasure of the appointing authority while gubernatorial appointments serve for a three-year period;

- **Director of Legislative Affairs Division.** The Legislative Affairs Director reports directly to the Secretary and monitors legislative policy affecting KDADS;

- **Legal Division.** The Legal Division provides consultation and advice to the Secretary and agency staff. The Division includes three sections: Central Office, State Hospitals and Licensing, and Litigation. Each attorney has specialized knowledge in areas relevant to the legal needs of a state agency having both program and regulatory responsibilities. Specific duties include legal research, oral and written legal opinions, representation of the agency in administrative hearings and before state and federal courts contracts, adoption of rules and regulations, policy review, and legislation. The Division also enforces state and federal laws and regulations pertaining to the licensure and certification of adult care homes;

- **Human Resources Division.** The goal of the Human Resources (HR) Division is to oversee and provide technical and expert assistance on recruitment, selection, performance management, benefits, position management, organizational management, classification, compensation, employee relations, guidance and discipline, employee recognition, employee development and training, layoffs, furloughs, time and leave, payroll, benefits, the Family Medical Leave Act (FMLA), the Americans with Disabilities Act, the shared leave program, and retirement. HR staff also provides assistance as the agency reassesses and reorganizes operations and staffing needs in furtherance of efficiency;

- **Communications Division.** The Communications Division is responsible for the public perception of the agency, which includes the Legislature, constituents, members of the public, service providers, stakeholders, and the media. The Division also is responsible for all Freedom of Information and Kansas Open Records Act requests; and

- **KanCare Ombudsman.** The KanCare Ombudsman assists in the resolution of concerns about services, coverage, access, and rights. In addition, the Ombudsman helps participants understand the grievance and appeal process, as well as the state fair hearing process, and assists participants in navigating such processes. The services of the Ombudsman are available to all Medicaid-eligible populations, with a focus on KanCare enrollees utilizing long-term services and supports.

**Financial and Information Services Commission**

The Financial and Information Services Commission is led by the Chief Financial Officer. The goal of the Commission is to manage and maintain all fiscal information and technology services for the agency. The Commission is broken down into four parts: Budget Division, Accounting and Financial Management Division, Fiscal and Program Analysis Division, and Information Technology Services Division.

**Budget Division.** The goal of the Budget Division is to provide helpful, timely, and accurate budgetary information to all agency personnel. The Division provides program and budget analysis and budgetary recommendations to the Secretary and prepares the agency's annual budget submission. This division also is responsible for preparing the annual federal application for Medicare and Medicaid funds for the Survey and Certification Commission.

**Accounting and Financial Management Division.** The Accounting and Financial Management Division has the responsibility for payment of the weekly Medicaid claims. Close coordination among the Division, the Kansas Department of Health and Environment, which is the state Medicaid agency, the Department of Administration, and the Medicaid fiscal agent who manages the Medicaid Management Information System is required to ensure claims are paid in a timely manner. The Division also initiates and processes Medicaid off-system payments upon receipt of inquiries and requests regarding suspended, rejected, or late payments. The Division prepares Medicaid expenditure reports for submission to the state Medicaid agency.

The Contract and Grant Unit of this division oversees the allocation of federal Older American Act and Senior Care Act funds using intrastate funding formulas. It has responsibility for all federal financial status reports, including quarterly and annual financial reports to the federal Centers for Medicare and Medicaid Services for the survey and certification of adult long-term care and quarterly Medicaid estimates reports. The Unit also performs the financial management function for grants and contracts to Area Agencies on Aging and other service providers, including special project grants and contracts.

This division also develops, implements, and maintains a system for allocating KDADS' administrative costs for interpreting and applying federal and state policies governing purchasing, cost principles, and grants management. The Division also ensures its internal processes and systems are in compliance with appropriate state and federal mandates and that appropriate internal controls exist.

**Fiscal and Program Analysis Division.** The Fiscal and Program Analysis Division supports the agency through collection, analysis, and reporting of data at all levels: statewide, county, city, planning and service area, case management entities, survey and certification regions, federal Centers for Medicare and Medicaid Services regions, and nationwide. The purpose of the analysis activity is to provide information on current status and provide advance notice of trends to program administrators at the state level and to local administrators of aging programs. The Division is responsible for the completion and submission of the Older Americans Act annual program report and federal Centers for Medicare and Medicaid Services 372 reports and also compiles and publishes the Home and Community Based Services–Frail Elderly Waiver quality assurance reports, annual Older American Act and Senior Care Act quality review reports, and federal Centers for Medicare and Medicaid Services quarterly reports. Additional responsibilities include monitoring and projecting caseloads for all Medicaid programs.

The Division also manages the Medicaid Nursing Facility program. Staff members are responsible for collecting and reviewing Medicaid cost reports, conducting financial audits, setting nursing facility payment rates, and assisting providers with Medicaid financing matters.

Audit Services performs the following tasks: determines that reported nursing facility costs and resident days used to set reimbursement rates for Medicaid residents are in compliance with state and federal regulations and policies; reviews and analyzes all Area Agencies on Aging single audit reports and identifies issues that require management attention; visits audit firms that provide audit services to Area Agencies on Aging and reviews audit work papers as necessary; performs audits of Resident Personal Needs Fund accounts at nursing facilities as requested by the Survey and Certification Commission or the state ombudsman; and performs audits for nursing facilities requesting asset rebases as received during the year.

**Promoting Excellent Alternative in Kansas Nursing Homes (PEAK).** KDADS began this initiative in 2002 to promote innovation in long-term care. In the first 10 years, 51 different nursing homes were recognized for their achievements in pursuing cultural change. During FY

2013, the agency began to transition PEAK from an education and recognition program to a multi-step quality improvement process. A team of stakeholders, including representatives from KDADS, the nursing homes trade association, and other advocacy groups, was assembled in July 2011 to begin the recreation of PEAK. The program will provide incentives for homes that have made significant achievements with regard to culture change but also will begin to identify homes that have achieved or maintained competency in person-centered care. The goals of the new PEAK will be to move more nursing homes to pursue culture change and adopt person-centered care.

**Information Services Division.** The Information Services Division's primary function is to maintain, enhance, and secure all technological systems, such as the Kansas Aging Management Information System, data communication systems, the voice communication systems, and the data storage systems. These systems enhance the agency's ability to track customers and services provided by Area Agencies on Aging and other service providers; prevent attacks and breaches of the agency's network, support the email system and maintain a high level of security. Staff manages databases and applications, performs custom data extractions, and monitors data integrity.

**Debt Service Interest.** The Administration program also includes interest payments on agency debt service. Information on principal payment on debt service is included within the Capital Improvements section of this analysis.

**PERFORMANCE MEASURES**

| Measure | Actual FY 2018 | Actual FY 2019 | Gov. Rec. FY 2020 | Actual FY 2020 | Gov. Rec. FY 2021 | Gov. Rec. FY 2022 |
|---|---|---|---|---|---|---|
| There were no performance measures submitted for this program. | | | | | | |
| Agency Expenditures | | | | | | |
| All Funds (Dollars in Millions) | $ 17.5 | $ 12.9 | $ 16.1 | $ 28.1 | $ 97.2 | $ 0.0 |
| FTE Positions | 96.0 | 89.0 | 89.0 | 93.1 | 93.1 | 0.0 |

| ADMINISTRATION PROGRAM SUMMARY OF EXPENDITURES FY 2020 – FY 2022 | | | | | |
|---|---|---|---|---|---|
| Item | Actual FY 2020 | Agency Est. FY 2021 | Gov. Rec. FY 2021 | Agency Req. FY 2022 | Gov. Rec. FY 2022 |
| **Expenditures:** | | | | | |
| Salaries and Wages | $ 6,185,519 | $ 6,959,048 | $ 6,959,048 | $ 7,033,313 | $ 0 |
| Contractual Services | 11,628,307 | 74,999,539 | 87,767,378 | 14,605,661 | 0 |
| Commodities | 129,911 | 82,890 | 2,082,890 | 77,440 | 0 |
| Capital Outlay | 149,500 | 115,900 | 115,900 | 112,200 | 0 |
| Debt Service | 1,026,346 | 771,350 | 771,350 | 504,275 | 0 |
| *Subtotal - Operations* | *$19,119,583* | *$ 82,928,727* | *$ 97,696,566* | *$ 22,332,889* | *$ 0* |
| Aid to Local Units | 3,503,552 | 68,110 | 68,110 | 101 | 0 |
| Other Assistance | 5,495,390 | 159,745 | 159,745 | 2,104 | 0 |
| **TOTAL** | **$28,118,525** | **$ 83,156,582** | **$ 97,924,421** | **$ 22,335,094** | **$ 0** |
| **Financing:** | | | | | |
| State General Fund | $ 9,031,350 | $ 13,039,694 | $ 13,039,694 | $ 13,078,728 | $ 0 |
| All Other Funds | 19,087,175 | 70,116,888 | 84,884,727 | 9,256,366 | 0 |
| **TOTAL** | **$28,118,525** | **$ 83,156,582** | **$ 97,924,421** | **$ 22,335,094** | **$ 0** |
| FTE Positions | 93.1 | 93.1 | 93.1 | 93.1 | 0.0 |

The **agency** requests a revised estimate of $83.2 million, including $13.0 million SGF, for expenditures in the Administration program in FY 2021. This is an all funds increase of $68.9 million, or 484.8 percent, above the approved amount. This includes an SGF increase of $7.5 million, or 136.8 percent, and an all other funds increase of $61.4 million, or 704.7 percent, above the FY 2021 approved amount. The revised estimate also includes 93.1 FTE positions, which is an increase of 4.1 FTE positions above the FY 2021 approved number.

The increase is primarily attributed to the agency's receipt of $58.8 million from the federal Coronavirus Relief Fund. These funds were awarded to the agency and then passed through to the appropriate providers. These COVID-19-related awards include:

- $23.6 million for a temporary rate increase for nursing facilities and intermediate care facilities to offset the costs of COVID-19-related expenditures for nursing facilities. Examples includes nursing facility expenditures for personal protection equipment (PPE), sanitation supplies, and staffing needs. The amount was based on increasing the medicaid reimbursement rate by $20 per Medicaid-qualified resident for 12 days;

- $12.5 million for a temporary 5.0 percent reimbursement rate increase for HCBS and PACE providers for up to 120 days to cover costs incurred responding to COVID-19. Eligible costs included PPE, sanitation supplies, staffing needs, and public health modifications; and

- $12.5 million to supplement existing grants to behavioral health providers for costs incurred while responding the COVID-19 and to support the transition to telemedicine. The funding additionally supports mental health and substance use disorder treatment related to secondary impacts of COVID-19, focusing on uninsured and low-income populations.

Outside of the COVID-19-related expenditures, the agency anticipates increased contractual services expenditures due information technology (IT) projects requiring IT consultants. Additionally, these expenditures represent increases in auditing and actuarial fees.

As part of the creation of the State Hospital Commission, the agency is continuing to evaluate its staffing needs. Due to the agency's reorganization, there were 4.1 FTE positions shifted from the State Hospital Commission to account for the administrative oversight of the program. Along with the shift in FTE positions is a comparable increase in salaries and wages expenditures.

The **Governor** recommends $97.9 million, including $13.0 million SGF, for expenditures in the Administration program in FY 2021. This is an all funds increase of $14.8 million, or 17.8 percent, above the agency's FY 2021 revised estimate. The increase is due to the receipt of federal Coronavirus Relief Fund moneys from the SPARK Taskforce. These COVID-19-related awards include:

- $10.0 million, for PPE and sanitation supplies for distribution to nursing facilities. 2020 HB 2016 required that KDADS provide the necessary PPE, sanitizing supplies, and testing supplies to each facility on an ongoing basis. To enable this distribution, the agency developed a web platform allowing facilities to request supplies as needed; and

- $2.4 million, for additional expenditures related to funding the agency received from the SPARK Taskforce, which is detailed above in the agency's revised estimate.

The **agency** requests $22.3 million, including $13.1 million SGF, for expenditures in the Administration program for FY 2022. This is an all funds decrease of $60.8 million, or 73.1 percent, below the FY 2021 revised estimate. This includes an increase of $39,034 SGF, or 0.3 percent, and a decrease of $60.9 million, or 86.8 percent, from other funding sources, from the FY 2021 revised estimate. The revised estimate also includes 93.1 FTE positions, which is the same number as the FY 2021 revised estimate.

The all funds decrease is primarily attributed to the agency receipt of COVID-19 federal relief funds in FY 2021. Those expenditures are not anticipated to continue for FY 2022. Outside of the decrease related to the COVID-19 pandemic, the agency has indicated that it expects to maintain the same level of funding for FY 2022, with a slight increase in salaries and wages expenditures for salaries and wages fringe benefits increases. Additionally, there are slight increases and decreases in the remaining categories bases off of historical trends.

The **Governor** recommends all expenditures be shifted to the budget of the newly created Department of Human Services, pursuant to an Executive Reorganization Order, which would combine the Kansas Department for Aging and Disability Services and the Department for Children and Families for FY 2022. For the purposes of this summary, the Governor's recommendation for FY 2022 services is included within the budget for the Department for Children and Families for FY 2022.

## *B. Aging and Disability Community Services and Programs Commission*

The Commission on Aging and Disability Community Services and Programs includes two organizational units: 1) Home and Community Based Services (HCBS) Waiver Services Program and 2) Aging Services.

### HCBS Waiver Services Programs Overview

The HCBS Waiver Services program oversees the community-based supports and services through the state's managed care plan, KanCare, to approximately 25,000 persons with disabilities to assist them in living an integrated, safe, and healthy community life. KanCare was implemented on January 1, 2013. HCBS waiver services providers contract with the three KanCare Managed Care Organizations (MCOs) to provide home- and community-based services for each of the waivers. Oversight of the Medicaid program services are supported by HCBS Waiver Program Managers, Program Integrity Specialists, Quality Assurance Reviewers, and a Policy and Program Oversight Manager.

### Aging Services Overview

The Aging Services Unit includes seven programs: 1) Older Americans Act; 2) Senior Care Act; 3) Transitional Services and Client Assessment, Referral, and Evaluation (CARE); 4) Information and Community Resources; 5) Aging and Disability Resource Centers; 6) Quality Review; and 7) Nutrition Programs. The Aging Services unit is responsible for providing services to Kansas seniors through a privatized network of providers. The unit provides day-to-day management and training and provision of technical assistance to providers funded by the Senior Care Act, Older Americans Act, Medicaid, and the SGF. The Area Agencies on Aging (AAA) function as the point of entry for seniors seeking services.

The goal of the Commission is to improve the quality and performance of community programs for Kansas seniors and to rebalance nursing home and community care systems to prevent premature placement in nursing homes through an effective and supportive community aging network.

### Older Americans Act Programs

The Older Americans Act (OAA) was established by Congress in 1965 to provide services to seniors age 60 or older. In the 1972 revisions to the OAA, the AAA was created to deliver services in communities.

The U.S. Department of Health and Human Services' Administration on Aging annually determines the level of federal funding distributed to Kansas. Program funding is allocated to each state unit on aging (such as KDADS), based on the number of older persons in the state, to plan, develop, and coordinate systems of supportive in-home and community-based services. KDADS then distributes those funds by formula to the AAA or contracts with public or private groups to provide services.

**Title III-B Supportive Services (Information and Referral).** This part of the OAA program provides Kansans with objective, accessible, and useful information to promote healthy aging, financial security, and long-term care choices to assist them in making informed decisions. It also promotes accessibility of information sources to all Kansans.

**Title III-D Disease Prevention and Health Promotion.** This portion of the OAA program promotes disease prevention and health promotion services. These services enable seniors to make informed choices about their lifestyle changes and health. This funding can be used to support any of 15 health-related services.

**Title III-E Caregiver Support.** The National Family Caregiver Support program is designed to be as flexible as possible to support the needs of family caregivers. There are seven categories of service available: Information, Assistance, Counseling, Support Groups, Caregivers Training, Respite, and Supplemental Services. The program targets family caregivers providing in-home or community care to an older adult, caregivers who provide care for individuals with Alzheimer's disease, grandparents or relatives age 55 or older who are relative caregivers for children younger than 19 years of age, and a grandparent or relative age 55 or older providing care to a disabled adult age 19 to 59. It also directs states to give priority to services for older individuals with the greatest social and economic need, with particular attention to low-income older individuals and grandparents or relatives providing care and support to persons with mental or intellectual disabilities or related developmental disabilities.

### Senior Care Act Programs

The Senior Care Act (SCA) provides a critical early intervention component to the Kansas long-term care network. The SCA program provides services in the customer's home, such as homemaker, chore, attendant care, and case management services. The services are designed to prevent premature nursing home placement for persons who have not exhausted their financial resources, unlike the Home and Community Based Services–Frail Elderly Waiver (HCBS/FE) program. The program is targeted at those who are 60 years of age or older. Participants contribute a significantly higher proportion of the cost of SCA services than participants in the HCBS/FE program. Participant contributions are determined by a sliding fee scale based upon self-reported income and liquid assets for individuals served by the program. The program is funded by a Social Services Block Grant, which is passed through the Department for Children and Families to KDADS, and amounts to $4.5 million per year. KDADS funds SCA services through the AAA. Funds are allocated to the AAA based upon a variation of the OAA formula.

### Transition Services and CARE Programs

**CARE program.** The Client Assessment, Referral, and Evaluation (CARE) program is responsible for diverting seniors from nursing homes and into the community. CARE has the responsibility for managing the statewide screening of applicants for nursing home services and providing information and referral for other optional community-based services. The CARE program meets the federal requirements for the Pre-Admission Screening and Resident Review.

**Lifespan Respite.** KDADS, along with the Kansas Lifespan Coalition, are partnering on the Lifespan Respite Care grant. The grant has four primary objectives, which include: 1) expanding coordination, participation, and dissemination of respite resources; 2) developing a statewide respite network; 3) increasing family caregiver access to respite services and ease in securing respite providers; and 4) increasing the availability of qualified respite providers and skilled caregivers.

**Vulnerable Elder Rights Protection Activities.** The program promotes Elder Rights Activities, which provides persons age 60 and older access to the system of justice. Legal service providers (attorneys) act as advocates and offer advice and representation. Activities also include programs for the prevention and awareness of elder abuse, neglect, and exploitation of older individuals.

### Information and Community Resources Division—SHICK/SMP/MIPPA

The Information and Community Resources Division provides information and assistance in accessing services through the administration of grant programs. The Senior Health Insurance Counseling for Kansas (SHICK) grant supports a statewide network of trained counselors who provide information, assistance, and counseling to people with questions about Medicare and other health insurance programs. The Senior Medicare Patrol (SMP) grant funds a statewide network of volunteers and partners who educate Kansans about recognizing and reporting health care fraud and abuse. The Division also works with the OAA, Senior Care Act, Vulnerable Elder Rights Protection, and Alzheimer's Disease Innovation, providing state and federal pass-through grants to local units of government and other qualified organizations. Grants provide services to Kansans age 60 or older in their homes or within the community.

**SHICK.** The federal Centers for Medicare and Medicaid Services (CMS) funds a nationwide network of State Health Insurance Assistance Programs (SHIPs). In Kansas, the SHIP is known as the Senior Health Insurance Counseling for Kansas (SHICK). This counseling program helps seniors navigate their way through the health insurance and Medicare systems and helps them access privately administered Prescription Assistance programs. The SHICK program is free and provides a reliable, confidential, and unbiased source of information.

SHICK uses a statewide network of sponsoring organizations, call centers, and trained volunteers to provide information, assistance, and counseling to Medicare beneficiaries in their communities. The Senior Health Insurance Counseling for Kansas team also has established partnerships with many community-based organizations and other agencies that provide services to people with Medicare and Medicaid in Kansas. In addition to helping beneficiaries understand their options and select plans of their choice, the Senior Health Insurance Counseling for Kansas staff help beneficiaries resolve problems with their Medicare Part D coverage. They also continue to provide education and counseling about Part D, the new preventive benefits available under Medicare, the Low Income Subsidy that can help beneficiaries with prescription costs, and long-term care insurance options.

**SMP Program.** The Kansas Senior Medicare Patrol (SMP) project educates Kansas Medicare and Medicaid beneficiaries about health care error, fraud, and abuse. SMP is one of the projects funded by the federal Administration on Aging. KDADS collaborates with community-based organizations across the state to recruit retired professionals and train them as volunteer educators. Together with partner organizations, these volunteers create a statewide network of fraud experts who educate beneficiaries about identifying and reporting health care errors, fraud, and abuse.

**MIPPA.** The Medicare Improvement for Patients and Providers Act (MIPPA) grants providers outreach to eligible Medicare beneficiaries regarding the benefits available under the Title XVIII of the Social Security Act (SSA), including the Medicare prescription drug benefit under Part D of Title XVIII of the SSA and under the Medicare Savings Program, and to coordinate efforts to inform older Americans about benefits available under federal and state programs.

### Aging and Disability Resource Center

The Aging and Disability Resource Center grant creates a single point of entry for older individuals and individuals with disabilities; this single point of entry includes program information, application process, and eligibility determination. The Hospital Discharge Model (HDM) grant is developing a person-centered planning model that focuses on discharging HDM patients' Home and Community Based Services (HCBS) and reducing default discharged to nursing homes. Community Transition Opportunities is a federal grant the agency received to help people who have indicated in a nursing home they would like to go back to the community. This program coordinates those residents with the appropriate community services and supports.

### Quality Review Division

The Quality Review Division is responsible for collecting data relative to policy compliance of the AAA. Each quarter, the Division's staff reviews a statistically significant number of customer case files for the OAA and Senior Care Act programs to ensure policies and regulations are being followed and that care is being delivered in line with the customer's plan of care. Additionally, the Division's staff interviews the same customers to determine customer satisfaction. The information is then forwarded to the Fiscal and Program Analysis Division for aggregation, analysis, and dissemination among KDADS' stakeholders in report format.

### Nutrition Grants

This program provides grants to the AAAs for the provision of nutrition services in either a congregate setting or in the homes of older Kansans who are homebound. Federal, state, and special revenues at the state level are combined with local funds to support the program. Customers also share in the cost of nutrition service by voluntarily contributing toward the cost of their meals.

| | Actual FFY 2018 | Actual FFY 2019 | Actual FFY 2020 | Estimate FFY 2021 |
|---|---|---|---|---|
| Total Meals Served | 3,116,304 | 3,104,031 | 3,130,000 | 3,130,000 |
| Cost Per Meal | $6.20 | $6.20 | $6.20 | $6.20 |

Note: Federal Fiscal Year (FFY) includes October 1 to September 30 of the following year.

**Title III-C Nutrition Program.** This program, which started in 1965, authorizes nutrition services for persons aged 60 or over and their spouses and, in certain conditions, persons with disabilities under the age of 60. Meals are provided to eligible participants on a contribution basis in a congregate setting (Title III-C (1)), or within a homebound individual's place of residence (Title III-C (2)).

**Community Services Administration.** This unit provides oversight of the purchasing of community-based supports and services, including staff who manage and administer the Medicaid Home and Community Based Services Waivers. Additionally, this program administers grant funds to Community Developmental Disability Organizations.

Community Services Administration's mission is to support Kansans in living self-determined, meaningful lives by ensuring access to quality person-centered services. Community Services Administration ensures the supports and services purchased allow persons to live successfully in their home and community; persons are treated with dignity and respect; have opportunities for independence; and are free from abuse, neglect, and exploitation.

**PERFORMANCE MEASURES**

| Measure | Actual FY 2018 | Actual FY 2019 | Gov. Rec. FY 2020 | Actual FY 2020 | Gov. Rec. FY 2021 | Gov. Rec. FY 2022 |
|---|---|---|---|---|---|---|
| There were no performance measures submitted for this program. | | | | | | |
| Agency Expenditures | | | | | | |
| All Funds (Dollars in Millions) | $ 31.8 | $ 30.9 | $ 32.0 | $ 50.9 | $ 53.0 | $ 0.0 |
| FTE Positions | 15.0 | 14.0 | 14.0 | 44.0 | 44.0 | 0.0 |

| AGING AND DISABILITY SERVICES COMMISSION<br>SUMMARY OF EXPENDITURES FY 2020 – FY 2022 | | | | | |
|---|---|---|---|---|---|
| Item | Actual FY 2020 | Agency Est. FY 2021 | Gov. Rec. FY 2021 | Agency Req. FY 2022 | Gov. Rec. FY 2022 |
| **Expenditures:** | | | | | |
| Salaries and Wages | $ 2,083,968 | $ 2,666,768 | $ 2,666,768 | $ 2,698,734 | $ 0 |
| Contractual Services | 15,375,613 | 16,388,201 | 16,388,201 | 16,388,201 | 0 |
| Commodities | 3,535 | 10,731 | 10,731 | 10,731 | 0 |
| Capital Outlay | 1,984 | 2,000 | 2,000 | 2,000 | 0 |
| Debt Service | 0 | 0 | 0 | 0 | 0 |
| *Subtotal - Operations* | *$ 17,465,100* | *$ 19,067,700* | *$ 19,067,700* | *$ 19,099,666* | *$ 0* |
| Aid to Local Units | 15,303,646 | 15,665,146 | 15,665,146 | 15,536,010 | 0 |
| Other Assistance | 18,108,653 | 18,272,969 | 18,272,969 | 18,272,969 | 0 |
| **TOTAL** | **$ 50,877,399** | **$ 53,005,815** | **$ 53,005,815** | **$ 52,908,645** | **$ 0** |
| **Financing:** | | | | | |
| State General Fund | $ 18,923,950 | $ 20,975,857 | $ 20,975,857 | $ 20,992,588 | $ 0 |
| All Other Funds | 31,953,449 | 32,029,958 | 32,029,958 | 31,916,057 | 0 |
| **TOTAL** | **$ 50,877,399** | **$ 53,005,815** | **$ 53,005,815** | **$ 52,908,645** | **$ 0** |
| FTE Positions | 44.0 | 44.0 | 44.0 | 44.0 | 0.0 |

The **agency** requests a revised estimate of $53.0 million, including $21.0 million SGF, for expenditures for the Aging and Disability Services Commission in FY 2021. This is an all funds decrease of $2.5 million, or 4.5 percent, below the FY 2021 approved amount. This includes an SGF decrease of $4.3 million, or 16.9 percent, and an all other funds increase of $1.8 million, or 5.8 percent, from the FY 2021 approved amount. The revised estimate also includes 44.0 FTE positions, which is an increase of 2.0 FTE positions above the FY 2021 approved number.

The decrease is primarily related to reappropriations the agency received in FY 2021, related to I/DD services assistance. The agency has indicated that the reappropriation was the result of I/DD services expenditures being paid out of other funds. As part of its general reorganization, the agency is in an ongoing process of reviewing funds and realigning expenditures based on how programs function. Partially offsetting the decrease are increases in contractual services relating to increases in Older American Act programs and Nutritional programs. The increase in FTE positions is related to additional positions to administer the aging and disability grants and programs. These were positions which were were added in FY 2020.

The **Governor** concurs with the agency's revised estimate in FY 2021.

The **agency** requests $52.9 million, including $21.0 million SGF, for expenditures for the Aging and Disability Services Commission for FY 2022.This is an all funds decrease of $97,170, or 0.2 percent, below the FY 2021 revised estimate. This includes an SGF increase of $16,731, or 0.1 percent, and an all other funds decrease of $113,901, or 0.4 percent, from the FY 2021 revised estimate. The agency has indicated that it expects to maintain the same level of funding for FY 2022, with a slight increase in salaries and wages expenditures for fringe benefits increases. There is a slight decrease in aid to locals expenditures, due to the conclusion of the Traumatic Brain Injury (TBI) Partnership Grant Program in FY 2021. This program provided funding to increase services and supports for individuals with TBIs. The revised estimate also includes 44.0 FTE positions, which is the same number as the FY 2021 revised estimate.

The **Governor** recommends all expenditures be shifted to the budget of the newly created Department of Human Services, pursuant to an Executive Reorganization Order, which would combine the Kansas Department for Aging and Disability Services and the Department for Children and Families for FY 2022. For the purposes of this summary, the Governor's recommendation for FY 2022 services is included within the budget for the Department for Children and Families for FY 2021.

## *C. Medicaid Programs*

The Medicaid programs encompass all of the medical services programs KDADS manages, most of which are included in KanCare. Services include mental health services, psychiatric residential treatment facilities, nursing facilities for mental health, substance use disorder services, the Nursing Facility Program, Head Injury Rehabilitation Hospitals, Intermediate Care Facilities for Individuals with Intellectual Disabilities, HCBS Waivers, and the Program for All-Inclusive Care for the Elderly.

### Mental Health Services: KanCare

KanCare manages the Medicaid-funded Community Mental Health Services. The three KanCare managed care organizations (MCOs) contract with a variety of community mental health providers that include community mental health centers (CMHCs) and other private mental health practitioners to provide Medicaid-funded mental health services throughout the state. The MCOs are responsible for ensuring persons with mental illness who are Medicaid-eligible receive a comprehensive array of timely, quality, accessible, and effective mental health services in all areas of the state. The goal of these services is for persons with mental illness to experience recovery and live safe, healthy, successful, self-determined lives in their home and community.

### Psychiatric Residential Treatment Facilities: KanCare

Psychiatric residential treatment facilities (PRTFs) are licensed facilities that provide comprehensive mental health inpatient treatment for youth who cannot otherwise be served safely and effectively in a less restrictive environment. Youth are screened by CMHCs to determine the medical necessity for this level of care. PRTFs are expected to include family, agencies, and community as they offer strengths-based, culturally competent, medically appropriate mental health treatment. Treatment is uniquely designed to support reintegration to family and community living environments utilizing coordinated care support systems and Community Based Services. In Spring 2011, utilization of PRTFs dropped in response to increased utilization review efforts. Behavioral Health Mental Health Administration staff monitor utilization changes.

### Nursing Facilities for Mental Health: KanCare

Nursing facilities for mental health (NFMHs) provide out-of-home residential care and treatment for persons experiencing severe symptoms of mental illness. Persons seeking placement in NFMHs are screened to determine whether or not their needs can be met with community-based services before their admission to the NFMHs is authorized. Currently, persons needing these services are required to travel long distances from their homes due to the limited number of facilities in the state. NFMHs are classified by the federal Centers for Medicare and Medicaid Services (CMS) as institutions for mental disease (IMDs). CMS does not allow payment of Federal Financial Participation (FFP) to IMDs for persons between 22 and 64 years of age. Public payment for persons in this age range is funded entirely through the SGF. NFMHs facilities have experienced an increase in the number of people not eligible for FFP, creating a need for additional state funds. In addition, by state statute, NFMHs reimbursement rates are reviewed each year. This results in annual rate increases.

The Aging and Disability Community Services and Programs Commission (formerly named the Community Services and Programs Commission) established the Hospital and Home Initiative to engage providers, advocates, consumers, and family members in developing a strategic plan that focuses on the necessary components of a comprehensive array of mental health services. The Hospital and Home Initiative strategic plan recommends developing a new vision for NFMHs. The new vision defines the role of NFMHs as mental health rehabilitation facilities. The draft vision also enhances the role of the local CMHCs in assisting NFMHs in transitioning residents to community placement. Finally, alternative models of small Medicaid-funded residential treatment facilities for adults are being explored that could provide these needed services in more Kansas communities. NFMHs also participate in the Medicaid pay-for-performance program (PEAK).

**Substance Use Disorder Services: KanCare**

Substance Abuse Disorder (SUD) Services administers and manages Medicaid-funded community-based alcohol and drug abuse treatment services. Medicaid-eligible Kansans in need of treatment services can access outpatient, intermediate, reintegration, medical detox, and other related hospital-based services from more than 170 enrolled providers located across the state. The contracted MCO assists SUD Services by contracting with treatment providers across the state to provide treatment services to the greatest number of persons.

**Nursing Facility Program: KanCare**

The Nursing Facility (NF) Program is responsible for enrollment of nursing homes providing Medicaid services to customers and reimbursement for those services. KDADS also collects Civil Monetary Penalties (CMPs) from nursing facilities in instances of substandard quality of care, as determined by the KDADS surveyors. As of June 30, 2020, there were 320 nursing homes operating in the Kansas as Medicaid providers and, when combined with the 10 nursing homes for mental health, they serve all 105 counties in the state. These homes provide care for a daily average of 9,848 residents whose care is paid by Medicaid. Nursing homes are reimbursed for Medicaid resident care using a cost-based, facility-specific, prospective payment system. As of July 1, 2020, the average daily reimbursement rate is $195.70.

In 2010, the Kansas Legislature passed a provider assessment for nursing facilities. This allows Kansas to tax providers, match the providers' funds with federal funds, and reimburse nursing facilities at a higher rate. On July 1, 2016, the provider assessment was increased. In FY 2020, the agency collected $41.3 million from this assessment.

**Head Injury Rehabilitation Hospitals: KanCare**

Head Injury Rehabilitation Hospitals provide Medicaid-funded services to individuals with a traumatic brain injury (TBI) who require services at a level of intensity, duration, or frequency that may not be available in the community-based setting. Services must be restorative and rehabilitative in nature. Services include behavioral therapy, cognitive therapy, drug and alcohol abuse therapy, independent living skills training, occupational therapy, and physical therapy. In January 2013, KDADS integrated the services provided under this program with the State's Section 1115 KanCare Demonstration Project.

## Positive Behavior Support

Positive Behavior Support (PBS) is the integration of valued outcomes, behavioral and biomedical science, validated procedures, and systems change to enhance an individual's quality of life and reduce problem behaviors. PBS services are funded by Medicaid and made available to Community Services Providers and Community Developmental Disability Organizations to assist them with the design and implementation of a successful service strategy for persons with severe behavior challenges. This service is provided to children under the age of 21 years with a developmental disability, a diagnosis of autism, or a traumatically inflicted head injury who are at risk of out-of-home placement.

## Intermediate Care Facilities for Individuals with Intellectual Disabilities: KanCare

The Community Services and Programs Commission (CSP) administers Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IIDs). Private ICF/IIDs are Medicaid-funded, federally regulated, 24-hour care and training facilities that serve persons with intellectual or developmental disabilities. Each ICF/IIDs is reimbursed a *per diem* rate for each person living in the facility. Effective January 1, 2013, KDADS integrated the services provided under this program with the State’s Section 1115 KanCare Demonstration Project.

## Home and Community Based Services Waivers

Home and Community Based Services (HCBS) Waiver Services provides services for more than 24,100 individuals with disabilities throughout the state through six different waiver programs: Intellectual and Developmental Disability (I/DD) Waiver, Physical Disability (PD) Waiver, Brain Injury (BI) Waiver, Technology Assisted (TA) Waiver, Autism (AU) Waiver, Frail Elderly (FE) Waiver, and Severe Emotional Disturbance (SED) waiver. In addition to these waiver programs, community services and programs work through the Money Follows the Person grant to assist with the transitions from institutional settings to services based in the community. The goal of waiver services is to provide individuals with disabilities services within their own communities to improve quality-of-life outcomes. Supports and services provided include day and residential services, family support services, and personal care services, which assist people with daily living tasks. Individuals have the opportunity to self-direct their services, including the hiring, training, scheduling, supervising, and releasing of attendants. Services also include assistive services, such as home modifications; technology devices; transitional living services, such as teaching independent living skills; and rehabilitation services, such as physical, occupational, speech, behavioral, and cognitive therapies. Services are coordinated by case managers or independent living counselors.

These services are provided through community providers, such as Community Developmental Disability Organizations, Centers for Independent Living, and home health agencies. Financing is provided by Medicaid Home and Community Based Services Waivers, grants to Community Developmental Disability Organizations, and through the regular medical portion of the Medicaid program.

To be served by a HCBS Waiver, a person must be determined both financially and functionally eligible. Once eligible, the person may receive both waiver services and regular medical services, such as doctors visits and pharmaceuticals.

**Institutional Transition Program.** Historically, KDADS participated in the federal Money Follows the Person (MFP) program. Since the federal MFP grant program concluded, KDADS has continued the practice of assisting individuals transition from institutional settings to home and community-based settings. Kansans making long-term care decisions are provided complete information, given the opportunity to discuss their choices and learn how they can be served in the community. The Institutional Transitions program not only allows for the resident to receive HCBS waiver services in the community, but also assistance in transition in order to reestablish a residence making it possible for the resident to return to the community. Four target populations are served by this program: the Frail Elderly (FE), individuals with a Physical Disability (PD), individuals with a Brain Injury (BI), and individuals with an Intellectual or Developmental Disability (I/DD).

To be eligible for this program, an individual must meet the following requirements:

- Be a current resident of a qualified institutional setting for 90 days;
- Be Medicaid-eligible prior to receiving MFP services;
- Meet the functional eligibility for waivered services; and
- Have an interest in moving back to the community.

**Waiting Lists.** Some programs are not entitlements. If more people apply for and need these programs than the available funds can support, a waiting list for the program is established.

**I/DD Waiver.** As of November 2020, there were 4,422 persons on the waiting list who currently do not receive any HCBS services. The waiver for individuals with an intellectual or developmental disability (I/DD) provides Medicaid funding for a variety of community supports and services for persons whose developmental disabilities are severe enough to qualify them for institutional services. Services provided through the I/DD Waiver include day supports, residential support services, supportive home care, and assistive services, as well as other support services.

**PD Waiver.** As of November 2020, there were 1,939 persons on the waiting list. The waiver for individuals with a Physical Disability (PD) provides Medicaid funding for a variety of community services for those who prefer to live in their community rather than a nursing facility. The primarily service provided through this program is personal services, which assist the individual with activities that an individual would perform for themselves if they did not have a disability.

**FE Waiver.** The FE Waiver does not have a waiting list as of November 2020. The Frail Elderly (FE) waiver provides Medicaid-eligible customers with the opportunity to receive cost-effective community-based services as an alternate to nursing home care. The federal waiver requires the aggregate cost of serving these customers in their homes be less than if they had elected to enter nursing homes.

**Autism Waiver.** As of November 2020, there were 341 children on the proposed waiver recipient waiting list who currently do not receive any HCBS Autism Waiver services. The Autism Waiver is designed to provide intensive early intervention services to children with an Autism Spectrum Disorder. Services under the waiver include respite care to provide relief for caregivers and parent support and training and intensive individual supports, which provide the therapy needed to assist the child in acquiring, retaining, and improving self-help, socialization, and adaptive skills.

**TA Waiver.** As of November 2020, there was no waiting list for the Technology Assistance (TA) waiver. In 2017, in order to continue the no waiting list status and control the cost of the program, the program modified its community and hospital referral process for program access. In addition, the program has instituted a system in which waiver recipients graduate from a high level of care to a lower level of care when individuals become medically stable. The cost of the program also is maintained due to the program's emphasis on a parent or legal guardian's participation in the caregiving and as part of the informal support system.

**BI Waiver.** As of November 2020, there was no waiting list for the Brain Injury (BI) waiver. The 2018 Legislature enacted language requiring KDADS to implement a change to allow coverage for individuals with a documented brain injury acquired from causes not previously covered under the waiver and to eliminate the age restrictions for coverage. Individuals receive services from various professionals (physical, occupational, speech, behavior, and cognitive), transitional living skills specialists, and personal care attendants. Services and community resources are coordinated by care managers. Persons must continue to make progress in their rehabilitation or independent living skills training to maintain eligibility.

**Program of All-Inclusive Care for the Elderly.** The Program of All-Inclusive Care for the Elderly (PACE) Program is a form of managed care in that the provider accepts a capitated rate in the form of a monthly premium. Most participants are eligible for both Medicare and Medicaid benefits. The PACE Program Medicaid rate is negotiated at a minimum of a federally required 5.0 percent cost savings of the calculated upper payment limit, based on past fee-for-service costs for Medicaid beneficiaries age 55 and older for each unique service coverage area. For this capitated payment, the provider assumes the full risk for their participant's long-term care needs. The monthly capitated payment is a fixed amount that extends over the life of the participant, regardless of changes in the participant's health status or service needs. Participants may be required to pay a portion of the capitated payment depending on their income.

PACE organizations must have a center that is approved by the federal Centers for Medicare and Medicaid Services and the State to provide adult day care services, clinical services, therapies, meals, social services, assistance with activities of daily living, and medication management. In addition, the sites are required to have a primary care physician who is part of the team of professionals that helps the participants manage their care. Each participant has access to all specialty services covered under either Medicare, Medicaid, or both. The first PACE site, called HOPE, was opened in 2002 by Via Christi Health Services in Wichita. HOPE serves up to 275 participants in Sedgwick County. The Midland Care Connection PACE site, located in Topeka, opened in 2007 and serves up to 300 participants in Shawnee County and the six surrounding counties. A new site located in McPherson County serves 70 participants in McPherson and surrounding counties. KDADS plans to significantly expand PACE over the next few years. The first phase of the expansion included adding capacity to the original two programs, Via Christi HOPE and Midland Care, in FY 2013. The second phase includes adding PACE providers to additional market areas. The agency states the expansion will be budget neutral overall, as PACE rates are similar to the KanCare capitated rates for the frail elderly and nursing home eligible population, and because PACE will be a dual enrollment option to KanCare, and an eligible person that enrolls in PACE and will not enroll into a KanCare plan.

To be eligible to enroll, an individual must meet the following requirements:

- Be 55 years of age or older;
- Be determined to meet the nursing facility level-of-care threshold;
- Reside in the service area of the PACE organization; and
- Be able to live in a community setting without jeopardizing his or her health or safety.

**PACE Expenditures Shift from KDHE.** Beginning in FY 2018, the KDHE portion of the PACE program budget attributable to acute health care was transferred to KDADS, making KDADS responsible for all PACE program payments.

**PERFORMANCE MEASURES**

| Measure | Actual FY 2018 | Actual FY 2019 | Gov. Rec. FY 2020 | Actual FY 2020 | Gov. Rec. FY 2021 | Gov. Rec. FY 2022 |
|---|---|---|---|---|---|---|
| There were no performance measures submitted for this program. | | | | | | |
| Agency Expenditures | | | | | | |
| All Funds (Dollars in Billions) | $ 1.5 | $ 1.6 | $ 1.9 | $ 1.8 | $ 2.0 | $ 0.0 |
| FTE Positions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

**MEDICAID PROGRAMS**
**SUMMARY OF EXPENDITURES FY 2020 – FY 2022**

| Item | Actual FY 2020 | Agency Est. FY 2021 | Gov. Rec. FY 2021 | Agency Req. FY 2022 | Gov. Rec. FY 2022 |
|---|---|---|---|---|---|
| **Expenditures:** | | | | | |
| Salaries and Wages | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 |
| Contractual Services | 150,000 | 9,569,218 | 3,569,218 | 9,569,218 | 0 |
| Commodities | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 |
| Debt Service | 0 | 0 | 0 | 0 | 0 |
| *Subtotal - Operations* | *$ 150,000* | *$ 9,569,218* | *$ 3,569,218* | *$ 9,569,218* | *$ 0* |
| Aid to Local Units | 0 | 0 | 0 | 0 | 0 |
| Other Assistance | 1,806,943,653 | 1,935,975,294 | 2,036,492,503 | 1,988,634,933 | 0 |
| **TOTAL** | **$ 1,807,093,653** | **$ 1,945,544,512** | **$ 2,040,061,721** | **$ 1,998,204,151** | **$ 0** |
| **Financing:** | | | | | |
| State General Fund | $ 666,457,104 | $ 728,942,375 | $ 640,074,388 | $ 775,527,006 | $ 0 |
| All Other Funds | 1,140,636,549 | 1,216,602,137 | 1,399,987,333 | 1,222,677,145 | 0 |
| **TOTAL** | **$ 1,807,093,653** | **$ 1,945,544,512** | **$ 2,040,061,721** | **$ 1,998,204,151** | **$ 0** |
| FTE Positions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

The **agency** requests a revised estimate of $1.9 billion, including $728.9 million SGF, for expenditures in Medicaid Programs in FY 2021. This is an all funds increase of $17.0 million, or 0.9 percent, above the FY 2021 approved amount. This includes an SGF decrease of $47.3 million, or 6.1 percent, and an all other funds increase of $64.4 million, or 5.6 percent, from the FY 2021 approved amount. The revised estimate does not include any FTE positions, which is the same as the FY 2021 approved amount. The increase is primarily related to Medicaid expenditures for entitlement programs, including the agency's supplemental request for additional funding for the BI waiver.

Included in the revised estimate is a decrease in contractual services related to the implementation of the agency's Administrative Case Management program. The program had been in development over the last several years, and was implemented in the spring of 2020. Due the implementation occurring late into the fiscal year, there was a reappropriation from FY 2020 into FY 2021 which added to the approved FY 2021 amount. The program is designed to assist individuals in identifying and applying for PD, FE, and BI waiver services. Due to the late implementation of the program, the agency believes there may be excess available funds in FY 2021 and have identified this program as a potential area for reduced resources.

The difference in funding sources is related to two factors. The first is related to a temporary increased Federal Medical Assistance Percentage (FMAP) rate due to the ongoing COVID-19 pandemic. The FMAP rate was temporarily increase by 6.2 percent due to the pandemic, and it is extended until the last day of the calender quarter when the COVID-19 public emergency is declared ended. As a result, the agency was able to utilize less state funds to draw down more federal funds, which accounts for a large portion of the funding source shift. The second factor is related to the extension of the quality care assessment for nursing facilities to FY 2030. The assessment was due to sunset in FY 2020, and as a result revenue to that fund was estimated to be low. With the extension, the agency anticipates revenue to increase in FY 2021 and remain consistent over the next several years, which will be for nursing facility expenses.

The **Governor** recommends $2.0 billion, including $640.1 million SGF, for expenditures in Medicaid Programs in FY 2021. This is an all funds increase of $94.5 million, or 4.9 percent, above the agency's FY 2021 revised estimate. This includes an SGF decrease of $88.9 million, or 12.2 percent, and and an all other funds increase of $183.4 million, or 15.1 percent, from the agency's FY 2021 revised estimate.

The all fund increase is due to several factors, all related to KanCare Caseloads. Every October and April, the Kansas Legislative Research Department and the Division of the Budget work with the Medicaid agencies to develop a consensus estimate for Human Services entitlement expenditures. Examples of expenditures for the agency includes, but are not limited to: nursing facility reimbursement, Medicaid behavioral health reimbursements, and Medicaid reimbursements for substance abuse treatment. In FY 2021, the estimate increased due to:

- An increase in member population. As a condition to receive the increased FMAP, states are not allowed to remove individuals from Medicaid while the COVID-19 public health emergency declaration continues. This results in increased expenditures as individuals continue to be added, but are not removed; and

- A new policy for Medicaid reimbursement of PRTF stays for individuals with primary private insurance. In an effort to address the shortage of PRTF beds in Kansas, the agency implemented a new policy to assist in narrowing the discrepancy for individuals who have private insurance and Medicaid. According to the agency, there is a discrepancy for individuals with both private insurance and Medicaid between what private insurance will reimburse for PRTF services and what Medicaid will reimburse. As a result, the agency believes there is a group of individuals who may experience barriers to service. Therefore, included in the Fall Caseloads is an initiative to use Medicaid funds to pay the difference between the two reimbursement rates. The agency believes this initiative may help to incentivize PRTFs to increase bed capacity, particularly in the western portion of the state.

The fluctuation between SGF and all other funds is primarily due to the utilization of special revenue funds for the Medicaid state match. These primarily include funds from the Problem Gambling and Addictions Grant Fund and the nursing facilities provider assessment. The Governor's recommendation increased the total of each of these funds to contribute to the state match, which lowered the amount of SGF moneys utilized for the state match.

The **agency** requests $2.0 billion, including $775.5 million SGF, for expenditures in Medicaid Programs for FY 2022.This is an all funds increase of $52.7 million, or 2.7 percent, above the FY 2021 revised estimate. This includes an increase of $46.6 million SGF, or 6.4 percent, and an all other funds increase of $6.1 million, or 0.5 percent, above the FY 2021 revised estimate. The request does not include any FTE positions, which is the same amount as the FY 2021 revised estimate.

The all funds increase is primarily related to the the agency's enhancement requests to the BI, PD, and I/DD waivers described in detail above. Currently, the agency requests funds to add additional individuals to the PD and I/DD waiver,who are currently on the wait list. The agency indicates these additions are an effort to avoid growth of the wait list while it works with stakeholders to find a solution to the number of individuals waiting for waiver services. The agency also requests funds for BI waiver services. It has indicated a growing population for the BI waiver and believes that without additional funds, it may experience difficulty in serving the additional individuals.

Outside of increases for HCBS waiver services, the request also includes increases related to a growing PACE population. The agency has made efforts to grow the PACE network in the western part of the state, and as a result, it indicated a growth in member population, which it anticipates continuing. Additionally, as a condition for the increased FMAP rate in FY 2021, the agency was prohibited from removing individuals from Medicaid. Therefore, the agency does not anticipate removing individuals from Medicaid until late FY 2021.

The SGF increase is related to the conclusion of the temporarily increased FMAP rate in FY 2021. As indicated above, due to the ongoing COVID-19 pandemic, the agency is receiving an increase FMAP rate. However, at the time it submitted its budget, the agency anticipated the increased rate ending in FY 2021. Therefore, there is an SGF increase for FY 2022 representing the agency utilizing more SGF to draw down federal funds.

The **Governor** recommends all expenditures be shifted to the budget of the newly created Department of Human Services, pursuant to an Executive Reorganization Order, which would combine the Kansas Department for Aging and Disability Services and the Department for Children and Families for FY 2022. For the purposes of this summary, the Governor's recommendation for FY 2022 services is included within the budget for the Department for Children and Families for FY 2022.

## *D. Behavioral Health Services Commission*

The Behavioral Health Services Commission includes Behavioral Health Mental Health Services, Behavioral Health Substance Use Disorders, Behavioral Health Mental Health Administration, Behavioral Health Mental Health Grants, Behavioral Health Substance Use Disorders Administration, and Behavioral Health Addiction Services Grants.

### Behavioral Health Mental Health Services

The foundation for all community mental health services is the Mental Health Reform Act, KSA 39-1601 *et seq.* The Treatment Act for Mentally Ill Persons, KSA 59-2901 *et seq.*, states how patients shall be provided psychiatric treatment on both a voluntary and involuntary basis. KSA 65-4403 describes the procedures for providing state aid to community mental health centers. KSA 75-3307b authorizes the agency to enforce the laws relating to the hospitalization of mentally ill persons in mental health hospitals and community treatment facilities.

## Behavioral Health Substance Use Disorders (SUD)

In 1972, the Kansas Legislature established the State Alcohol Program (KSA 65-4001). In 1973, the Kansas Legislature established the Drug Abuse Program (KSA-75-5375). Both programs functioned separately under a five-member commission until 1975, when the commissions were abolished and the Alcohol and Drug programs were brought into the Department of Social and Rehabilitation Services (SRS). In 1980, the Governor issued Executive Reorganization Order (ERO) No. 17. Section 18 of that ERO established the alcohol and drug programs as a full service component in SRS. In 2007, SB 354 merged the separate statutes through an amendment of KSA 65-4001.

KSA 65-4007 *et seq.*, 65-4601 *et seq.*, and 75-5375 *et seq.* deal with alcohol and drug prevention, treatment, and licensing functions. Funding for these programs is through the Community Alcoholism and Intoxication Programs Fund (KSA 41-1126) and the Alcoholism Treatment Fund, KSA 41-2622. Federally, alcohol treatment and prevention activities are governed by PL 97-35. This legislation also provides for federal funding through the Substance Abuse Prevention and Treatment Block Grant.

Since the passage of 2007 SB 66, which designated 2.0 percent of the state proceeds from expanded gaming activities to be made available to treat problem gambling and other addictions, Behavioral Health SUD has worked to heighten awareness of treatment services for people with gambling problems in Kansas.

## Behavioral Health Mental Health Administration

The Behavioral Health Mental Health (BHMH) Administration monitors and oversees the Kansas public mental health service system. This includes purchasing mental health services required for persons who do not have the means to pay. Individuals served include adults with a severe and persistent mental illness (SPMI) and children with a severe emotional disturbance (SED). BHMH Administration purchases services through grants and contracts utilizing state funding and Medicaid funding. Funding through grants and contracts is awarded to community mental health centers (CMHCs), private community mental health providers, psychiatric residential treatment facilities (PRTFs), nursing facilities for mental health (NFMH), consumer run organizations, advocacy groups, a pharmacy benefits manager, housing organizations, and universities. BHMH Administration monitors and holds providers and contractors accountable for ensuring persons with mental illness, especially those with a SPMI/SED, receive quality services that meet their needs.

In addition to purchasing services, BHMH Administration strives to improve the lives of persons with mental illness by supporting the development and implementation of person-centered, evidence-based practices; furnishing direct technical assistance to providers; and utilizing a continuous quality improvement process. BHMH Administration also establishes and ensures compliance with licensing standards for CMHCs, private freestanding psychiatric hospitals, PRTFs for youth, and adult residential care facilities. BHMH Administration is responsible for the budget, oversight, and management of NFMHs. BHMH Administration strives to coordinate mental health services across all service systems including, but not limited to, the physical health care, juvenile justice, adult criminal justice, and child welfare systems. BHMH Administration provides support for the Governor's Behavioral Health Services Planning Council charged with providing independent oversight and recommendations for Kansas' mental health system. BHMH Administration also works closely with the state mental health hospitals, NFMHs, PRTFs, private acute care hospitals, and CMHCs to ensure individuals ready for discharge are provided appropriate community-based services.

### Behavioral Health Mental Health Grants

BHMH Grants includes services through grants and contracts. Grants and contracts are awarded to community mental health centers, private community mental health providers, housing agencies, pharmacy benefit managers, and others. BHMH Administration monitors and manages these grants and contracts to ensure quality, effective mental health services are provided to Kansans who need them the most.

### Behavioral Health Substance Use Disorders Administration

Behavioral Health Substance Use Disorders (BHSUD) Administration supports a system of services for individuals experiencing alcoholism, drug dependence, or a gambling addiction, using federal block grant, Medicaid, and state funds. BHSUD purchases an array of services for the treatment of addictions in Kansas, which utilizes a consumer and community-centered philosophy; encourages collaboration with agencies, including dissemination of information and integrating technology and resources that benefit the client; ensures availability and accessibility to recovery services across the state; and promotes continuous quality improvement based on data, research, and outcomes. BHSUD establishes and monitors compliance to standards for program licensure certification of person-centered case managers, certification of peer mentors, certification of problem gambling counselors, promotes outcomes-based planning and performance improvement, encourages utilization of evidenced-based practices, and provides workforce and leadership development through training opportunities for frontline staff and clinical supervisors.

BHSUD has adopted the National Institute of Drug Abuse principles, a research-based guide that lists science-based treatment strategies for treatment providers. In addition, Addiction and Prevention Services uses the following National Performance Outcomes Measures as performance measures: Abstinence from Drug/Alcohol Use; Increased and/or Retained Employment; Decreased Criminal Justice Involvement; Increased Stability in Housing; Increased Access to Services; Increased Retention in Treatment; Client Perception of Care; Cost Effectiveness; Use of Evidence-Based Practices; and Increased Social Supports/Social Connectedness.

**Problem Gambling.** Behavior Health Services administers problem gambling public awareness, prevention, and treatment services through 3.5 FTE positions.

**Prevention.** Behavior Health Services administers prevention programs designed to address target indicators in addition to providing education and awareness around drug and alcohol concerns. Behavior Health Prevention is also responsible for ensuring Kansas is compliant with federal Synar regulations. Under the Synar Amendment, the State must conduct random, unannounced inspections of tobacco retail outlets to determine a level of compliance with the prohibition of selling tobacco products to minors. The inspections are conducted by the Kansas Department of Revenue's Alcoholic Beverage Control (ABC) Division. Federal rules require 80 percent compliance with the prohibition of selling of tobacco to minors; a "soft" compliance rate of 90 percent has been announced as a goal to states for future years. Failure to reach the required target of 80 percent for FY 2005 resulted in a $2.8 million penalty and required Kansas to increase its financial investment in reducing youth access to tobacco. The State of Kansas completed this penalty phase in FY 2007. Due to the penalty, $400,000 was committed to the BHSUD budget to maintain and increase retailers' compliance with federal Synar requirements. Through these efforts, Kansas has both maintained compliance to the required federal standard and achieved the 90 percent goal set by the Center for Substance Abuse Prevention.

## Behavioral Health Addiction Services Grants

**Addiction Services Treatment.** Through a system of contracts and grants managed by a contracted managed care entity, Behavioral Health Addiction Services (BHAS) supports a system of services for low-income individuals experiencing alcoholism, drug dependence, or a gambling addiction. BHAS monitors compliance to standards for program licensure and treatment counselor credentialing, promotes outcomes-based planning and performance improvement, encourages utilization of evidenced-based practices, and provides workforce and leadership development through training opportunities for frontline staff and clinical supervisors.

**Prevention.** Behavior Health Prevention programs exist across communities throughout Kansas as well as supporting Synar compliance. Through a system of grants and contracts, Behavior Health Prevention supports an infrastructure in reducing past 30-day alcohol use, binge drinking, and 30-day cigarette use among students in grades 6, 8, 10, and 12. Included in this infrastructure are agencies that support the “Kansas Communities That Care” student survey, other evaluation data, and an administrative and logistics coordinator. BHAS Prevention also supports Synar compliance in collaboration with the Cigarette and Tobacco Enforcement team through the Kansas Department of Revenue.

**Problem Gambling.** Problem Gambling Services provides first-contact, crisis intervention, and on-demand treatment for people with gambling problems and their families. The Problem Gambling Program provides a help line 24 hours a day, 365 days a year, staffed by master’s level professionals. Prevention education and awareness activities are also funded, including grants to four community task forces and a statewide coalition.

## PERFORMANCE MEASURES

| Measure | Actual FY 2018 | Actual FY 2019 | Gov. Rec. FY 2020 | Actual FY 2020 | Gov. Rec. FY 2021 | Gov. Rec. FY 2022 |
|---|---|---|---|---|---|---|
| Number of Persons with Severe and Persistent Mental Illness Receiving Outpatient Services* | 21,019 | 18,764 | 19,000 | 16,674 | 20,000 | N/A |
| Number of Individuals Served in a KDADS-Funded Crisis Program* | 25,100 | 23,796 | 25,000 | 13,094 | 14,000 | N/A |
| Number of Individuals Receiving Social Detox Through a Crisis Program* | 1,661 | 837 | 1,850 | 1,071 | 2,000 | N/A |
| Number of Individuals Referred to MH and/or SUD Treatment from a Crisis Program* | 2,619 | 4,315 | 4,500 | 7,586 | 8,000 | N/A |
| Number of KanCare Children Receiving PRTF Services (Monthly Average)* | 278 | 240 | 285 | 252 | 285 | N/A |
| Number of KanCare Children on the PRTF Waiting List* | 144 | 207 | 155 | 155 | 80 | N/A |
| Number of Individuals Receiving Problem Gambling Treatment* | 174 | 179 | 184 | 91 | 100 | N/A |
| Number of Individuals Receiving SUD Treatment* | 12,355 | 12,500 | 12,500 | 9,321 | 12,500 | N/A |
| Number of Individuals Receiving Community-Based Alcohol and Drug Treatment Services* | 7,077 | 6,826 | 7,000 | 5,933 | 7,000 | N/A |
| Number of Persons with Severe and Persistent Mental Illness Receiving Outpatient Services* | 21,019 | 18,764 | 19,000 | 16,674 | 20,000 | N/A |
| Number of Individuals Served in a KDADS-Funded Crisis Program* | 25,100 | 23,796 | 25,000 | 13,094 | 14,000 | N/A |
| **Agency Expenditures** | | | | | | |
| All Funds (Dollars in Millions) | $ 95.9 | $ 94.6 | $ 116.7 | $ 106.1 | $ 111.5 | $ 0.0 |
| FTE Positions | 26.0 | 43.0 | 43.0 | 24.0 | 24.0 | 0.0 |

*The Governor's Office does not utilize this measure for evaluation purposes.

**BEHAVIORAL HEALTH COMMISSION**
**SUMMARY OF EXPENDITURES FY 2020 – FY 2022**

| Item | Actual FY 2020 | Agency Est. FY 2021 | Gov. Rec. FY 2021 | Agency Req. FY 2022 | Gov. Rec. FY 2022 |
|---|---|---|---|---|---|
| **Expenditures:** | | | | | |
| Salaries and Wages | $ 1,590,466 | $ 1,555,682 | $ 1,555,682 | $ 1,652,950 | $ 0 |
| Contractual Services | 13,207,164 | 23,197,764 | 23,197,764 | 23,152,460 | 0 |
| Commodities | 2,155 | 4,531 | 4,531 | 3,780 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 |
| Debt Service | 0 | 0 | 0 | 0 | 0 |
| *Subtotal - Operations* | *$ 14,799,785* | *$ 24,757,977* | *$ 24,757,977* | *$ 24,809,190* | *$ 0* |
| Aid to Local Units | 62,849,701 | 66,907,096 | 64,191,596 | 74,407,096 | 0 |
| Other Assistance | 28,450,969 | 22,583,984 | 22,583,984 | 19,999,018 | 0 |
| **TOTAL** | **$ 106,100,455** | **$ 114,249,057** | **$ 111,533,557** | **$ 119,215,304** | **$ 0** |
| **Financing:** | | | | | |
| State General Fund | $ 53,713,236 | $ 60,630,305 | $ 47,460,647 | $ 68,217,276 | $ 0 |
| All Other Funds | 52,387,219 | 53,618,752 | 64,072,910 | 50,998,028 | 0 |
| **TOTAL** | **$ 106,100,455** | **$ 114,249,057** | **$ 111,533,557** | **$ 119,215,304** | **$ 0** |
| FTE Positions | 24.0 | 24.0 | 24.0 | 24.0 | 0.0 |

The **agency** requests a revised estimate of $114.3 million, including $60.6 million SGF, for expenditures in the Behavioral Health Commission in FY 2021. This is an all funds decrease of $3.7 million, or 3.1 percent, below the FY 2021 approved amount. This includes an SGF increase of $59,567, or 0.1 percent, and an all other funds decrease of $3.6 million, or 6.3 percent, from the FY 2021 approved amount. The revised estimate also includes 24.0 FTE positions, which is an increase of 2.0 FTE above the FY 2021 approved number.

The decrease is primarily attributed to funds which reappropriated from FY 2020 to FY 2021. Beginning in FY 2016, the agency was annually appropriated $3.9 million SGF to support diversions from Osawatomie State Hospital (OSH). The diversions were due partly to census issues OSH experienced prior to the decertifcation of federal funds, as well as a general shift towards serving individuals in the community. The agency has experienced issues in the past several years with securing beds, which led to the reappropriation. The agency has indicated its intent to utilize these funds for a new regional bed effort, tentatively named the State Institutional Alternative program. The agency had additional reappropriations related to CMHC supplemental funding, which it has indicated is the result of expenditures that were expected to be paid from those funds, being paid from other funds.

Partially offsetting the decrease are increases for contracts with CMHCs, private providers, and housing agencies for treatment services of individuals with severe and persistent mental illnesses (SPMI). Services include supported housing services for those with SPMI who are homeless or at risk of homelessness, specifically those individuals discharged from inpatient or residential treatment. These contracts also includes contacts with private organizations for regional OSH diversion beds and supplemental funding for CMHCs. Additional increases include expenditures for substance abuse treatment contracts.

The **Governor** recommends $111.5 million, including $47.5 million SGF, for expenditures in the Behavioral Health Commission in FY 2021. This is an all funds decrease of $2.7 million, or 2.4 percent, below the agency's FY 2021 revised estimate. This includes an SGF decrease of $13.2 million, or 33.6 percent, and an all other funds increase of $10.5 million, or 19.5 percent, from the agency's FY 2021 revised estimate. The recommendation includes decreased expenditures for the Clubhouse Model and Crisis Stabilization programs due to decreased estimated revenue from lottery vending machines. The fluctuation between funding sources is due to the recommendation that the agency utilize special revenue funds to offset decreased SGF appropriations.

The **agency** requests $119.2 million, including $68.2 million SGF, for expenditures in the Behavioral Health Commission for FY 2022.This is an all funds increase of $5.0 million, or 4.3 percent, above the FY 2021 revised estimate. This includes an SGF increase of $7.6 million, or 12.5 percent, and an all other funds decrease of $2.6 million, or 4.9 percent, from the FY 2021 revised estimate. The revised estimate also includes 24.0 FTE positions, which is the same number as the FY 2021 revised estimate.

The all funds increase is primarily related to the agency's enhancements request that includes CHMC funding for providing specialized services in both NFMHs and regular nursing facilities. The agency has indicated these enhancements are efforts to better provide specialized services to individuals residing in residential settings. Additional enhancements include funding for the statewide mobile response and stabilization program related to the launching of a 988 number for behavioral health crisis calls and funding for the Community Integration Housing First Program designed to assist individuals with SPMI who are homeless or at risk of homelessness.

The **Governor** recommends all expenditures be shifted to the budget of the newly created Department of Human Services, pursuant to an Executive Reorganization Order, which would combine the Kansas Department for Aging and Disability Services and the Department for Children and Families for FY 2022. For the purposes of this summary, the Governor's recommendation for FY 2022 services is included within the budget for the Department for Children and Families for FY 2021.

## *E. Survey, Certification, and Credentialing Commission*

The primary purpose of the Survey, Certification, and Credentialing Commission is to protect public health through the inspection and licensing of adult care homes in Kansas, as defined by KSA 39-923. The Commission develops and enforces regulations related to adult care homes. Field staff document compliance with state regulations and federal certification standards through on-site surveys. Investigations of alleged abuse, neglect, or exploitation also are conducted. In rare cases, the Commission may assume temporary management of a nursing home facility pursuant to a court order. The Commission is composed of three divisions: Long-Term Care Consulting, Survey and Certification, and Health Occupations Credentialing.

### Long-Term Care Consulting Division

The Long-Term Care Consulting Division assures the quality of care and quality of life of residents in adult care homes through several efforts. These initiatives include the development of policies, regulations, and educational offerings, as well as developing and maintaining effective liaison with officials in the federal Centers for Medicare and Medicaid Services (CMS), other state agencies, professional organizations, and the public. This division provides assistance to long-term care providers through consultation on nursing, administration, nutrition, construction, remodeling, and data issues. The Division continues to focus much of its efforts on culture change, or resident-centered care, in nursing home settings. This approach values smaller, more homelike settings and individualized care planning that includes emphasis on quality-of-life concerns.

## Survey and Certification Division

The Survey and Certification Division evaluates facilities and providers for state licensure and federal certification purposes. These responsibilities are accomplished through the administrative review of initial qualifications and ongoing surveys conducted by teams composed primarily of registered nurses and a life safety code inspector. Generally speaking, the Survey and Certification Division activities are divided between nursing facilities/long-term care units of hospitals, intermediate care facilities, assisted living facilities, and other state licensed only facilities.

The Survey and Certification Division also is responsible for surveyor training and orientation, survey quality improvement efforts, policy and procedure development, and survey management. Beginning in FY 2006, the Commission became a "pilot state" in implementing CMS' Quality Indicator Survey (QIS) process for Medicare- and Medicaid-certified nursing facilities. Full implementation of the QIS process across the state occurred in FY 2011.

Other functions the Commission performs are enforcement and implementation of a Complaint Program. The Enforcement Coordinator assures that corrective actions are imposed accurately and in a timely way when facilities fail to meet conditions of participation and licensure and certification standards. The Complaint Program performs complaint intake activities through the complaint hotline, triage of complaints, and assures that on-site investigations are coordinated for complaint intakes according to state and federal requirements. These programs report directly to the Commissioner.

## Health Occupations Credentialing

Health Occupations Credentialing (HOC) administers the Health Occupations Credentialing Act (KSA 65-5001 *et seq.*), a review process whereby health professions seeking credentialing apply for a credentialing review. The program also issues licenses to dietitians, speech-language pathologists, audiologists, and adult care home administrators. Certification programs administered by the program include nurse aides, home health aides, and medication aides. Related to the certification program is administration of the Kansas Nurse Aide Registry, which is a federally mandated program to ensure that facilities hire nurse aides and home health aides with no abuse, neglect, or exploitation on their records. Other related professions or para-professions administered through this section include operators of residential care facilities or assisted living facilities, activities directors, social service designees, and paid nutrition assistants for adult care homes in Kansas.

The State of Kansas began requiring operators of adult care homes, health home agencies, and staffing agencies to ensure no one worked in those settings who had a criminal history of a prescribed list of crimes. This legislation went into effect July 1, 1997, and the enforcement of the prohibited criminal histories began in 1998. In a partnership between KDADS and the Kansas Bureau of investigation (KBI), operators submit information on each person for whom they request a criminal record check to the HOC Criminal Record Check program. HOC is linked to the KBI through a telecommunications system that provides initial data on each person for whom there is a record check requested. The information from KBI then provides the basis upon which operators are guided in determining a person's eligibility to work in that setting. HOC provides the data entry of these requests, processes the information received back from KBI, and notifies the operators when a criminal record indicates the person should not be employed.

In FY 2016, HOC was awarded a $3.0 million grant from CMS to develop a Kansas National Criminal Information System. The current criminal record check process is a name-based system that only checks for criminal offenses in Kansas. With this grant, the goal was to develop a fully automated system designed to utilize fingerprints to provide state and national criminal record checks. The central infrastructure components for the system and the related budget items include: 1) live scan equipment for scanning fingerprints as the personal identifier; 2) the Center for Naval Analyses-developed system for implementing the web-based workforce automation and registry checking process; 3) cost subsidy for facilities for the increased cost for KBI fingerprint-based criminal record checks; and 4) integration of existing software with the automated criminal record check system.

**PERFORMANCE MEASURES**

| Measure | Actual FY 2018 | Actual FY 2019 | Gov. Rec. FY 2020 | Actual FY 2020 | Gov. Rec. FY 2021 | Gov. Rec. FY 2022 |
|---|---|---|---|---|---|---|
| Average Number of Months between Surveys | 18.9 | 13.0 | 13.0 | 13.0 | 13.0 | N/A |
| Number of Surveys Exited * | 294 | 288 | 290 | 290 | 350 | N/A |
| Number of Background Checks Processed in the Health Occupations Credentialing Subprogram (in thousands)* | 69.2 | 70.0 | 75.0 | 75.0 | 80.0 | N/A |
| Agency Expenditures | | | | | | |
| All Funds (Dollars in Millions) | $ 10.7 | $ 13.1 | $ 18.1 | $ 10.1 | $ 12.0 | $ 0.0 |
| FTE Positions | 130.0 | 130.0 | 108.0 | 118.4 | 116.4 | 0.0 |

*The Governor's Office does not utilize this measure for evaluation purposes.

**SURVEY, CERTIFICATION, AND CREDENTIALING COMMISSION**
**SUMMARY OF EXPENDITURES FY 2020 – FY 2022**

| Item | Actual FY 2020 | Agency Est. FY 2021 | Gov. Rec. FY 2021 | Agency Req. FY 2022 | Gov. Rec. FY 2022 |
|---|---|---|---|---|---|
| **Expenditures:** | | | | | |
| Salaries and Wages | $ 6,863,825 | $ 8,434,664 | $ 8,434,664 | $ 8,521,340 | $ 0 |
| Contractual Services | 3,020,503 | 3,358,489 | 3,358,489 | 3,358,489 | 0 |
| Commodities | 3,789 | 44,835 | 44,835 | 44,835 | 0 |
| Capital Outlay | 170,629 | 158,635 | 158,635 | 158,635 | 0 |
| Debt Service | 0 | 0 | 0 | 0 | 0 |
| *Subtotal - Operations* | *$ 10,058,746* | *$ 11,996,623* | *$ 11,996,623* | *$ 12,083,299* | *$ 0* |
| Aid to Local Units | 0 | 0 | 0 | 0 | 0 |
| Other Assistance | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **$ 10,058,746** | **$ 11,996,623** | **$ 11,996,623** | **$ 12,083,299** | **$ 0** |
| **Financing:** | | | | | |
| State General Fund | $ 2,623,877 | $ 3,079,571 | $ 3,079,571 | $ 3,089,226 | $ 0 |
| All Other Funds | 7,434,869 | 8,917,052 | 8,917,052 | 8,994,073 | 0 |
| **TOTAL** | **$ 10,058,746** | **$ 11,996,623** | **$ 11,996,623** | **$ 12,083,299** | **$ 0** |
| FTE Positions | 118.4 | 116.4 | 116.4 | 116.4 | 0.0 |

The **agency** requests a revised estimate of $12.0 million, including $3.1 million SGF, for expenditures in the Survey, Certification, and Credentialing Commission in FY 2021. This is an all funds decrease of $4.0 million, or 25.3 percent, below the FY 2021 approved amount. This includes an SGF decrease of $153,676, or 4.8 percent, and an all other funds decrease of $3.9 million, or 30.4 percent, below the FY 2021 approved amount. The revised estimate also includes 116.4 FTE positions, which is an increase of 8.4 FTE positions above the FY 2021 approved number.

The decrease is due to expenditures for nursing facility surveying. The agency reviewed its expenses for its surveyors and adjusted to reflect FY 2020 actual expenses. As part of the creation of the State Hospital Commission, the agency is continuing to evaluate it's FTE needs and shifting positions to account for the most appropriate program. Due to the agency's reorganization, there were 8.4 FTE positions shifted from the State Hospital Commission to surveying and credentialing. Along with the shift in FTE positions is a comparable increase in salaries and wages expenditures, which partially offsets the decreases in contractual services.

The **Governor** concurs with the agency's revised estimate in FY 2021.

The **agency** requests $12.1 million, including $3.1 million million SGF, for expenditures in the Survey, Certification, and Credentialing Commission for FY 2022. This is an all funds increase of $86,676, or 0.7 percent, above the FY 2021 revised estimate. This includes an increase of $9,655 SGF, or 0.3 percent, and an all other funds increase of $77,021, or 0.9 percent, above the FY 2021 revised estimate. The agency has indicated that it expects to maintain the same level of funding for FY 2022, with a slight increase in salaries and wages expenditures for fringe benefits increases. The revised estimate also includes 116.4 FTE positions, which is the same number as the FY 2021 revised estimate.

The **Governor** recommends all expenditures be shifted to the budget of the newly created Department of Human Services, pursuant to an Executive Reorganization Order, which would combine the Kansas Department for Aging and Disability Services and the Department for Children and Families for FY 2022. For the purposes of this summary, the Governor's recommendation for FY 2022 services is included within the budget for the Department for Children and Families for FY 2022.

### *F. State Hospital Commission*

The State Hospital Commission is responsible for providing leadership, guidance, direction, oversight, training, and support to the state hospitals. The Commission provides day-to-day management and collaboration with Superintendents and executive staff at the state hospitals, to assist the hospitals with conditions of participation for certification with the federal Centers of Medicaid and Medicare Services and accreditation with the Joint Commission.

**STATE HOSPITAL COMMISSION**
**SUMMARY OF EXPENDITURES FY 2020 – FY 2022**

| Item | Actual FY 2020 | Agency Est. FY 2021 | Gov. Rec. FY 2021 | Agency Req. FY 2022 | Gov. Rec. FY 2022 |
|---|---|---|---|---|---|
| **Expenditures:** | | | | | |
| Salaries and Wages | $ 986,160 | $ 595,302 | $ 595,302 | $ 603,569 | $ 0 |
| Contractual Services | 713,649 | 896,829 | 896,829 | 896,829 | 0 |
| Commodities | 498 | 916 | 916 | 916 | 0 |
| Capital Outlay | 95 | 9,771,650 | 9,771,650 | 2,000,150 | 0 |
| Debt Service | 0 | 0 | 0 | 0 | 0 |
| *Subtotal - Operations* | *$ 1,700,402* | *$ 11,264,697* | *$ 11,264,697* | *$ 3,501,464* | *$ 0* |
| Aid to Local Units | 0 | 0 | 0 | 0 | 0 |
| Other Assistance | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **$ 1,700,402** | **$ 11,264,697** | **$ 11,264,697** | **$ 3,501,464** | **$ 0** |
| **Financing:** | | | | | |
| State General Fund | $ 1,438,352 | $ 8,389,913 | $ 8,389,913 | $ 3,398,180 | $ 0 |
| All Other Funds | 262,050 | 2,874,784 | 2,874,784 | 103,284 | 0 |
| **TOTAL** | **$ 1,700,402** | **$ 11,264,697** | **$ 11,264,697** | **$ 3,501,464** | **$ 0** |
| FTE Positions | 7.5 | 7.5 | 7.5 | 7.5 | 0.0 |

The **agency** requests a revised estimate of $11.3 million, including $8.4 million SGF, for expenditures in the State Hospital Commission in FY 2021. This is an all funds increase of $914,502, or 8.8 percent, above the FY 2021 approved amount. This includes an SGF increase of $962,969, or 13.0 percent, and an all other funds decrease of $48,467, or 1.7 percent from the FY 2021 approved amount. The revised estimate also includes 7.5 FTE positions, which is a decrease of 13.5 FTE positions below the FY 2021 approved number.

The increase is related to the reallocation of existing one-time funds to the agency's Electronic Health Records (EHR) system. The EHR system is used to manage patient billing, pharmacy ordering and dispensing, psychological behavior data, and other patient data. The agency indicates that the state hospitals either do not have an EHR system or have an EHR system that runs on antiquated operating systems. More detail is included above in the agency's enhancement request. The infrastructure had been planned but not yet been implemented. There were funds appropriated in FY 2021 for yearly maintenance of the system. The FY 2021 revised request includes these funds and the additional funds for the infrastructure of the system. The increase is partially offset by decreases in contractual services, due in part to the agency shifting existing funds to develop the EHR system.

As part of the creation of the State Hospital Commission, the agency is continuing to evaluate it's FTE needs and shifting positions to account for the most appropriate program. Due to the agency's reorganization, there were 13.5 FTE positions shifted from the State Hospital to the Administration Program and Surveying and Credentialing Commission. Along with the shift in FTE positions is a comparable decreases in salaries and wages expenditures, which partially offsets the increases in Capital Outlay.

The **Governor** concurs with the agency's revised estimate in FY 2021.

The **agency** requests $3.5 million, including $3.4 million million SGF, for expenditures in the State Hospital Commission for FY 2022. This is an all funds decrease of $7.8 million, or 68.9 percent, below the FY 2021 revised estimate. This includes a decrease of $5.0 million SGF, or

59.5 percent, and an all other funds decrease of $2.8 million, or 96.4 percent, below the FY 2021 revised estimate. The revised estimate also includes 7.5 FTE positions, which is the same number as the FY 2021 revised estimate.

The decrease is the related to the implementation of the state hospitals' EHR system occurring in FY 2021. As described above, the agency reallocated funds to develop and implement the infrastructure for the state hospitals' EHR system to manage patient records. That was an expenditure of $7.8 million that does not reoccur for FY 2022. Related to the EHR system is an ongoing expenditure of $2.0 million to support yearly maintenance and upkeep on the EHR system. The agency requested this additional $2.0 million as an enhancement, which is described in more detail above. Outside of the EHR system, the agency has indicated that it expects to maintain the same level of funding for FY 2022, with a slight increase in salaries and wages expenditures for fringe benefits increases.

The **Governor** recommends all expenditures be shifted to the budget of the newly created Department of Human Services, pursuant to an Executive Reorganization Order, which would combine the Kansas Department for Aging and Disability Services and the Department for Children and Families for FY 2022. For the purposes of this summary, the Governor's recommendation for FY 2022 services is included within the budget for the Department for Children and Families for FY 2022.

**CAPITAL IMPROVEMENTS**

| Project | Agency Est. FY 2021 | Gov. Rec. FY 2021 | Agency Req. FY 2022 | Gov. Rec. FY 2022 |
|---|---|---|---|---|
| State Hospital Rehab and Repair | $ 11,594,223 | $ 11,594,223 | $ 3,201,142 | $ 0 |
| Debt Service - State Security Hospital | 3,435,000 | 3,435,000 | 3,590,000 | 0 |
| Debt Service - Rehab & Repair | 2,225,000 | 2,225,000 | 2,340,000 | 0 |
| Remodeling | 1,231,885 | 1,231,885 | 0 | 0 |
| **TOTAL** | **$ 18,486,108** | **$ 18,486,108** | **$ 9,131,142** | **$ 0** |
| | | | | |
| **Financing:** | | | | |
| State General Fund | $ 0 | $ 0 | $ 0 | $ 0 |
| All Other Funds | 18,486,108 | 18,486,108 | 9,131,142 | 0 |
| **TOTAL** | **$ 18,486,108** | **$ 18,486,108** | **$ 9,131,142** | **$ 0** |

***FY 2021 – Current Year.*** The agency estimates a revised capital improvements budget of $18.5 million, all from the State Institutions Building Fund, in FY 2021. This is an increase of $4.4 million, or 31.0 percent, above the approved amount. Included in the revised request are projects for:

- **Rehabilitation and Repair Projects.** The agency requests $11.6 million, all from the State Institutions Building Fund, for rehabilitation and repair projects in FY 2021. This is an increase of $3.1 million, or 37.1 percent, above the FY 2021 approved amount, which is the result of a reappropriation for projects delayed in FY 2020. Major projects include:
  - Re-roofing of several buildings across the state hospital campuses;
  - Replacement of deteriorating fixtures and machinery to support operations at the state hospitals;
  - Security improvements for Larned State Hospital, primarily related to fencing; and
  - Remodeling of the Biddle Building at Osawatomie State Hospital in preparation for lifting the moratorium on voluntary admissions;
- **Debt Service - State Security Hospital.** The agency requests $3.4 million, all from the State Institutions Building Fund, for debt service payments relating to the state security hospital. This is the same as the FY 2021 approved amount;
- **Debt Service - Hospital Rehab and Repair.** The agency requests $2.2 million, all from the State Institutions Building Fund, for debt service payments relating to the previous state hospital rehab and repair projects. This is the same as the FY 2021 approved amount; and

- **Remodeling.** The agency requests $1.2 million, all from the State Institutions Building Fund, for remodeling of the Spruce Building at Parsons State Hospital and Training Center.. This is an increase of $1.2 million, or 100.0 percent, above the FY 2021 approved amount. The remodel was planned for FY 2020, but delayed to allow the agency to acquire a new bid for the project.

The **Governor** concurs with the agency's revised estimate in FY 2021.

***FY 2022 – Budget Year.*** The agency requests a capital improvements budget of $9.1 million, all from the State Institutions Building Fund for FY 2022. This is a decrease of $9.4 million, or 50.6 percent, below the FY 2021 revised request. Included in the request are projects for:

- **Rehabilitation and Repair Projects.** The agency requests $3.2 million, all from the State Institutions Building Fund, for rehabilitation and repair projects for FY 2022. This is a decrease of $8.4 million, or 72.4 percent, below the FY 2021 revised request. Major projects include:

    - Re-roofing of several buildings across the state hospital campuses;
    - Upgrades and replacement to several older safety systems, including fire alarms and locks; and
    - Upgrades to water, sewer, and drainage systems across the state hospital campuses.;

  All of the projects included in the request are identified as Priority 1 projects in the agency's 5-year capital improvements plan. The agency included several Priority 2 projects in the 5-year capital improvements plan, which were not included in its submitted budget.

- **Debt Service - State Security Hospital.** The agency requests $3.6 million, all from the State Institutions Building Fund, for debt service payments relating to the state security hospital. This is an increase of $155,000, or 4.5 percent, above the FY 2021 revised request; and

- **Debt Service - Hospital Rehabilitation and Repair.** The agency requests $2.3 million, all from the State Institutions Building Fund, for debt service payments relating to the previous state hospital rehabilitation and repair projects. This is an increase of $115,000, or 5.2 percent, above the FY 2021 revised request.

The **Governor** recommends all expenditures be shifted to the budget of the newly created Department of Human Services, pursuant to an Executive Reorganization Order, which would combine the Kansas Department for Aging and Disability Services and the Department for Children and Families for FY 2022. For the purposes of this summary, the Governor's recommendation for FY 2022 services is included within the budget for the Department for Children and Families for FY 2022.