

# KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES

## FY 2023 – FY 2025 BUDGET ANALYSIS

FIGURE 1  
**BUDGET OVERVIEW, FY 2023 – FY 2025**

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
<b>Operating Expenditures:</b>					
State General Fund	\$ 914,882,588	\$ 1,393,082,461	\$ 1,381,031,000	\$ 1,263,419,268	\$ 1,274,371,082
Federal Funds	1,636,585,457	1,789,759,504	1,771,744,305	1,746,455,551	1,707,284,945
All Other Funds	68,268,117	91,201,751	88,894,271	75,792,215	71,504,735
<i>Subtotal</i>	<u>\$ 2,619,736,162</u>	<u>\$ 3,274,043,716</u>	<u>\$ 3,241,669,576</u>	<u>\$ 3,085,667,034</u>	<u>\$ 3,053,160,762</u>
<b>Capital Improvements:</b>					
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	10,242,064	18,943,660	18,943,660	12,257,950	11,977,550
<i>Subtotal</i>	<u>\$ 10,242,064</u>	<u>\$ 18,943,660</u>	<u>\$ 18,943,660</u>	<u>\$ 12,257,950</u>	<u>\$ 11,977,550</u>
<b>TOTAL</b>	<u><b>\$ 2,629,978,226</b></u>	<u><b>\$ 3,292,987,376</b></u>	<u><b>\$ 3,260,613,236</b></u>	<u><b>\$ 3,097,924,984</b></u>	<u><b>\$ 3,065,138,312</b></u>
<b>Percentage Change:</b>					
State General Fund	28.4 %	52.3 %	51.0 %	(9.3) %	(7.7) %
All Funds	15.2 %	25.2 %	24.0 %	(5.9) %	(6.0) %
FTE Positions	362.3	380.6	380.6	372.6	366.6

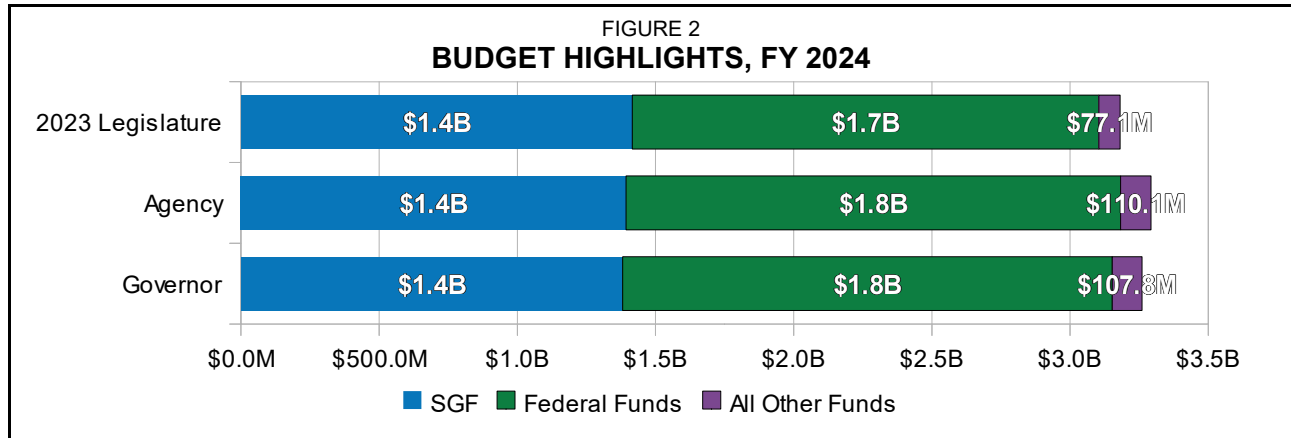
The Kansas Department for Aging and Disability Services (KDADS) was established by statute in 1977 as a cabinet-level agency, known as the Department of Aging until 2012. The agency is headed by a secretary appointed by the Governor, subject to confirmation by the Senate. Its goals are to promote the 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. KDADS 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).

For budgetary purposes, KDADS is organized into the following programs: Administration, Aging and Disability Commission, Behavioral Health Commission, Capital Improvements, Medicaid Programs, State Hospital Commission, and Survey and Certification Commission.

## EXECUTIVE SUMMARY

The 2023 Legislature approved a budget of \$3.2 billion, including \$1.4 billion from the State General Fund (SGF), for the Kansas Department for Aging and Disability Services for FY 2024. The approved budget includes \$198.7 million in reappropriated SGF moneys that the agency did not spend in FY 2023. The reappropriated funds are primarily related to changes in the Federal Medical Assistance Percentage (FMAP) rate related to the COVID-19 Public Health Emergency.



The **agency** requests a revised estimate of \$3.3 billion, including \$1.4 billion SGF, in expenditures and 380.6 FTE positions in FY 2024. This is an increase of \$111.7 million, or 3.5 percent, including an SGF decrease of \$23.0 million, or 1.6 percent, compared with the amount approved by the 2023 Legislature.

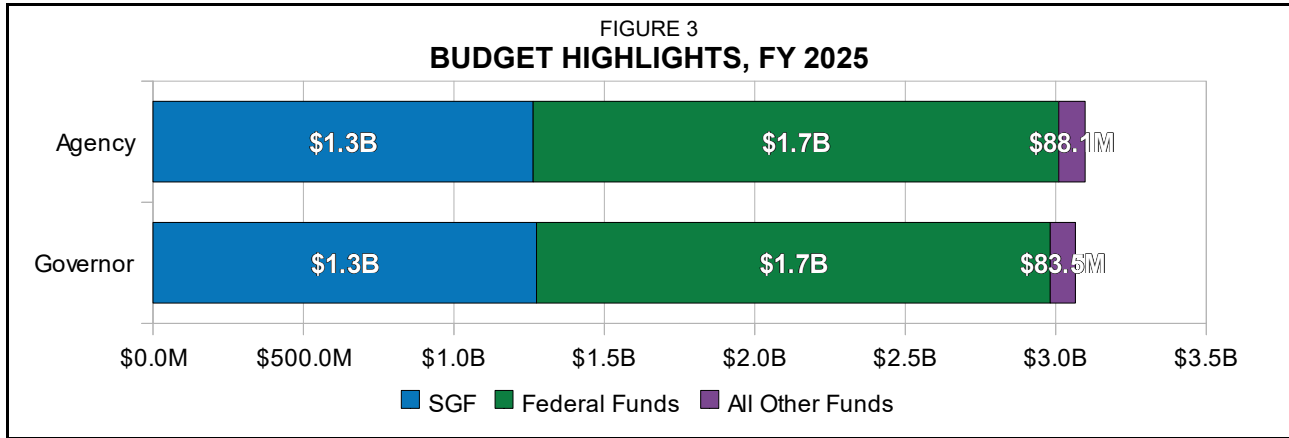
The all funds increase is primarily due to the award of \$66.0 million to the agency by the Strengthening People and Restoring Kansas (SPARK) Taskforce to **administer the Health Facilities and Program Expansion grant program**, \$15.5 million in **State Institutions Building Fund (SIBF) reappropriations**, and \$34.6 million in **federal grants** received by KDADS above the amount included in the budget approved by the 2023 Legislature.

The SGF decrease is primarily due to a transfer of \$12.3 million SGF to the state hospitals to provide **hourly differential pay pursuant to the 24/7 Pay Plan** and the agency's enhancement request to **lapse \$7.5 million of the SGF reappropriation for KanCare caseloads**. The KanCare caseloads funds are revised every spring and fall by the consensus caseloads estimating group, consisting of the Kansas Department of Health and Environment, the Kansas Department for Aging and Disability Services, the Department for Children and Families, the Division of Budget, and the Kansas Legislative Research Department.

The **Governor** recommends expenditures totaling \$3.3 billion, including \$1.4 billion SGF, in FY 2024. This is a decrease of \$32.8 million, including \$12.1 million SGF, below the agency's revised estimate in FY 2024. The Governor's recommendation includes 380.6 FTE positions, which is the same as the agency's revised estimate.

The decrease in expenditures is primarily due to the Governor's recommendation to delete \$39.0 million, including \$18.7 million SGF, to adopt the **fall consensus caseloads revised estimate** in FY 2024. The decrease is primarily due to a decrease of \$11.6 million, including \$4.5 million SGF, to account for several Community Mental Health Centers (CMHCs) transitioning to Certified Community Behavioral Health Clinics (CCBHCs) partway through the year. The previous estimate assumed all CMHCs would transition on July 1, and the revised estimate more accurately reflects a partial year's cost. For more information, see the "Consensus Caseloads Estimate" Special Topics section for this agency.

Lastly, the Governor recommends lapsing \$903,780 SGF from the **CARE/PASRR program** to avoid double counting, as funding for this program was included in consensus caseloads in FY 2024. The Client Assessment, Referral and Evaluation (CARE) program is the Kansas-specific version of the Pre-admission Screen and Resident Review (PASRR), which is a CMS-mandated assessment to determine appropriate placement of an individual in a long-term-care facility, including in nursing facilities that are funded through the consensus caseloads process.



The **agency** requests \$3.1 billion, including \$1.3 billion SGF, in expenditures and 372.6 FTE positions for FY 2025. This is a decrease of \$195.0 million, or 5.9 percent, including an SGF decrease of \$130.0 million, or 9.3 percent, below the agency's FY 2024 revised estimate.

The decrease is primarily due to several large expenditures in FY 2024 not reoccurring in FY 2025, including \$191.2 million in SGF reappropriations, \$66.0 million in SPARK Taskforce grants, \$22.0 million for the Ascension Via Christi emergency room expansion, and \$15.5 million in SIBF reappropriations.

The overall decrease is partially offset by the agency's 20 enhancement requests totaling \$122.5 million, including \$49.9 million SGF.

The **Governor** recommends expenditures of \$3.1 billion, including \$1.3 billion SGF, for FY 2025. This is a decrease of \$32.8 million, but an increase of \$11.0 million SGF, from the agency's request for FY 2025.

The reduction is primarily due to the Governor's recommendation not to adopt 12 of the agency's enhancement requests, totaling \$82.7 million. Those requests include:

- PACE Staffing (\$175,262, including \$87,631 SGF);
- Behavioral Health Commission Staffing (\$570,908, including \$285,455 SGF);
- IECMH Coordinator (\$87,752 SGF and 1.0 FTE position);
- NFMH Case Management (\$1.5 million SGF);
- SUD Uninsured Services and Staffing (\$5.1 million SGF and 1.0 FTE position);
- Assistive Technology for I/DD Waiver (\$7.8 million, including \$3.0 million SGF);
- Cognitive Support Service for PD Waiver (\$9.5 million, including \$3.7 million SGF);
- 500 Additional Slots for the I/DD Waiver (\$34.5 million, including \$13.3 million SGF);
- 500 Additional Slots for the PD Waiver (\$11.5 million, including \$4.5 million SGF);
- T1000 Rate Increase (\$9.1 million, including \$3.5 million SGF);
- Cottonwood Recreation Building Remodel (\$1.9 million SIBF); and
- Special Services and MICO House Office Renovation (\$873,600 SIBF).

Additionally, the Governor recommends partial adoption of eight enhancement requests, which results in a reduction of \$22.8 million. Those requests include:

- Supported Employment Rate Increase (\$21.3 million decrease);
- Family Treatment Court Costs (\$1.5 million SGF decrease);
- Employment and Benefits Coordinator (fund \$21,938 from existing funds);
- Family Support Coordinator (fund \$43,876 from existing funds);
- CSW Staffing (2.0 FTE position decrease); and
- TA Program Manager (1.0 FTE position decrease).

Furthermore, the Governor's recommendation includes an increase of \$2.5 million for **institutional razing projects**; \$30.3 million, including \$15.8 million SGF, to adopt the **fall consensus caseloads initial estimate** for FY 2025; \$40.0 million SGF to provide grants to assist local governments in **responding to and preventing housing insecurity** in their communities; \$120,000 SGF and 1.0 FTE position to create the **State Housing Supports Director** position; and \$690,868 SGF for a **shoe and boot allowance** for safety and security officers and nursing staff at state hospitals.

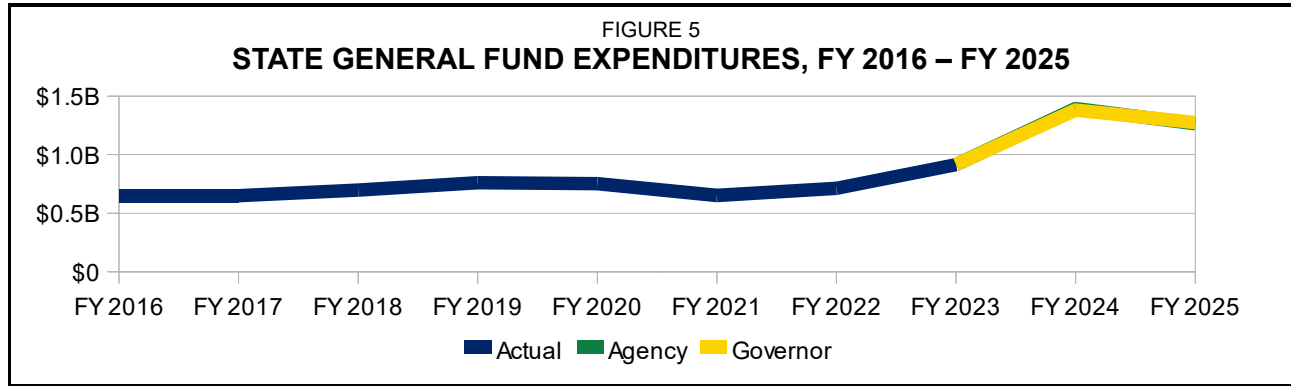
## EXPENDITURES AND FINANCING

FIGURE 4

### BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2023 – FY 2025

Category of Expenditure:	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
Salaries and Wages	\$ 19,782,002	\$ 30,211,183	\$ 30,211,183	\$ 46,032,672	\$ 45,312,770
Contractual Services	57,450,719	168,114,460	172,811,438	83,008,280	86,293,133
Commodities	641,461	191,370	191,370	191,370	882,238
Capital Outlay	97,372	91,490	91,490	91,490	91,490
Debt Service Interest	2,585,194	4,225	4,225	-	-
<i>Subtotal</i>	<u>\$ 80,556,748</u>	<u>\$ 198,612,728</u>	<u>\$ 203,309,706</u>	<u>\$ 129,323,812</u>	<u>\$ 132,579,631</u>
Aid to Local Units	123,482,508	149,675,135	149,675,135	176,838,256	176,838,256
Other Assistance	2,415,696,906	2,925,755,735	2,925,755,735	2,743,742,875	2,743,742,875
<i>Subtotal—Operating</i>	<u>\$ 2,619,736,162</u>	<u>\$ 3,274,043,598</u>	<u>\$ 3,278,740,576</u>	<u>\$ 3,049,904,943</u>	<u>\$ 3,053,160,762</u>
Capital Improvements	10,242,064	18,679,435	18,679,435	12,257,950	11,977,550
Debt Service Principal	-	264,225	264,225	-	-
<b>TOTAL</b>	<u><b>\$ 2,629,978,226</b></u>	<u><b>\$ 3,292,987,258</b></u>	<u><b>\$ 3,297,684,236</b></u>	<u><b>\$ 3,062,162,893</b></u>	<u><b>\$ 3,065,138,312</b></u>
<b>Financing:</b>					
State General Fund	\$ 914,882,588	\$ 1,393,082,461	\$ 1,381,031,000	\$ 1,263,419,268	\$ 1,274,371,082
State Institutions Bldg. Fund	12,827,258	18,947,885	18,947,885	12,257,950	11,977,550
Federal Funds	1,636,585,457	1,789,759,504	1,771,744,305	1,746,455,551	1,707,284,945
All Other Funds	65,682,923	91,197,526	88,890,046	75,792,215	71,504,735
<b>TOTAL</b>	<u><b>\$ 2,629,978,226</b></u>	<u><b>\$ 3,292,987,376</b></u>	<u><b>\$ 3,260,613,236</b></u>	<u><b>\$ 3,097,924,984</b></u>	<u><b>\$ 3,065,138,312</b></u>
FTE Positions	362.3	380.6	380.6	372.6	366.6

## STATE GENERAL FUND



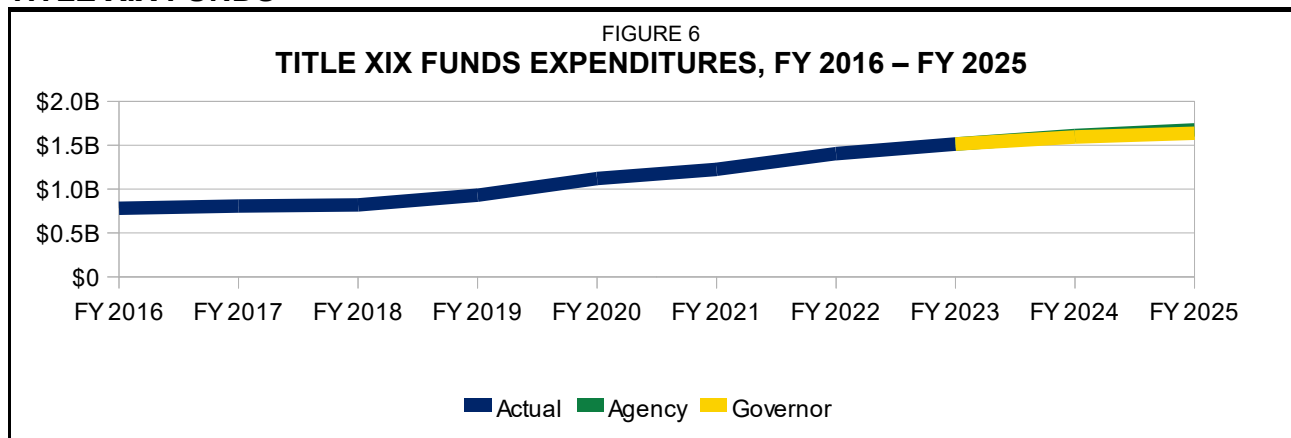
For the Kansas Department for Aging and Disability Services, SGF expenditures are the second largest source of financing. A large portion of the SGF expenditures provide a State match to draw down federal funds for various programs.

In FY 2021, the federal government implemented a temporary 6.2 percent increase in the FMAP rate as part of its efforts to address the COVID-19 pandemic. This increase in the FMAP allowed the agency to utilize less SGF moneys and draw down more federal funds.

In FY 2023, the federal government began phasing out the enhanced FMAP rate through the end of CY 2023. For quarter 4 of FY 2023, the enhanced FMAP rate decreased to 5.0 percent. For quarter 1 of FY 2024, the enhanced FMAP rate decreased to 2.5 percent. For quarter 2 of FY 2024, the enhanced FMAP rate decreased to 1.5 percent. Beginning quarter 3 of FY 2024, there is no enhanced FMAP rate.

In FY 2024, the agency estimates expending \$1.39 billion SGF. This increase in expenditures is partially due to the agency not spending its full approved SGF budget in prior years, the elimination of the enhanced FMAP rate, and \$191.2 million in unspent funds that shifted from FY 2023 to FY 2024.

## TITLE XIX FUNDS



The Title XIX Funds are federal Medicaid moneys the agency receives as reimbursement for providing various Medicaid services. It is the largest source of funding for the agency and is largely determined by the FMAP rate. These funds are generally used for Medicaid expenditures for behavioral health services, nursing facility reimbursements, and Home and Community Based Services (HCBS). The amount of Title XIX funds increased throughout the COVID-19 Public Health Emergency due to the enhanced FMAP rate. The enhanced FMAP rate ended as of January 2024.

# FY 2024 ANALYSIS

FIGURE 7

## SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	All Funds	FTE
<b>Legislative Approved:</b>			
Amount Approved by 2023 Legislature	\$ 1,217,359,847	\$ 2,982,598,556	366.3
1. SGF Reappropriation—Standard FMAP Savings	123,302,947	123,302,947	--
2. SGF Reappropriation—10.0 Percent FMAP Savings	41,623,065	41,623,065	--
3. Other SGF Reappropriations	33,797,447	33,797,447	--
<i>Subtotal—Legislative Approved</i>	<u>\$ 1,416,083,306</u>	<u>\$ 3,181,322,015</u>	<u>366.3</u>
<b>Agency Revised Estimate:</b>			
Supplemental Requests:			
4. Lapse Caseloads Reappropriation	\$ (7,513,609)	\$ (7,513,609)	--
5. Pay Plan Shortfall	85,777	85,777	--
<i>Subtotal—Supplemental Requests Only</i>	<u>\$ (7,427,832)</u>	<u>\$ (7,427,832)</u>	<u>--</u>
6. SIBF Reappropriation	\$ -	\$ 15,479,435	--
7. SPARK Grant Program	-	66,000,000	--
8. Federal Grants	-	34,606,613	--
9. 24/7 Pay Plan Transfer	(12,283,113)	(12,283,113)	--
10. Community Crisis Stabilization	-	9,691,954	--
11. County Competency Reimbursements	-	5,000,000	--
12. All Other Adjustments	(3,289,900)	598,304	14.3
<i>Subtotal—Agency Revised Estimate</i>	<u>\$ 1,393,082,461</u>	<u>\$ 3,292,987,376</u>	<u>380.6</u>
<b>Governor's Recommendation:</b>			
13. Supplementals Not Recommended	\$ 7,513,609	\$ 7,513,609	--
14. Fall Consensus Caseloads Estimate	(18,661,290)	(38,983,969)	--
15. CARE/PASRR Lapse	(903,780)	(903,780)	--
<b>TOTAL</b>	<u><b>\$ 1,381,031,000</b></u>	<u><b>\$ 3,260,613,236</b></u>	<u><b>380.6</b></u>

### LEGISLATIVE APPROVED

Subsequent to the 2023 Session, three adjustments were made to the \$3.0 billion, including \$1.2 billion SGF, appropriated to the Kansas Department for Aging and Disability Services for FY 2024. These adjustments change the current year approved amount without any legislative action required:

- 1. SGF REAPPROPRIATION—STANDARD FMAP SAVINGS.** The agency reappropriated \$123.3 million SGF in savings in the HCBS waiver programs due to changes in the standard FMAP related to an extension of the COVID-19 Public Health Emergency. The agency reports that it will use the \$123.3 million to develop a number of one-time HCBS projects, including development of an I/DD Community Supports Waiver, Integrated Care and Technology projects, and housing initiatives for HCBS participants. See the "Special Topics" section for this agency for more details.
- 2. SGF REAPPROPRIATION—10.0 PERCENT FMAP SAVINGS.** The agency reappropriated \$41.6 million SGF in savings from the 10.0 percent HCBS FMAP bump. A condition of the 10.0 percent HCBS FMAP bump is that SGF savings must be used on projects to further develop HCBS programs. These agency anticipates expending the remaining funds in FY 2024.
- 3. OTHER SGF REAPPROPRIATIONS.** The agency reappropriated \$33.8 million SGF due to unspent funds for other programs, including development of the regional state hospital in Sedgwick County (\$18.7 million SGF), unspent funds for KanCare caseloads

(\$4.0 million SGF) and non-KanCare caseloads (\$3.5 million SGF), continued implementation of the Electronic Health Records system at the state hospitals (\$5.1 million SGF), one-time mental health community based initiatives (\$2.1 million SGF), and one-time administrative expenses for Community Developmental Disability Organizations (\$304,539).

## **AGENCY ESTIMATE**

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The **agency** estimates revised expenditures of \$3.3 billion, including \$1.4 billion SGF, in FY 2024. This is an increase of \$111.7 million, including a decrease of \$23.0 million SGF, from the amount approved by the 2023 Legislature.

The revised estimate includes a decrease of \$7.4 million SGF for the following supplemental requests:

4. **LAPSE CASELOADS REAPPROPRIATION.** The agency's revised estimate includes a supplemental request to lapse \$7.4 million SGF of its reappropriations. This amount is related to KanCare caseloads and non-KanCare caseloads. Funding for caseloads is reassessed each spring and fall as part of the consensus caseloads estimating process.
5. **PAY PLAN SHORTFALL.** The revised estimate includes \$85,777 SGF in FY 2024 to account for a shortfall in appropriations for the Legislative Pay Plan in 2023 SB 25. For more detail, see the "Supplemental and Enhancement Requests" section for this agency.

Absent the supplemental requests, the revised estimate includes an increase of \$119.1 million, including a decrease of \$15.6 million SGF, in base budget expenditures. Significant adjustments are as follows:

6. **SIBF REAPPROPRIATION.** The agency's revised estimate includes \$15.5 million, all from the State Institutions Building Fund (SIBF), for rehabilitation and repair and remodeling projects at the state hospitals. These funds were approved by the 2023 Legislature but were unspent during FY 2023 and reappropriate to FY 2024.
7. **SPARK GRANT PROGRAM.** The agency's revised estimate includes \$66.0 million, all from federal American Rescue Plan Act (ARPA) funds, which the agency was directed to distribute to grantees as part of the Strengthening People and Revitalizing Kansas (SPARK) process. The grants are for health facilities and health program expansion. Awarded projects include development of the regional state hospital in Sedgwick County (\$25.0 million), development of a private psychiatric hospital in Olathe (\$12.7 million), the Wichita State University and University of Kansas Health Sciences Education Center (\$15.0 million), expansion of current service providers programs (\$7.7 million), and supporting the expansion of the Kansas College of Osteopathic Medicine (\$5.0 million).
8. **FEDERAL GRANTS.** The agency's revised estimate includes an additional \$34.6 million in federal grants that were not included in amount approved by the 2023 Legislature. The additional funds do not represent a significant change from FY 2023 actual expenditures.
9. **24/7 PAY PLAN TRANSFER.** The agency's revised estimate includes a decrease of \$12.3 million SGF due to the agency transferring funds to the state hospitals for hourly differentials pursuant to the 24/7 Pay Plan.



10. **COMMUNITY CRISIS STABILIZATION.** The agency's revised estimate includes an increase of \$9.7 million, all from special revenue funds, for community crisis stabilization centers in FY 2024. According to statute, 75.0 percent of net lottery vending machine revenue goes toward crisis stabilization centers. The increase over the amount approved by the 2023 Legislature is primarily due to \$8.9 million in unspent funds in FY 2023. The agency reports that expansion of the crisis stabilization centers has been slower than anticipated.
11. **COUNTY COMPETENCY REIMBURSEMENTS.** The agency's revised estimate includes \$5.0 million, all from special revenue funds, to provide reimbursement to counties for confinement of individuals waiting for forensic evaluation or treatment pursuant to 2023 SB 228. The reimbursements are funded via request from the county, certification of costs and demand transfer by KDADS from the State General Fund to the KDADS County Competency Reimbursement Fund, and from KDADS to the counties. As of December 18, 2023, expenditures totaled \$3.7 million for FY 2023 and \$1.3 million for quarter 1 of FY 2024.
12. **ALL OTHER ADJUSTMENTS.** The agency's revised estimate includes other adjustments totaling \$598,304, including a decrease of \$3.3 million SGF, for FY 2024. These include a number of adjustments across all KDADS programs.

The **agency's** estimate also includes 380.6 FTE positions, which is an increase of 14.3 FTE positions above the amount approved by the 2024 Legislature. The increase is primarily related to 14 grant-funded positions in the Behavioral Health Commission.

## **GOVERNOR'S RECOMMENDATION**

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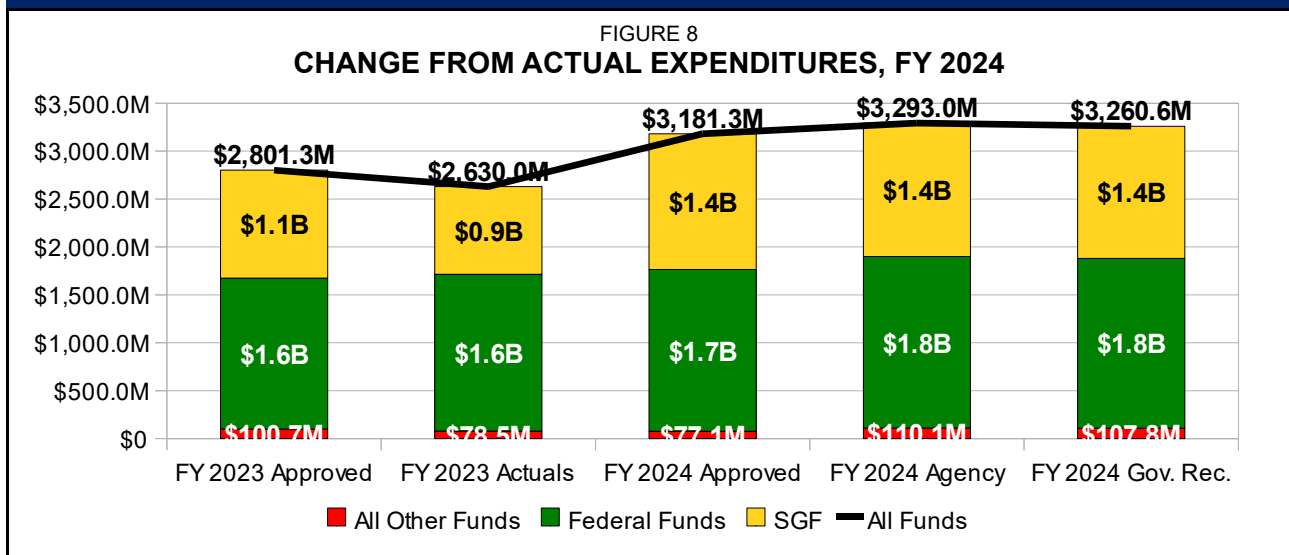
The **Governor** recommends expenditures totaling \$3.3 billion, including \$1.4 billion SGF, in FY 2024. This is a decrease of \$32.8 million, including \$12.1 million SGF, below the agency's revised estimate in FY 2024. The Governor's recommendation includes 380.6 FTE positions, which is the same as the agency's revised estimate.

The **Governor's** recommendation includes the following adjustments:

13. **SUPPLEMENTALS NOT RECOMMENDED.** The Governor does not recommend adoption of the agency's supplemental request to lapse its consensus caseloads reappropriation of \$7.5 million SGF. This lapse is handled in the Governor's enhancement to adopt the decreased consensus caseloads estimate.
14. **FALL CONSENSUS CASELOADS ESTIMATE.** The Governor recommends the deletion of \$39.0 million, including \$18.7 million SGF, to adopt the fall consensus caseloads revised estimate in FY 2024. The decrease is primarily due to a decrease of \$11.6 million, including \$4.5 million SGF, to account for several Community Mental Health Centers (CMHCs) transitioning to Certified Community Behavioral Health Clinics (CCBHCs) partway through the year. The previous estimate assumed all CMHCs would transition on July 1, and the revised estimate more accurately reflects a partial year's cost. For more information, see the "Consensus Caseloads Estimate" Special Topics section for this agency.
15. **CARE/PASRR LAPSE.** The Governor recommends lapsing \$903,780 SGF from the CARE/PASRR program to avoid double counting, as funding for this program was included in consensus caseloads in FY 2024. The Client Assessment, Referral and Evaluation (CARE) program is the Kansas-specific version of the PASRR, which is a

CMS-mandated assessment to determine appropriate placement of an individual in a long-term-care facility, including in nursing facilities that are funded through the consensus caseloads process.

## FY 2024 CHANGE FROM ACTUAL EXPENDITURES



The **agency** estimates revised expenditures of \$3.3 billion, including \$1.4 billion SGF, in FY 2024. This is an increase of \$111.7 million, including \$101.7 million SGF, above the agency's actual expenditures in FY 2023. This increase is due to the following factors:

- **UNSPENT FUNDS IN FY 2023.** The agency spent \$171.3 million, including \$211.4 million SGF, less than the amount approved by the 2023 Legislature in FY 2023. Significant causes for the unspent funds include changes in the standard FMAP related to an extension of the COVID-19 Public Health Emergency (\$123.3 million), SGF savings from the 10.0 percent FMAP bump for HCBS waivers (\$41.6 million), and continued development of the regional state hospital in Sedgwick County (\$18.7 million SGF).
- **REAPPROPRIATIONS.** While the aforementioned unspent funds decrease the FY 2023 actual expenditures, the unspent SGF moneys reappropriated into FY 2024 and increase the FY 2024 revised estimate by \$191.2 million SGF.
- **INCREASES APPROVED BY THE 2023 LEGISLATURE.** The 2023 Legislature approved enhancements totaling \$181.3 million, including \$91.2 million SGF, in FY 2024. These are enhancements above the FY 2023 approved amount and include a Medicaid add-on payment for nursing facilities (\$61.6 million, including \$24.6 million SGF), a full rebase for nursing facilities (\$34.4 million, including \$14.0 million SGF), and the expansion of Ascension Via Christi's emergency room to address behavioral health patients (\$22.0 million ARPA).
- **INCREASES REQUESTED IN THE CURRENT YEAR'S BUDGET SUBMISSION.** The agency's revised estimate also includes increases totaling \$111.7 million, including an SGF decrease of \$23.0 million, from the amount approved by the 2023 Legislature. The all funds increase is primarily due to the agency's adjustments detailed in the "FY 2024 Analysis" section for this agency. Significant increases include SPARK grants (\$66.0 million), additional federal funding above the approved amount (\$34.6 million) and a SIBF reappropriation (\$14.6 million).

# FY 2025 ANALYSIS

FIGURE 9

## SUMMARY OF BUDGET REQUEST, FY 2025

	SGF	All Funds	FTE
<b>Agency Request:</b>			
Request without Major Changes	\$ 1,392,404,087	\$ 3,257,858,971	365.6
Enhancement Requests:			
1. Aging and Disability Commission Program (3)	\$ 310,945	\$ 621,889	3.0
2. Behavioral Health Commission Program (7)	10,136,463	10,421,916	4.0
3. Medicaid Program (6)	39,494,510	102,370,430	--
4. Capital Improvement Program (4)	-	9,057,950	--
<i>Subtotal—Enhancement Requests</i>	<u>\$ 49,941,918</u>	<u>\$ 122,472,185</u>	<u>7.0</u>
5. Non-Reoccurring Reappropriations	\$ (191,209,850)	\$ (206,689,285)	--
6. Non-Reoccurring SPARK Grant Program	-	(66,000,000)	--
7. Non-Reoccurring Mental Health Expansion	-	(22,000,000)	--
8. 24/7 Pay Plan Transfer	12,283,113	12,283,113	--
<i>Subtotal—Agency Request</i>	<u>\$ 1,263,419,268</u>	<u>\$ 3,097,924,984</u>	<u>372.6</u>
<b>Governor's Recommendation:</b>			
9. Agency Enhancement Requests	\$ (44,785,593)	\$ (102,958,400)	(7.0)
10. Fall Consensus Caseloads Estimate	15,830,319	30,264,640	--
11. CARE/PASRR Lapse	(903,780)	(903,780)	--
12. Housing Solutions Grant	40,000,000	40,000,000	--
13. State Housing Supports Director	120,000	120,000	1.0
14. Shoe/Boot Allowance for Safety and Security Officers and Nursing Staff	690,868	690,868	--
<b>TOTAL</b>	<u><b>\$ 1,274,371,082</b></u>	<u><b>\$ 3,065,138,312</b></u>	<u><b>366.6</b></u>

### AGENCY REQUEST

The **agency** requests expenditure totaling \$3.1 billion, including \$1.3 billion SGF, for FY 2025. This is a decrease of \$195.1 million, including a decrease of \$129.7 million SGF, below the agency's request in FY 2024. The agency requests 372.6 FTE positions.

The request includes \$122.5 million, including \$50.0 million SGF, for the following enhancement requests:

1. **AGING AND DISABILITY COMMISSION PROGRAM (3).** The agency requests \$621,889, including \$310,945 SGF, and 3.0 FTE positions to implement the following 3 enhancement requests within the Aging and Disability Commission Program:
  - *Community Support Waiver (CSW) Staffing.* The agency requests \$358,995, including \$179,498 SGF, and 2.0 FTE positions to employ an Assistant Director, CSW Program Manager. Additionally, the funding would sustain two existing Quality Assurance Specialist positions funded with SGF savings from the 10.0 percent HCBS FMAP increase. The additional staff would administer the CSW and provide oversight, stakeholder engagement, and meet federal and state reporting requirements.
  - *Program for the All-Inclusive Care for the Elderly (PACE) Staffing.* The agency requests \$175,262, including \$87,631 SGF, to continue funding 2.0 existing FTE positions currently funded with savings from the 10.0 percent HCBS FMAP increase. The positions would fulfill the state-level responsibility to operate PACE in

Kansas, including ensuring timely and efficient enrollment and disenrollment, and expansion of the PACE program.

- *Technology Assisted (TA) Waiver Program Manager.* The agency requests \$87,632, including \$43,816 SGF, and 1.0 FTE position to employ a TA Waiver Program Manager. Currently, the agency has one program manager overseeing both the TA and Severe Emotional Disturbed (SED) waivers. The agency reports that the stress of managing both programs contributed to the resignation of the former program manager.

2. **BEHAVIORAL HEALTH COMMISSION PROGRAM (7).** The agency requests \$10.4 million, including \$10.1 million SGF, and 4.0 FTE positions to implement the following 7 enhancement requests within the Behavioral Health Commission Program:

- *Sustain Behavioral Health Commission Staffing.* The agency requests \$570,908, including \$285,445 SGF, to sustain 7.0 existing FTE positions currently funded with a federal grant. The FTE positions monitor and assist in the implementation of Behavioral Health Commission projects, including implementation of Certified Community Behavioral Health Clinics (CCBHCs), Mobile Crisis Response, the Nursing Facility for Mental Health (NFMH) Pre-Litigation Settlement Agreement requirements, and the 988 program.
- *Employment and Benefit Coordinator.* The agency requests \$87,752 SGF and 1.0 FTE position to employ an Employment and Benefit Coordinator who would provide training, technical assistance, and outreach to KDADS, other state agencies, and community providers to support Employment First. Employment First identifies strategies and models that give individuals, primarily those with significant disabilities, the option to find work and to be engrained in community life. Additionally, this would address a NFMH Pre-Litigation Settlement Agreement requirement to hire a supported employment program manager.
- *Family Support Coordinator.* The agency requests \$87,752 SGF and 1.0 FTE position to serve as the Lead Family Coordinator for federal Substance Abuse and Mental Health Services Administration (SAMHSA) and Health Resources and Services Administration (HRSA) programs, assist with the growth of the Parent Peer Support and YLINK programs, and build family supports for serious emotional disturbance- (SED) diagnosed and Child in Need of Care (CINC) children.
- *Family Treatment Court Costs.* The agency requests \$3.0 million SGF to fund actual treatment costs for individuals participating in family treatment courts, which are planned to serve CINC children. Three jurisdictions will implement family treatment courts in September 2024. The agency reports these evidence-based programs are effective at helping individuals in recovery and reducing out-of-home placements.
- *Infant and Early Childhood Mental Health (IECMH) Coordinator.* The agency requests \$87,752 SGF and 1.0 FTE position to employ a IECMH Coordinator to develop ways to partner with providers to provide to help families with early intervention and treatment for infant and children with mental health struggles to prevent behavioral health issues later in life. The position will work with partners to provide early intervention through Medicaid and other grant funding dollars.
- *NFMH Case Management.* The agency requests \$1.5 million SGF to sustain case management funding for the NFMH Pre-Litigation Settlement Agreement.

Specifically, the funding would address requirement number 6 that case managers are available to develop person-centered plans, including specialized services and a plan to transition to the community upon admission to the NFMH. Funding for third-party case management services is currently provided through federal COVID-19 funding that will not be available for FY 2025.

- *Substance Use Disorder (SUD) Uninsured Services and Staffing.* The agency requests \$5.1 million SGF and 1.0 FTE position for SUD services and staffing. \$5.0 million SGF would be used to support SUD services for individuals not covered by Medicaid. The funding would increase the number served and the rates paid to providers. In FY 2024, KDADS is utilizing \$5.0 million from special revenue funds to supplement federal funds, but the agency reports this is not sustainable in future years. Additionally, \$87,752 would be used to employ a SUD Project Coordinator who would be responsible for assisting with compliance of federally funded SUD programs, tracking SUD treatment outcomes, and tracking provider reporting requirements.
3. **MEDICAID PROGRAM (6).** The agency requests \$102.4 million, including \$39.5 million SGF, to implement the following 6 enhancement requests within the Medicaid Program:
- *Assistive Technology Service for I/DD Waiver.* The agency requests \$7.8 million, including \$3.0 million SGF, to add the assistive technology service to the comprehensive I/DD waiver. This service would include evaluation of an individual's technology needs, the cost to lease or purchase technology, the cost to customize or adapt equipment to meet the need, monitoring of the equipment, and ongoing training and support. Examples include motion sensors or web-based monitoring systems to ensure safety while maintaining independence and privacy.
  - *Cognitive Support Service for Physical Disability (PD) Waiver.* The agency requests \$9.5 million, including \$3.7 million SGF, to add the cognitive support service to the PD waiver. This service would serve those individuals on the PD waiver who were previously on the Brain Injury (BI) waiver, with the goal of facilitating cognitive rehabilitation and ongoing daily functioning. The service would provide therapy, ranging from two to eight hours per week based on the individual's need and progress over time. The agency states it would serve as a measure to prevent a BI waiver waitlist and provide a seamless transition to the PD waiver.
  - *Additional 500 I/DD Waiver Slots.* The agency requests \$34.5 million, including \$13.3 million SGF, to add 500 individuals from the I/DD waitlist to the I/DD waiver. As of November, the I/DD waiver serves 8,924 individuals, with 5,235 individuals on the waitlist for services. As of December 2022, the KU Center on Developmental Disabilities reported the average wait time was 5 years and the longest wait time was 11 years.
  - *Additional 500 PD Waiver Slots.* The agency requests \$11.5 million, including \$4.5 million SGF, to add 500 individuals from the PD waitlist to the PD waiver. As of November, the PD waiver serves 6,093 individuals, with 2,484 on the waitlist for services. As of December 2022, the KU Center on Developmental Disabilities reported the average wait time was 1 year and the longest wait time was 3 years.
  - *Specialized Medical Care (T1000) Rate Increase.* The agency requests \$9.1 million, including \$3.5 million SGF, to increase the T1000 rate for the TA and I/DD waivers. This would increase the rate from \$47/hour to \$55/hour. The rate most recently

increased from \$31/hour to \$47/hour in FY 2023. The agency reports that the \$55/hour rate would be in line with neighboring states and increase providers' ability to hire, train, and retain quality nursing staff.

- *Supported Employment Rate Increase and Unbundling.* The agency requests \$29.9 million, including \$11.5 million SGF, to increase the supported employment rate from \$18/hour to \$53/hour on the I/DD waiver. The agency reports this would make the rate competitive with neighboring states. Additionally, the agency reports the increase would allow providers to expand and enhance service delivery models to allow individuals on the I/DD waiver to pursue their competitively integrated employment goals.

4. **CAPITAL IMPROVEMENT PROGRAM (4).** The agency requests \$9.1 million SIBF to implement the following 4 enhancement requests within the Capital Improvements Program:

- *FY 2025 Priority 2 Rehabilitation and Repair Projects.* The agency requests \$5.6 million, all from the State Institutions Building Fund (SIBF), to fund the second priority rehabilitation and repair projects identified in the agency's 5-year capital improvement plan for FY 2025. These projects include replacing the medium-voltage electrical system at Osawatomie State Hospital (OSH) (\$2.4 million), upgrading sewer mains at Kansas Neurological Institute (KNI) (\$772,200), replacing deteriorated water mains at OSH (\$711,450), replacement of a chiller at Larned State Hospital (\$707,200), and replacing piping at Parsons State Hospital (PSH) (\$468,000).
- *Razing Projects.* The agency requests \$650,200 SIBF to raze the Gheel building on LSH campus and the Chestnut Building on PSH campus. Following the razing of the De Jong and West Pavilion at OSH in FY 2023 and FY 2024, the Gheel and Chestnut buildings are the next oldest. The buildings contain asbestos insulation, asbestos floor and ceiling tile, and lead-based paint. Additionally, the agency reports the buildings contain live rats and broken windows, and are susceptible to collapse and arson.
- *Cottonwood Recreation Building Remodel.* The agency requests \$1.9 million SIBF to remodel the Cottonwood Recreation Building on OSH campus. The building was constructed in 1956 and the agency reports it has had no significant renovations since. The remodel would include sealing and tuckpointing the structure; replacing windows; implementing ADA-compliant modifications; a new heating, ventilation, and air conditioning (HVAC) system; restroom upgrades; repairing moisture-damaged walls; and improving exterior drainage to prevent moisture damage. The building includes patient recreation, including a library, television rooms, and game areas.
- *Special Services and MICO House Office Renovation.* The agency requests \$873,600 SIBF to remodel the Special Services building and an office area in the MICO House, both on the OSH campus. The project would involve asbestos abatement, new flooring, repairing walls, repairing the heating system, and improving exterior drainage. The project would allow utilization of the third floor of the Special Services building and protect the IT and other programs in the Special Services building. The project would expand office space at the MICO facility.

Absent the enhancement requests, the revised estimate includes a decrease in base budget expenditures compared with the agency's revised estimate in FY 2024. Significant adjustments are as follows:

5. **REAPPROPRIATIONS.** The agency reappropriated \$119.2 million SGF and \$15.5 million SIBF in FY 2024 due to unspent funds in FY 2023. The agency anticipates spending all of its reappropriations in FY 2024, so the agency's request for FY 2025 includes a \$206.7 million decrease below the FY 2024 revised estimate.
6. **SPARK GRANT PROGRAM.** The agency's revised estimate in FY 2023 included \$66.0 million, all from federal ARPA funds, to distribute to grantees as part of the SPARK process. The agency anticipates distributing all of the grant funding in FY 2024, so the agency's request for FY 2025 includes a decrease of \$66.0 million ARPA below the FY 2024 revised estimate.
7. **MENTAL HEALTH EXPANSION.** The 2023 Legislature approved \$22.0 million ARPA to be transferred from KDADS to Ascension Via Christi to expand its emergency room to serve more individuals with mental health needs. The agency anticipates transferring the funding in FY 2024, so the agency's request for FY 2025 includes a decrease of \$22.0 million ARPA below the FY 2024 revised estimate.
8. **24/7 PAY PLAN TRANSFER.** The agency's revised estimate includes an increase of \$12.3 million SGF to fund hourly differentials at the state hospitals pursuant to the 24/7 Pay Plan for FY 2025. KDADS receives the moneys on the hospitals' behalf and will transfer the moneys to the hospitals during FY 2025.

## **GOVERNOR'S RECOMMENDATION**

The **Governor** recommends expenditures of \$3.1 billion, including \$1.3 billion SGF, for FY 2025. This is a decrease of \$32.8 million, but an increase of \$11.0 million SGF, from the agency's request for FY 2025. The recommendation includes the following adjustments:

9. **ENHANCEMENT REQUESTS.** The Governor does not recommend adoption of the following 12 enhancement requests, totaling \$82.7 million:
  - *Aging and Disability Commission Program:* PACE Staffing (\$175,262, including \$87,631 SGF)
  - *Behavioral Health Commission Program:* Sustain Behavioral Health Commission Staffing (\$570,908, including \$285,455 SGF), IECMH Coordinator (\$87,752 SGF and 1.0 FTE position), NFMH Case Management (\$1.5 million SGF), SUD Uninsured Services and Staffing (\$5.1 million SGF and 1.0 FTE position)
  - *Medicaid Program:* Assistive Technology Service for I/DD Waiver (\$7.8 million, including \$3.0 million SGF), Cognitive Support Service for PD Waiver (\$9.5 million, including \$3.7 million SGF), 500 Additional Slots for the I/DD Waiver (\$34.5 million, including \$13.3 million SGF), 500 Additional Slots for the PD Waiver (\$11.5 million, including \$4.5 million SGF), T1000 Rate Increase (\$9.1 million, including \$3.5 million SGF)
  - *Capital Improvement Program:* Cottonwood Recreation Building Remodel (\$1.9 million SIBF), Special Services and MICO House Office Renovation (\$873,600 SIBF)



Additionally, the Governor recommends partial adoption of the following 8 enhancement requests, which results in a reduction of \$22.8 million:

- *Supported Employment Rate Increase and Unbundling.* The Governor recommends \$8.6 million, including \$3.3 million SGF, to increase the rate to \$28/hour. The agency requested \$29.9 million, including \$11.5 million SGF, to increase the rate to \$53/hour.
- *Family Treatment Court Costs.* The Governor recommends \$1.5 million SGF. The agency requested \$3.0 million SGF.
- *Employment and Benefits Coordinator.* The Governor recommends \$87,752, including \$43,876 SGF, and no additional FTE position. The agency requested \$87,752, all SGF, and 1.0 FTE position.
- *Family Support Coordinator.* The Governor recommends \$87,752, including \$43,876 SGF, and no additional FTE position. The agency requested \$87,752, all SGF, and 1.0 FTE position.
- *CSW Staffing.* The Governor recommends \$358,995, including \$179,497 SGF, and no FTE positions. The agency requested the same funding and an additional FTE position.
- *TA Program Manager.* The Governor recommends \$87,632, including \$43,816 SGF, and no additional FTE position. The agency requested the same funding and an additional FTE position.

Furthermore, the Governor recommends an additional \$2.5 million for institutional razing projects for FY 2025.

10. **FALL CONSENSUS CASELOADS ESTIMATE.** The Governor recommends an increase of \$30.3 million, including \$15.8 million SGF, to adopt the fall consensus caseloads initial estimate for FY 2025. For more information about the increase, see the "Consensus Caseloads Estimate" Special Topics section for this agency.
11. **CARE/PASRR LAPSE.** The Governor recommends lapsing \$903,780 SGF from the CARE/PASRR program to avoid double counting, as funding for this program was included in consensus caseloads beginning in FY 2024.
12. **HOUSING SOLUTIONS GRANT.** The Governor recommends \$40.0 million SGF to provide grants to assist local governments in responding to and preventing housing insecurity in their communities using proven models that emphasize connecting homeless residents with needed resources to gain long-term housing stability. This funding is one-time and should be used to improve local infrastructure and increase private investment by prioritizing those projects and communities that require dollar-for-dollar local matching funds. Ongoing funding for these programs will be the responsibility of local governments, faith-based communities, and businesses.
13. **STATE HOUSING SUPPORTS DIRECTOR.** The Governor recommends adding \$120,000 SGF and 1.0 FTE position to create the State Housing Supports Director position. The Director will facilitate and oversee housing programs throughout the State. This position will oversee the Housing and Benefit Eligibility team at KDADS. This

position will collaborate with government agencies, nonprofit organizations, and community stakeholders to develop, implement, and manage initiatives that address housing challenges and promote affordable housing solutions. The Director will be responsible for assessing the housing needs of the population, coordinating state and federal resources, and establishing partnerships to maximize the impact of the state matching funds for Municipal Housing programs for people with disabilities. The Director will serve as a central point of contact for housing-related inquiries, advocate for equitable housing opportunities for people with disabilities, and work towards creating sustainable and inclusive housing solutions for homeless residents across the state. Additionally, the Director will work closely with Kansas Department of Health and Environment and the Kansas Housing Resource Commission to coordinate federal investments in supportive housing services and other housing solutions to maintain successful community integration.

14. **SHOE/BOOT ALLOWANCE FOR SAFETY AND SECURITY OFFICERS AND NURSING STAFF.** The Governor recommends \$690,868 SGF for a shoe and boot allowance for safety and security officers and nursing staff at the state hospitals.

The **Governor's** recommendation also includes 366.6 FTE positions, which is a decrease of 6 FTE positions below the agency's request for FY 2025. The decrease is due to the Governor not recommending additional FTE positions for several agency enhancement requests, and is partially offset by the recommended addition of 1.0 FTE position for a State Housing Supports Director.

# SUPPLEMENTAL AND ENHANCEMENT REQUESTS

FIGURE 10  
**SUPPLEMENTALS AND ENHANCEMENTS**

	Agency			Governor		
	SGF	All Funds	FTE	SGF	All Funds	FTE
<b>FY 2024 Supplementals</b>						
1. Lapse Caseloads Reappropriation	\$ (7,513,609)	\$ (7,513,609)	-	\$ -	-	-
2. Pay Plan Shortfall	85,777	85,777	-	85,777	85,777	-
3. Fall Consensus Caseloads Est.	-	-	-	(18,661,290)	(38,983,969)	-
4. CARE/PASRR Lapse	-	-	-	(903,780)	(903,780)	-
<b>FY 2024 Total</b>	<b>\$ (7,427,832)</b>	<b>\$ (7,427,832)</b>	<b>-</b>	<b>\$ (19,479,293)</b>	<b>\$ (39,801,972)</b>	<b>-</b>
<b>FY 2025 Enhancements</b>						
1. CSW Staffing	\$ 179,498	\$ 358,995	2.0	\$ 179,498	\$ 358,995	-
2. PACE Staffing	87,631	175,262	-	-	-	-
3. TA Waiver Program Manager	43,816	87,632	1.0	43,816	87,632	-
<i>Aging and Disability--Subtotal</i>	\$ 310,945	621,889	3.0	\$ 223,314	446,627	-
1. Sustain Behavioral Health Commission Staffing	\$ 285,455	\$ 570,908	-	\$ -	-	-
2. Employment and Benefit Coordinator	87,752	87,752	1.0	65,814	87,752	-
3. Family Support Coordinator	87,752	87,752	1.0	43,876	87,752	-
4. Family Treatment Court Costs for CINC Children	3,000,000	3,000,000	-	1,500,000	1,500,000	-
5. IECMH Coordinator	87,752	87,752	1.0	-	-	-
6. NFMH Case Management	1,500,000	1,500,000	-	-	-	-
7. SUD Uninsured Services and Staffing	5,087,752	5,087,752	1.0	-	-	-
<i>Behavioral Health--Subtotal</i>	\$ 10,136,463	10,421,916	4.0	\$ 1,609,690	\$ 1,675,504	-
1. Assistive Technology Service for I/DD Waiver	\$ 3,007,470	\$ 7,795,420	-	\$ -	-	-
2. Cognitive Support Service for PD Waiver	3,666,380	9,503,310	-	-	-	-
3. I/DD Waiver Slots	13,313,080	34,507,720	-	-	-	-
4. PD Waiver Slots	4,447,880	11,528,980	-	-	-	-
5. Specialized Medical Care Rate Increase	3,526,600	9,141,010	-	-	-	-
6. Supported Employment Rate Increase	11,533,100	29,893,990	-	3,323,321	8,614,104	-
<i>Medicaid--Subtotal</i>	\$ 39,494,510	\$ 102,370,430	-	\$ 3,323,321	\$ 8,614,104	-
1. Priority 2 Rehab and Repair	\$ -	\$ 5,627,350	-	\$ -	\$ 5,627,350	-
2. Razing Projects	-	650,200	-	-	3,150,200	-
3. Remodel Cottonwood - OSH	-	1,906,800	-	-	-	-
4. Remodel Special Services and MICO - OSH	-	873,600	-	-	-	-
<i>Capital Improvements--Subtotal</i>	\$ -	\$ 9,057,950	-	\$ -	\$ 8,777,550	-
1. Fall Consensus Caseloads Estimate	\$ -	-	-	\$ 15,830,319	\$ 30,264,640	-
2. CARE/PASRR Lapse	-	-	-	(903,780)	(903,780)	-
3. Housing Solution Grants	-	-	-	40,000,000	40,000,000	-
4. State Housing Supports Director	-	-	-	120,000	120,000	1.0
5. Shoe/Boot Allowance for Officers and Nursing Staff	-	-	-	690,868	690,868	-
<i>Governor Enhancements--Subtotal</i>	-	-	-	\$ 55,737,407	\$ 70,171,728	1.0
<b>FY 2025 Total</b>	<b>\$ 49,941,918</b>	<b>\$ 122,472,185</b>	<b>7.0</b>	<b>\$ 60,893,732</b>	<b>\$ 89,685,513</b>	<b>1.0</b>

FIGURE 11  
**SUPPLEMENTAL REQUESTS, FY 2024**

	Agency			Governor		
	SGF	All Funds	FTE	SGF	All Funds	FTE
1. Lapse Caseloads Reappropriation	\$ (7,513,609)	\$ (7,513,609)	-	\$ -	\$ -	-
2. Pay Plan Shortfall	85,777	85,777	-	85,777	85,777	-
3. Fall Consensus Caseloads Est.	-	-	-	(18,661,290)	(38,983,969)	-
4. CARE/PASRR Lapse	-	-	-	(903,780)	(903,780)	-
<b>TOTAL</b>	<b>\$ (7,427,832)</b>	<b>\$ (7,427,832)</b>	<b>-</b>	<b>\$ (19,479,293)</b>	<b>\$ (39,801,972)</b>	<b>-</b>

1. **LAPSE CASELOADS REAPPROPRIATION.** The agency's revised estimate includes a supplemental request to lapse \$7.4 million SGF of its reappropriations. This amount is related to KanCare caseloads and non-KanCare caseloads. Funding for caseloads is reassessed each spring and fall as part of the consensus caseloads estimating process.

**The Governor does not recommend adoption of this request due to the Governor's Recommendation to adopt the Fall Consensus Caseloads Estimate. Please see Item 3 for additional detail.**

2. **PAY PLAN SHORTFALL.** The revised estimate includes \$85,777 SGF in FY 2024 to account for a shortfall in appropriations for the Legislative Pay Plan in 2023 SB 25. The 2023 Legislature appropriated \$120.0 million, including \$46.0 million SGF, across all state agencies to provide salary adjustments for FY 2024 based on the Department of Administration Market Survey. This total amount was short by approximately \$11.8 million, including \$11.4 million SGF, statewide in FY 2024. To account for this, the State Finance Council prorated agency distribution of the available appropriations by approximately 20.0 percent. For KDADS, a supplemental appropriation of \$85,777 SGF in FY 2024 is required to achieve the intended effect of the Legislative Pay Plan in 2023 SB 25.

**The Governor recommends adoption of this request.**

3. **FALL CONSENSUS CASELOADS ESTIMATE.** The Governor recommends the deletion of \$39.0 million, including \$18.7 million SGF, to adopt the fall consensus caseloads revised estimate in FY 2024. The decrease is primarily due to a decrease of \$11.6 million, including \$4.5 million SGF, to account for several Community Mental Health Centers (CMHCs) transitioning to Certified Community Behavioral Health Clinics (CCBHCs) partway through the year. The previous estimate assumed all CMHCs would transition on July 1, and the revised estimate more accurately reflects a partial year's cost. For more information, see the Special Topics section "Consensus Caseloads Estimate."
4. **CARE/PASRR LAPSE.** The Governor recommends lapsing \$903,780 SGF from the CARE/PASRR program to avoid double counting, as funding for this program was included in consensus caseloads in FY 2024. The Client Assessment, Referral and Evaluation (CARE) program is the Kansas-specific version of the PASRR, which is a CMS-mandated assessment to determine appropriate placement of an individual in a

long-term-care facility, including in nursing facilities which that funded through the consensus caseloads process.

FIGURE 12  
**AGING AND DISABILITY COMMISSION ENHANCEMENTS, FY 2025**

	Agency			Governor		
	SGF	All Funds	FTE	SGF	All Funds	FTE
1. CSW Staffing	\$ 179,498	\$ 358,995	2.0	\$ 179,498	\$ 358,995	-
2. PACE Staffing	87,631	175,262	-	-	-	-
3. TA Waiver Program Manager	43,816	87,632	1.0	43,816	87,632	-
<b>TOTAL</b>	<b>\$ 310,945</b>	<b>\$ 621,889</b>	<b>3.0</b>	<b>\$ 223,314</b>	<b>\$ 446,627</b>	<b>-</b>

1. **COMMUNITY SUPPORT WAIVER (CSW) STAFFING.** The agency requests \$358,995, including \$179,498 SGF, and 2.0 FTE positions to employ an Assistant Director, CSW Program Manager. Additionally, the funding would sustain two existing Quality Assurance Specialist positions funded with SGF savings from the 10.0 percent HCBS FMAP increase. The additional staff would administer the CSW and provide oversight and stakeholder engagement, and meet federal and state reporting requirements.

**The Governor recommends adding the funding but not the FTE position.**

2. **PROGRAM FOR THE ALL-INCLUSIVE CARE FOR THE ELDERLY (PACE) STAFFING.** The agency requests \$175,262, including \$87,631 SGF, to continue funding 2.0 existing FTE positions currently funded with savings from the 10.0 percent HCBS FMAP increase. The positions would fulfill the state-level responsibility to operate PACE in Kansas, including ensuring timely and efficient enrollment and disenrollment, and expansion of the PACE program.

**The Governor does not recommend adoption of this request.**

3. **TECHNOLOGY ASSISTED (TA) WAIVER PROGRAM MANAGER.** The agency requests \$87,632, including \$43,816 SGF, and 1.0 FTE position to employ a TA Waiver Program Manager. Currently, the agency has one program manager overseeing both the TA and Severe Emotional Disturbed (SED) waivers. The agency reports that the stress of managing both programs contributed to the resignation of the former program manager.

**The Governor recommends adding the funding but not the FTE position.**

FIGURE 13  
**BEHAVIORAL HEALTH COMMISSION ENHANCEMENTS, FY 2025**

Request	Agency			Governor		
	SGF	All Funds	FTE	SGF	All Funds	FTE
1. Sustain Behavioral Health Commission Staffing	\$ 285,455	\$ 570,908	-	\$ -	\$ -	-
2. Employment and Benefit Coordinator	87,752	87,752	1.0	65,814	87,752	-
3. Family Support Coordinator	87,752	87,752	1.0	43,876	87,752	-
4. Family Treatment Court Costs for CINC Children	3,000,000	3,000,000	-	1,500,000	1,500,000	-
5. IECMH Coordinator	87,752	87,752	1.0	-	-	-
6. NFMH Case Management	1,500,000	1,500,000	-	-	-	-
7. SUD Uninsured Services and Staffing	5,087,752	5,087,752	1.0	-	-	-
<b>TOTAL</b>	<b>\$ 10,136,463</b>	<b>\$ 10,421,916</b>	<b>4.0</b>	<b>\$ 1,609,690</b>	<b>\$ 1,675,504</b>	<b>-</b>

1. **SUSTAIN BEHAVIORAL HEALTH COMMISSION STAFFING.** The agency requests \$570,908, including \$285,445 SGF, to sustain 7.0 existing FTE positions currently funded with a federal grant. The FTE positions monitor and assist in the implementation of Behavioral Health Commission projects, including implementation of Certified Community Behavioral Health Clinics (CCBHCs), Mobile Crisis Response, the Nursing Facility for Mental Health (NFMH) Pre-Litigation Settlement Agreement requirements, and the 988 program.

**The Governor does not recommend adoption of this request.**

2. **EMPLOYMENT AND BENEFIT COORDINATOR.** The agency requests \$87,752 SGF and 1.0 FTE position to employ an Employment and Benefit Coordinator who would providing training, technical assistance, and outreach to KDADS, other state agencies, and community providers to support Employment First. Employment First identifies strategies and models that give individuals, primarily those with significant disabilities, the option to find work and to be engrained in community life. Additionally, this would address a NFMH Pre-Litigation Settlement Agreement requirement to hire a supported employment program manager.

**The Governor recommends partial adoption of this request. The Governor recommends funding \$65,814 from the SGF and the remainder from other funds.**

3. **FAMILY SUPPORT COORDINATOR.** The agency requests \$87,752 SGF and 1.0 FTE position to serve as the Lead Family Coordinator for federal SAMHSA and HRSA programs, assist with the growth of the Parent Peer Support and YLINK programs, and build family supports for SED-diagnosed and CINC children.

**The Governor recommends partial adoption of this request. The Governor recommends funding \$43,876 from the SGF and the remainder from other funds.**

4. **FAMILY TREATMENT COURT COSTS FOR CINC CHILDREN.** The agency requests \$3.0 million SGF to fund actual treatment costs for individuals participating in family treatment courts, which are planned to serve CINC children. Three jurisdictions will implement family treatment courts in September 2024. The agency reports these evidence-based programs are effective at helping individuals in recovery and reducing out-of-home placements.

**The Governor recommends partial adoption of this request. The Governor recommends funding \$1.5 million SGF total.**

5. **INFANT AND EARLY CHILDHOOD MENTAL HEALTH (IECMH) COORDINATOR.** The agency requests \$87,752 SGF and 1.0 FTE position to employ a IECMH Coordinator to develop ways to partner with providers to provide help to families with early intervention and treatment for infants and children with mental health struggles to prevent behavioral health issues later in life. The position will work with partners to provide early intervention through Medicaid and other grant funding dollars.

**The Governor does not recommend adoption of this request.**

6. **NFMH CASE MANAGEMENT.** The agency requests \$1.5 million SGF to sustain case management funding for the NFMH Pre-Litigation Settlement Agreement. Specifically, the funding would address requirement number 6 that case managers are available to develop person-centered plans, including specialized services and a plan to transition to the community upon admission to the NFMH. Funding for third-party case management services is currently provided through federal COVID-19 funding that will not be available for FY 2025.

**The Governor does not recommend adoption of this request.**

7. **SUBSTANCE USE DISORDER (SUD) UNINSURED SERVICES AND STAFFING.** The agency requests \$5.1 million SGF and 1.0 FTE position for SUD services and staffing. \$5.0 million SGF would be used to support SUD services for individuals not covered by Medicaid. The funding would increase the number served and the rates paid to providers. In FY 2024, KDADS is utilizing \$5.0 million from special revenue funds to supplement federal funds, but the agency reports this is not sustainable in future years. Additionally, \$87,752 would be used to employ a SUD Project Coordinator who would be responsible for assisting with compliance of federally funded SUD programs, tracking SUD treatment outcomes, and tracking provider reporting requirements.

**The Governor does not recommend adoption of this request.**

FIGURE 14  
**MEDICAID PROGRAM ENHANCEMENTS, FY 2025**

Request	Agency			Governor		
	SGF	All Funds	FTE	SGF	All Funds	FTE
1. Assistive Technology Service for I/DD Waiver	\$ 3,007,470	\$ 7,795,420	-	\$ -	\$ -	-
2. Cognitive Support Service for PD Waiver	3,666,380	9,503,310	-	-	-	-
3. I/DD Waiver Slots	13,313,080	34,507,720	-	-	-	-
4. PD Waiver Slots	4,447,880	11,528,980	-	-	-	-
5. Specialized Medical Care Rate Increase	3,526,600	9,141,010	-	-	-	-
6. Supported Employment Rate Increase	11,533,100	29,893,990	-	3,323,321	8,614,104	-
<b>TOTAL</b>	<b>\$ 39,494,510</b>	<b>\$ 102,370,430</b>	<b>-</b>	<b>\$ 3,323,321</b>	<b>\$ 8,614,104</b>	<b>-</b>

1. **ASSISTIVE TECHNOLOGY SERVICE FOR I/DD WAIVER.** The agency requests \$7.8 million, including \$3.0 million SGF, to add the assistive technology service to the comprehensive I/DD waiver. This service would include evaluation of an individual's technology needs, the cost to lease or purchase technology, the cost to customize or adapt equipment to meet the need, monitoring of the equipment, and ongoing training and support. Examples include motion sensors or web-based monitoring systems to ensure safety while maintaining independence and privacy.

**The Governor does not recommend adoption of this request.**

2. **COGNITIVE SUPPORT SERVICE FOR PHYSICAL DISABILITY (PD) WAIVER.** The agency requests \$9.5 million, including \$3.7 million SGF, to add the cognitive support service to the PD waiver. This service would serve those individuals on the PD waiver who were previously on the Brain Injury (BI) waiver, with the goal of facilitating cognitive rehabilitation and ongoing daily functioning. The service would provide therapy, ranging from two to eight hours per week based on the individual's need and progress over time. The agency states the service would serve as a measure to prevent a BI waiver waitlist and provide a seamless transition to the PD waiver.

**The Governor does not recommend adoption of this request.**

3. **ADDITIONAL 500 I/DD WAIVER SLOTS.** The agency requests \$34.5 million, including \$13.3 million SGF, to add 500 individuals from the I/DD waitlist to the I/DD waiver. As of November, the I/DD waiver serves 8,924 individuals, with 5,235 individuals on the waitlist for services. As of December 2022, the KU Center on Developmental Disabilities reported the average wait time was 5 years and the longest wait time was 11 years.

**The Governor does not recommend adoption of this request.**



4. **ADDITIONAL 500 PD WAIVER SLOTS.** The agency requests \$11.5 million, including \$4.5 million SGF, to add 500 individuals from the PD waitlist to the PD waiver. As of November, the PD waiver serves 6,093 individuals, with 2,484 on the waitlist for services. As of December 2022, the KU Center on Developmental Disabilities reported the average wait time was 1 year and the longest wait time was 3 years.

**The Governor does not recommend adoption of this request.**

5. **SPECIALIZED MEDICAL CARE (T1000) RATE INCREASE.** The agency requests \$9.1 million, including \$3.5 million SGF, to increase the T1000 rate for the TA and I/DD waivers. This would increase the rate from \$47/hour to \$55/hour. The rate most recently increased from \$31/hour to \$47/hour in FY 2023. The agency reports that the \$55/hour rate would be in line with neighboring states and increase providers' ability to hire, train, and retain quality nursing staff.

**The Governor does not recommend adoption of this request.**

6. **SUPPORTED EMPLOYMENT RATE INCREASE AND UNBUNDLING.** The agency requests \$29.9 million, including \$11.5 million SGF, to increase the supported employment rate from \$18/hour to \$53/hour on the I/DD waiver. The agency reports this would make the rate competitive with neighboring states. Additionally, the agency reports the increase would allow providers to expand and enhance service delivery models to allow individuals on the I/DD waiver to pursue their competitively integrated employment goals.

**The Governor recommends partial adoption of this request, to increase the reimbursement rate to \$28 per hour.**

FIGURE 15

**CAPITAL IMPROVEMENT PROGRAM ENHANCEMENTS, FY 2025**

Request	Agency			Governor		
	SGF	All Funds	FTE	SGF	All Funds	FTE
1. Priority 2 Rehab and Repair	\$ -	\$ 5,627,350	-	\$ -	\$ 5,627,350	-
2. Razing Projects	-	650,200	-	-	3,150,200	-
3. Remodel Cottonwood - OSH	-	1,906,800	-	-	-	-
4. Remodel Special Services and MICO - OSH	-	873,600	-	-	-	-
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 9,057,950</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 8,777,550</b>	<b>-</b>

- FY 2025 PRIORITY 2 REHABILITATION AND REPAIR PROJECTS.** The agency requests \$5.6 million, all from the State Institutions Building Fund (SIBF), to fund the FY 2025 Priority 2 rehabilitation and repair projects identified in the agency's 5-year capital improvement plan. These projects include replacing the medium-voltage electrical system at Osawatomie State Hospital (OSH) (\$2.4 million), upgrading sewer mains at Kansas Neurological Institute (KNI) (\$772,200), replacement of deteriorated water mains at OSH (\$711,450), replacement of a chiller at Larned State Hospital (\$707,200), and replacement of piping at Parsons State Hospital (PSH) (\$468,000).

**The Governor recommends adoption of this request.**

- RAZING PROJECTS.** The agency requests \$650,200 SIBF to raze the Gheel building on LSH campus and the Chestnut Building on PSH campus. Following the razing of the De Jong and West Pavilion at OSH in FY 2023 and FY 2024, the Gheel and Chestnut buildings are the next oldest. The buildings contain asbestos insulation, asbestos floor and ceiling tile, and lead-based paint. Additionally, the agency reports the buildings contain live rats and broken windows, and are susceptible to collapse and arson.

**The Governor recommends additional funding for a total of \$3.2 million to complete all 9 razing projects in the agency's 5-Year Capital Improvement Plan to maximize cost savings by razing all buildings at once.**

- COTTONWOOD RECREATION BUILDING REMODEL.** The agency requests \$1.9 million SIBF to remodel the Cottonwood Recreation Building on OSH campus. The building was constructed in 1956 and the agency reports it has had no significant renovations since. The remodel would include sealing and tuckpointing the structure, replacing windows, implementing ADA-compliant modifications, a new HVAC system, restroom upgrades, repairing moisture-damaged walls, and improving exterior drainage to prevent moisture damage. The building includes patient recreation, including a library, television rooms, and game areas.

**The Governor does not recommend adoption of this request.**

- SPECIAL SERVICES AND MICO HOUSE OFFICE RENOVATION.** The agency requests \$873,600 SIBF to remodel the Special Services building and an office area in

the MICO House, both on the OSH campus. The project would involve asbestos abatement, new flooring, repairing walls, repairing the heating system, and improving exterior drainage. The project would allow utilization of the third floor of the Special Services building and protect the IT and other programs in the Special Services building. The project would expand office space at the MICO facility.

**The Governor does not recommend adoption of this request.**

FIGURE 16

**GOVERNOR'S ENHANCEMENTS, FY 2025**

Request	SGF	All Funds	FTE
1. Fall Consensus Caseloads Estimate	\$ 15,830,319	\$ 30,264,640	-
2. CARE/PASRR Lapse	(903,780)	(903,780)	-
3. Housing Solution Grants	40,000,000	40,000,000	-
4. State Housing Supports Director	120,000	120,000	1.0
5. Shoe/Boot Allowance for Officers and Nursing Staff	690,868	690,868	-
<b>TOTAL</b>	<b>\$ 55,737,407</b>	<b>\$ 70,171,728</b>	<b>1.0</b>

1. **FALL CONSENSUS CASELOADS ESTIMATE.** The Governor recommends an increase of \$30.3 million, including \$15.8 million SGF, to adopt the fall consensus caseloads initial estimate for FY 2025. For more information about the increase, see the "Consensus Caseloads Estimate" Special Topics section for the agency.
2. **CARE/PASRR LAPSE.** The Governor recommends lapsing \$903,780 SGF from the CARE/PASRR program to avoid double counting, as funding for this program was included in consensus caseloads beginning in FY 2024.
3. **HOUSING SOLUTIONS GRANT.** The Governor recommends \$40.0 million SGF to provide grants to assist local governments in responding to and preventing housing insecurity in their communities using proven models that emphasize connecting homeless residents with needed resources to gain long-term housing stability. This funding is one-time and should be used to improve local infrastructure and increase private investment by prioritizing those projects and communities that require dollar-for-dollar local matching funds. Ongoing funding for these programs will be the responsibility of local governments, faith-based communities, and businesses.
4. **STATE HOUSING SUPPORTS DIRECTOR.** The Governor recommends adding \$120,000 SGF and 1.0 FTE position to create the State Housing Supports Director position. The Director will facilitate and oversee housing programs throughout the State. This position will oversee the Housing and Benefit Eligibility team at KDADS. This position will collaborate with government agencies, non-profit organizations, and community stakeholders to develop, implement, and manage initiatives that address housing challenges and promote affordable housing solutions. The Director will be responsible for assessing the housing needs of the population, coordinating state and federal resources, and establishing partnerships to maximize the impact of the state matching funds for Municipal Housing programs for people with disabilities. The Director will serve as a central point of contact for housing-related inquiries, advocate for equitable housing opportunities for people with disabilities, and work toward creating sustainable and inclusive housing solutions for homeless residents across the state. Additionally, the Director will work closely with KDHE and the Kansas Housing Resource Commission to coordinate federal investments in supportive housing services and other housing solutions to maintain successful community integration.
5. **SHOE/BOOT ALLOWANCE FOR SAFETY AND SECURITY OFFICERS AND NURSING STAFF.** The Governor recommends \$690,868 SGF for a shoe and boot allowance for safety and security officers and nursing staff at the state hospitals.

## **SPECIAL TOPICS**

### **CONSENSUS CASELOADS ESTIMATE**

Twice a year, in the spring and fall, the Division of the Budget, the Department for Children and Families, KDHE, KDADS, and the Legislative Research Department meet to revise and develop estimates for entitlement expenditures for the current fiscal year and the budget year. The group met on November 3, 2023, to revise the estimates in FY 2024 and develop an estimate for FY 2025. Funding for consensus caseloads covers programs that the State must fund for any eligible individual.

The estimates described below only reflect the portion of the consensus caseloads estimate in the KDADS budget. Portions of KanCare medical expenditures are funded through the KDHE budget. For FY 2024, the total KanCare Medical estimate is \$4.5 billion, including \$1.2 billion SGF. For FY 2025, the total KanCare Medical estimate is \$5.1 billion, including \$1.5 billion SGF.

#### **REVISED FY 2024 ESTIMATE**

##### *KDADS KANCARE MEDICAL EXPENDITURES*

The KDADS portion of KanCare Medical primarily covers expenditures for nursing facility reimbursement, behavioral health expenditures, Psychiatric Residential Treatment Facilities (PRTFs), and medical services for individuals on the HCBS waivers.

The estimate for KDADS's portion of KanCare Medical expenditures in FY 2024 is \$1.5 billion, including \$526.0 million SGF. This is a decrease of \$36.2 million, including \$16.3 million SGF, below the amount approved by the 2023 Legislature for FY 2024. The reduction is primarily due to a decrease of \$11.6 million, including \$4.5 million SGF, to account for several Community Mental Health Centers (CMHCs) transitioning to Certified Community Behavioral Health Clinics (CCBHCs) partway through the year. The previous estimate assumed all CMHCs would transition on July 1, and the revised estimate more accurately reflects a partial year's cost. The revised estimate includes decreases in long-term care and brain injury populations, which contribute to the decrease.

##### *KDADS NON-KANCARE EXPENDITURES*

KDADS non-KanCare primarily includes expenditures for the Program of All-Inclusive Care of the Elderly (PACE), fee for service payments to nursing facilities and nursing facilities for mental health, assessments for stays at a state hospital, and assessments for the HCBS waivers.

The estimate for KDADS non-KanCare for FY 2025 is \$116.2 million, including \$59.8 million. This is a decrease of \$2.8 million, including \$2.3 million SGF, below the amount approved by the 2023 Legislature. This decrease is primarily due to lower amounts of nursing facility fee-for-service payments and lower-than-anticipated participation in PACE. The overall decrease is partially offset by the inclusion of the Client Assessment, Referral and Evaluation (CARE) program being included in consensus caseloads. CARE is a CMS-mandated assessment to determine appropriate placement of an individual in a long-term-care facility, including in nursing facilities that are funded through the consensus caseloads process.

#### **INITIAL FY 2025 ESTIMATE**

##### *KDADS KANCARE MEDICAL EXPENDITURES*

The estimate for KDADS's portion of KanCare Medical expenditures for FY 2025 is \$1.5 billion, including \$548.0 million SGF. This is an increase of \$49.0 million, including \$22.0 million SGF, above the revised estimate in FY 2024.

This increase is primarily due to the addition of \$57.8 million, including \$22.2 million SGF, to fully rebase the nursing facility daily reimbursement rates and to implement the CMS-mandated transition from the Resource Utilization Group (RUG) to the Patient Driven Payment Model (PDPM) system. Together, the full rebase and transition to PDPM would result in an estimated 6.8 percent increase in nursing facility daily reimbursement rates for FY 2025. The estimate will be further revised in the spring consensus caseloads process as actual cost reports are submitted by nursing facilities and reviewed by KDADS. The estimate includes an increase of \$11.2 million, including \$6.8 million, above the FY 2023 revised estimate to account for a full year's cost for the CCBHCs transitioning in FY 2024.

The overall increase is partially offset by a decrease of \$61.6 million, including \$23.7 million SGF, to eliminate the add-on payment for nursing facilities based on the number of Medicaid residents served for FY 2025. The 2023 Legislature added this payment for FY 2024 only.

#### *KDADS NON-KANCARE EXPENDITURES*

The estimate for KDADS non-KanCare expenditures for FY 2025 is \$128.9 million, including \$64.8 million SGF. This is an increase of \$12.7 million, including \$5.0 million SGF, above the FY 2024 revised estimate. The increase is due to an increase in nursing facility fee-for-service payments based on the 6.8 percent increase to reimbursement rates from a full rebase and transition to the PDPM system. Additionally, participation in PACE is expected to increase as the program expands into additional counties.

## **SPECIAL TOPICS**

### **REAPPROPRIATIONS**

The agency reappropriated \$198.7 million SGF in unspent funds in FY 2023 into FY 2024. The agency submitted a supplemental request to lapse \$7.5 million SGF that is associated with consensus caseloads funding. Funding for consensus caseloads estimates is reevaluated every spring and fall by the consensus caseloads estimating group. The agency has proposed the following plan to spend its remaining reappropriation, totaling \$191.2 million SGF:

#### **KANCARE NON-CASELOADS REAPPROPRIATION (HCBS WAIVERS): \$123.3 MILLION SGF**

The agency reappropriated \$123.3 million SGF in unspent funds for the HCBS waivers. The savings are the result of changes in the FMAP due to the Public Health Emergency. Unlike other KanCare expenditures that are reevaluated in the spring and fall as part of the consensus caseloads process, funding for the HCBS waivers are not reevaluated after the agency submits its initial budget in the fall. The agency is in the process of developing one-time projects to support the HCBS waiver programs, including conflict of interest mitigation, Community Support Waiver development, HCBS modernization projects, HCBS final settings rule compliance, provider network enhancements, and HCBS-supported housing projects.

#### **SGF SAVINGS FROM 10.0 PERCENT BUMP IN HCBS FMAP: \$41.6 MILLION SGF**

The agency reappropriated \$41.6 million SGF in savings from the HCBS waivers due to a 10.0 percent bump in the FMAP during the Public Health Emergency. According to CMS rules, the agency must use the SGF savings derived from the increased FMAP for one-time projects to support HCBS programs. The agency had a total of \$102.9 million in SGF savings that must be used for HCBS projects.

As of August 3, 2023, the status of the projects were as follows:

- The agency has completed 2 projects, providing bonuses to direct care workers (\$51.0 million) and a Sequential Intercept Model (SIM) consultation (\$28,000).
- The agency has 5 projects in progress, totaling \$5.6 million, and including the creation of a direct service worker training program, a study of the I/DD and PD waitlist, a study of conflicts of interest related to targeted case management for individuals on the I/DD waiver, a behavioral management family training pilot, and autism behavior training for families receiving autism waiver services.
- The agency has 14 projects pending CMS approval, totaling \$34.4 million, including development of a workforce training and career ladder, creation of an Employment First roadmap, expansion of the Employment First provider network, grants to HCBS providers to remodel facilities, Technology First and SMART home technology grants, and funding to develop the Community Support Waiver.

#### **MISCELLANEOUS REAPPROPRIATIONS FOR ONGOING PROJECTS: \$26.3 MILLION SGF**

The agency intends to spend its remaining SGF reappropriations on continued development of a regional state hospital in Sedgwick County (\$18.7 million), continued implementation of the Electronic Health Records system at each state hospital (\$5.1 million), one-time mental health community-based initiatives (\$2.1 million), one-time administrative expenses for Community Developmental Disability Organizations (\$304,529), and SUD treatment services for the uninsured (\$54,814).

## PROGRAM OVERVIEW

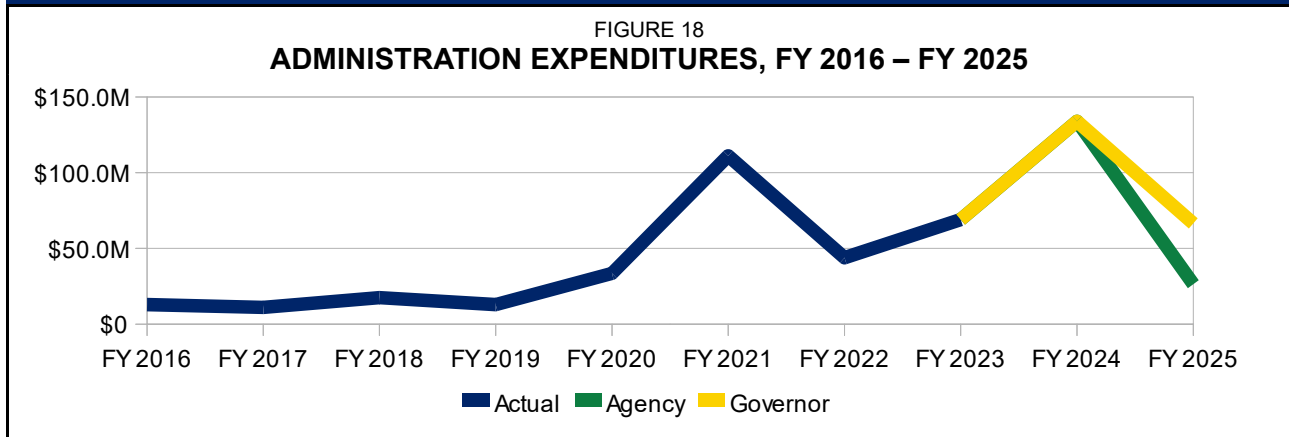
FIGURE 17

### EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2023 – FY 2025

Programs	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
<b>Expenditures:</b>					
Administration	\$ 69,052,297	\$ 133,924,126	\$ 133,924,126	\$ 26,379,470	\$ 66,499,470
Aging and Disability Commission	73,210,359	62,905,779	62,001,999	62,855,003	61,775,961
Behavioral Health Commission	165,934,786	234,449,984	234,449,984	207,340,885	198,594,473
Medicaid Programs	2,298,771,125	2,810,765,012	2,779,294,652	2,745,870,139	2,682,378,453
Survey and Certification	9,378,714	13,126,335	13,126,335	12,811,622	12,811,622
State Hospital Commission	3,388,881	19,136,705	19,136,705	30,409,915	31,100,783
Capital Improvements	10,242,064	18,679,435	18,679,435	12,257,950	11,977,550
<b>TOTAL</b>	<b>\$ 2,629,978,226</b>	<b>\$ 3,292,987,376</b>	<b>\$ 3,260,613,236</b>	<b>\$ 3,097,924,984</b>	<b>\$ 3,065,138,312</b>
<b>FTE Positions:</b>					
Administration	117.5	123.6	123.6	121.6	122.6
Aging and Disability Commission	47.0	54.0	54.0	57.0	54.0
Behavioral Health Commission	40.8	61.0	61.0	58.0	54.0
Medicaid Programs	11.0	8.0	8.0	2.0	2.0
Survey and Certification	137.0	125.0	125.0	125.0	125.0
State Hospital Commission	9.0	9.0	9.0	9.0	9.0
Capital Improvements	-	-	-	-	-
<b>TOTAL</b>	<b>362.3</b>	<b>380.6</b>	<b>380.6</b>	<b>372.6</b>	<b>366.6</b>



## ADMINISTRATION



**STATUTORY BASIS:** • KSA 75-5901 *et seq.*; KSA 75-59-45; KSA 75-5321a; KSA 39-925

- PROGRAM GOALS:**
- Planning, policy development, administration, coordination, prioritization, and evaluation of all state activities related to older Kansans and Kansans with disabilities.
  - Promote healthy aging with personal and financial independence and high-quality service and supports at all levels of individuals needs.
  - Analyze consumer-focused quality data (timely and accurately) across all service settings to improve the service quality

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. Expenditures for the program include debt service interest payments, and, during the COVID-19 pandemic, all pandemic-related funding.

FIGURE 19

**ADMINISTRATION FINANCING, FY 2023 – FY 2025**

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 7,756,920	\$ 10,493,372	\$ 10,493,372	\$ 8,671,399	\$ 48,791,399
Federal Funds	56,898,258	120,649,800	120,649,800	15,197,495	15,197,495
All Other Funds	4,397,119	2,780,954	2,780,954	2,510,576	2,510,576
<b>TOTAL</b>	<b>\$ 69,052,297</b>	<b>\$ 133,924,126</b>	<b>\$ 133,924,126</b>	<b>\$ 26,379,470</b>	<b>\$ 66,499,470</b>
<b>Percent Change:</b>					
SGF	(25.7) %	35.3 %	-- %	(17.4) %	462.7 %
All Funds	49.3 %	93.9 %	-- %	(80.3) %	152.1 %
FTE Positions	117.5	123.6	123.6	121.6	122.6

**BUDGET ANALYSIS**

**FY 2024 REVISED ESTIMATE**

The **agency** estimates revised expenditures totaling \$134.0 million, including \$10.5 million SGF, for the Administration program in FY 2024. This is an increase of \$64.9 million, including an SGF increase of \$2.7 million, above actual expenditures in FY 2023. The increase is primarily due to the agency receiving \$66.0 million ARPA to distribute to grantees as part of the SPARK process.

revised estimate in FY 2024. This decrease is primarily due to the SPARK grants (\$66.0 million) and a transfer to Ascension Via Christi to expand their mental health room to treat more behavioral health patients (\$22.0 million) that occur in FY 2024 but do not reoccur in FY 2025. Additionally, the FY 2025 request includes approximately \$16.4 million less in federal grants than the amount included in the FY 2024 revised estimate.

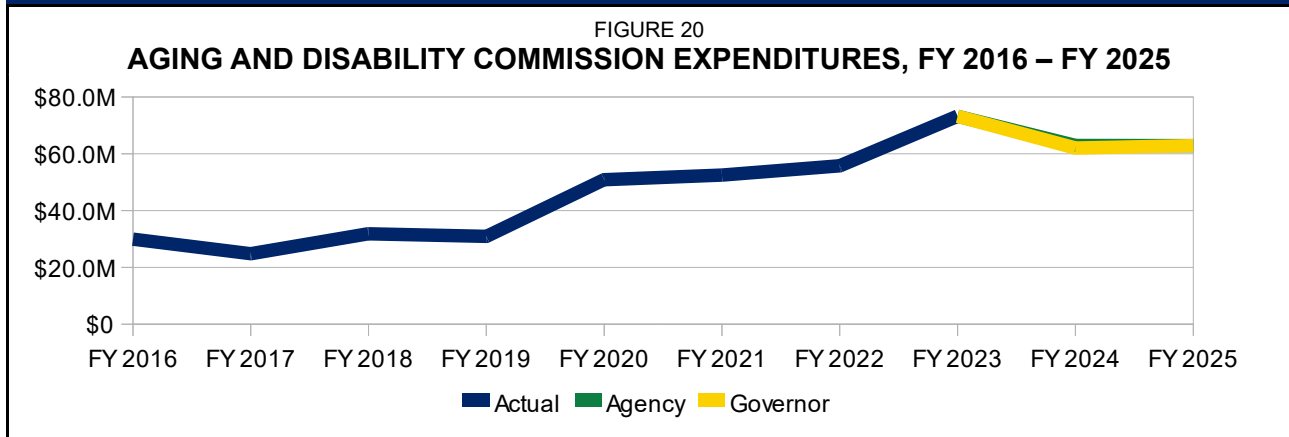
The **Governor** concurs with the agency's revised estimate for the Administration program in FY 2024.

The **Governor** recommends expenditures totaling \$66.5 million, including \$48.8 million SGF, for the Administration program for FY 2025. This is an increase of \$40.1 million SGF above the agency's request for FY 2025. The increase is due to the Governor's recommendation to add \$40.0 million for Housing Solution Grants and \$120,000 SGF to create the State Housing Supports Director position.

**FY 2025 REQUEST**

The **agency** requests expenditures totaling \$26.4 million, including \$8.7 million SGF, for the Administration program in FY 2025. This is a decrease of \$107.6 million, including an SGF decrease of \$1.8 million, below the agency's

## AGING AND DISABILITY COMMISSION



**STATUTORY BASIS:** • KSA 65-5101 *et seq.*, KSA 65-6201, KSA 39-1801, KSA 65-4411, KSA 75- 5903, KSA 75-5926, KSA 75-5903, KSA 65-4411 *et seq.*, and KSA 39-1801 *et seq.*

**PROGRAM GOALS:**

- Assist older Kansans who are at risk of institutionalization with services to help them remain in their homes.
- Provide quality meal services to older Kansans in order to improve or maintain their health and nutritional status.
- Implement person-centered, self-determined services that allow individuals to live successfully in their home and community

The Aging and Disability Commission includes two organizational units, the HCBS Waiver Services Program and the Aging Services Unit.

### HCBS WAIVER SERVICES PROGRAM

The HCBS Waiver Services Program oversees community-based supports and services provided 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. HCBS waiver services providers contract with the three KanCare Managed Care Organizations (MCOs) to provide HCBS for each of the waivers.

### AGING SERVICES UNIT

The Aging Services Unit seeks to assist older Kansans in avoiding premature nursing facility placement through an effective and supportive community aging network. It includes seven programs: 1) Older Americans Act (OAA); 2) Senior Care Act (SCA); 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 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.

### AREA AGENCIES ON AGING

The agency traditionally distributes funds to Area Agencies on Aging (AAAs), which then contract out to providers to serve individuals. AAAs are generally private nonprofit organizations, but can be a unit of county government. There are currently 11 AAAs in Kansas, which also serve as Aging and Disability Resource Centers.

In their capacity as Aging and Disability Resource Centers, the AAAs serve as organizations to assess individuals for Home and Community Based Services (HCBS) for the Frail Elderly, Physical Disability, and Brain Injury Medicaid waivers; Program of All-Inclusive Care for the Elderly (PACE); and Client Assessment, Referral, and Evaluation (CARE).

**SENIOR CARE ACT SERVICES**

The Senior Care Act (SCA) provides early intervention components 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 HCBS Frail Elderly Waiver (HCBS FE) waiver. The program is targeted at those who are 60 years of age or older.

The total number of SCA participants has remained flat over the last several years, with a three-year average of 3,756 individuals per year.

**NUTRITIONAL PROGRAM**

The agency provides some nutritional programming through the federal Older Americans Act. Meals are provided in two ways: home delivered or in a congregate setting (such as through an AAA).

FIGURE 21  
**AGING AND DISABILITY COMMISSION FINANCING, FY 2023 – FY 2025**

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 28,060,107	\$ 31,257,365	\$ 30,353,585	\$ 30,975,029	\$ 29,983,618
Federal Funds	45,135,921	31,518,675	31,518,675	31,787,574	31,699,943
All Other Funds	14,331	129,739	129,739	92,400	92,400
<b>TOTAL</b>	<b>\$ 73,210,359</b>	<b>\$ 62,905,779</b>	<b>\$ 62,001,999</b>	<b>\$ 62,855,003</b>	<b>\$ 61,775,961</b>
<b>Percent Change:</b>					
SGF	28.7 %	11.4 %	(2.9) %	(0.9) %	(3.2) %
All Funds	31.4 %	(14.1) %	(1.4) %	(0.1) %	(1.7) %
FTE Positions	47.0	54.0	54.0	57.0	54.0

**BUDGET ANALYSIS**

**FY 2024 REVISED ESTIMATE**

The **agency** estimates revised expenditures totaling \$62.9 million, including \$31.3 million SGF, for the Aging and Disability Commission program in FY 2024. This is a decrease of \$10.3 million, including an increase of \$3.2 million SGF, from actual expenditures in FY 2023, primarily due to federal funds that were available in FY 2023 but not in FY 2024.

including an SGF decrease of \$282,336, below the agency's revised estimate in FY 2024. The decrease is primarily due to adjustments to account for availability of federal funds and is partially offset by the agency's three enhancement requests totaling \$621,889, including \$310,495 SGF. The enhancement requests are discussed in detail in the "Aging and Disability Commission" subsection of the "Supplementals and Enhancements" section for this agency.

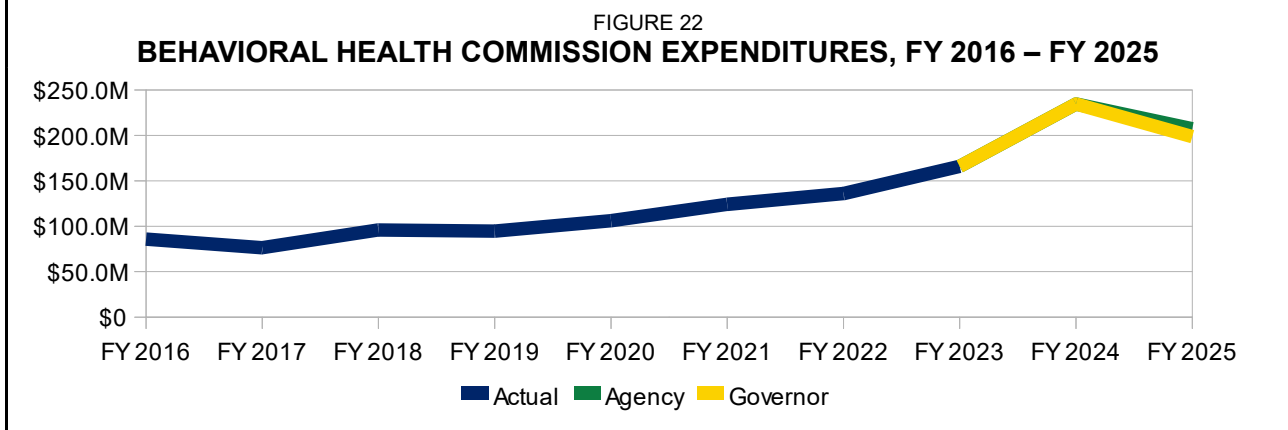
The **Governor** recommends expenditures of \$62.0 million, including \$30.4 million SGF, for the Aging and Disability Commission program in FY 2024. This is a decrease of \$903,780 SGF below the agency's revised estimate in FY 2024. The decrease is due to the Governor's enhancement request to lapse \$903,780 in CARE/PASRR funding, since that funding is included in consensus caseloads in FY 2024.

The **Governor** recommends expenditures of \$61.8 million, including \$30.0 million SGF, for the Aging and Disability Commission program for FY 2025. This is a decrease of \$1.1 million, including a decrease of \$991,411 SGF, below the agency's request for FY 2025. The decrease is due to the Governor not recommending the agency's enhancement request for PACE staffing (\$175,262, including \$87,631 SGF), and the Governor's enhancement request to lapse \$903,780 in CARE/PASRR funding, since CARE/PASRR funding is included in consensus caseloads beginning in FY 2024.

**FY 2025 REQUEST**

The **agency** requests expenditures totaling \$62.9 million, including \$31.0 million SGF, for the Aging and Disability Commission program for FY 2025. This is a decrease of \$50,776,

# BEHAVIORAL HEALTH COMMISSION



**STATUTORY BASIS:** • KSA 65-4001, KSA 75-5375, KSA 65-4007, KSA 75-3307b, KSA 79-4805, KSA 39-1601 to KSA 39-1604

**PROGRAM GOALS:**

- Address and treat people who are in immediate crisis.
- Increase availability of diagnosis and treatment of serious mental illness (SMI) and substance use disorder (SUD).
- Stabilize patients so that they can return to the community.

The Behavioral Health Commission provides oversight for various programs and grants to assist individuals with severe and persistent mental illness (SPMI) and individuals with a substance use disorder (SUD).

**MENTAL HEALTH SERVICES**

The foundation for all community mental health services is the Mental Health Reform Act, (KSA 39-1601 *et seq.*). Additionally, the Treatment Act for Mentally Ill Persons, KSA 59-2901 *et seq.*, provides for how patients shall be provided both voluntary and involuntary psychiatric treatment. Funding through grants and contracts is awarded to community mental health centers (CMHCs), certified community behavioral health clinics (CCBHCs), private community mental health providers, psychiatric residential treatment facilities (PRTFs), nursing facilities for mental health (NFMHs), consumer-run organizations, advocacy groups, a pharmacy benefits manager, housing organizations, and universities.

**SUBSTANCE USE DISORDERS AND ADDICTION SERVICES**

The Behavioral Health Commission supports a system of services for individuals experiencing alcoholism, drug dependence, or a gambling addiction, using federal block grant moneys, Medicaid, and state funds. The Commission's SUD and additional services are

generally broken up into efforts toward prevention through education, awareness, and contact, and grants to support a system of services for low-income individuals experiencing alcoholism, drug dependence, or gambling addiction.

**FUNDING FOR COMMUNITY MENTAL HEALTH CENTERS**

As part of its oversight, the agency serves as the pass-through agency for funding community mental health centers (CMHCs) across the state. There are currently 26 CMHCs in the state to provide behavioral health services to individuals.

**CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS**

During the 2021 Session, the Legislature passed Senate Sub. for HB 2208, which, among other things, required KDADS to establish a certification process for certified community behavioral health clinics (CCBHCs), a relatively new Medicaid provider type. Generally, these providers are required to provide expanded services, including but not limited to, person-centered treatment planning, crisis services, outpatient mental health and substance use services, and screening, assessment, diagnosis, and risk assessment. All CMHCs will transition to CCBHCs by the end of FY 2024.

FIGURE 23

**BEHAVIORAL HEALTH COMMISSION FINANCING, FY 2023 – FY 2025**

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 104,508,333	\$ 150,987,732	\$ 150,987,732	\$ 140,237,933	\$ 131,711,160
Federal Funds	31,204,700	34,245,230	34,245,230	33,251,707	33,032,068
All Other Funds	30,221,753	49,217,022	49,217,022	33,851,245	33,851,245
<b>TOTAL</b>	<b>\$ 165,934,786</b>	<b>\$ 234,449,984</b>	<b>\$ 234,449,984</b>	<b>\$ 207,340,885</b>	<b>\$ 198,594,473</b>
<b>Percent Change:</b>					
SGF	36.8 %	44.5 %	-- %	(7.1) %	(6.1) %
All Funds	22.1 %	41.3 %	-- %	(11.6) %	(4.2) %
FTE Positions	40.8	61.0	61.0	58.0	54.0

**BUDGET ANALYSIS**

**FY 2024 REVISED ESTIMATE**

The **agency** estimates revised expenditures totaling \$234.5 million, including \$151.0 million SGF, for the Behavioral Health Commission program in FY 2024. This is an increase of \$68.5 million, including \$46.5 million SGF, above the amount approved by the 2023 Legislature for FY 2024. This increase is primarily due to carry-forward funds for community crisis stabilization services due to slower-than-anticipated expansion of the services (\$9.7 million), carry-forward funds for alcohol treatment that were unspent in FY 2023 (\$4.7 million), and an increase of \$14.8 million in available federal grant funds. The SGF increase is primarily due to \$18.7 million in reappropriations that the agency reports will be applied to support housing initiatives, PRTFs, and NFMHs.

The **Governor** concurs with the agency's revised estimate for the Behavioral Health Commission program in FY 2024.

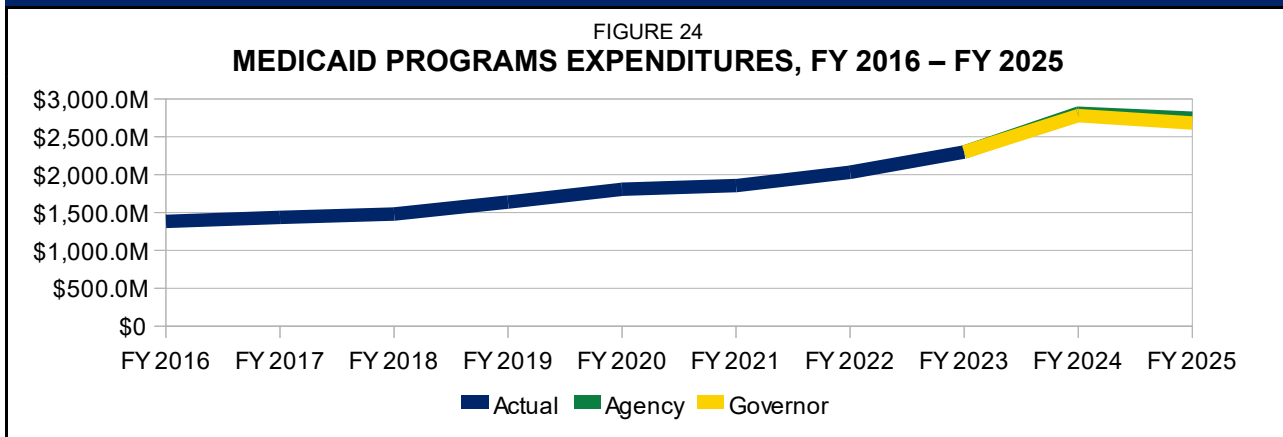
**FY 2025 REQUEST**

The **agency** requests expenditures totaling \$207.3 million, including \$140.3 million SGF, for the Behavioral Health Commission program for FY 2025. This is a decrease of \$27.1 million,

including a decrease of \$10.8 million SGF, below the agency's revised estimate in FY 2024. The decrease is primarily due to the reappropriations (\$18.7 million SGF) not reoccurring in FY 2025, as well as the agency budgeting to spend all carry-forward funding for crisis stabilization services (\$9.7 million) and alcohol treatment (\$4.7 million). The overall decrease is partially offset by an increase of \$10.4 million, including \$10.1 million SGF, for the agency's seven enhancement requests. The enhancement requests are discussed in detail in the "Medicaid Programs" subsection of the "Supplementals and Enhancements" section for this agency.

The **Governor** recommends expenditures totaling \$198.6 million, including \$131.7 million SGF, for the Behavioral Health Commission program for FY 2025. This is a decrease of \$8.8 million, including \$8.5 million SGF, below the agency's request for FY 2025. The decrease is due to the Governor not recommending four agency enhancement requests and partially recommending three enhancement requests. The enhancement requests are discussed in detail in the "Behavioral Health Commission" subsection of the "Supplementals and Enhancements" section for this agency.

## MEDICAID PROGRAMS



**STATUTORY BASIS:** • KSA 75-5945 and 39-1801 *et seq.* HCBS (FE) KS.0303.R05.00; HCBS (I/DD) KS.0224.R06.00; HCBS (AU) KS.0476.R02.00; HCBS (PD) KS.0304.R05.00; HCBS (TA):KS.4165.R06.00; HCBS (BI) KS.4164.R06.02; HCBS (SED):KS.0320.R04.00

- PROGRAM GOALS:**
- Ensure that Kansas with high level of care needs (regarding activities of daily living and instrumental activities of daily living) and at imminent risk of institutionalization are served and supported while remaining in their homes and communities.
  - Deliver equitable services and supports to Kansans with different forms of disabilities by encouraging competitive and integrated employment alternatives and opportunities, incentivizing positive movement toward greater independence through competitive employment, and creating a path for disability employment and empowerment in the State of Kansas.
  - Divert psychiatric hospitalization by providing intensive Home and Community Based Support Services (HCBS) to children and youth in their homes and communities; provide short-term rehabilitation to individuals with brain injury; support parents of children with autism spectrum disorder; support children and youth chronically ill or medically fragile and dependent upon a ventilator or medical device to compensate for the loss of vital bodily function; and support frail and elderly Kansans above 65 years of age.

The Medicaid Programs include medical services programs managed by KDADS, 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 PACE.

### HCBS WAIVER SERVICES

The HCBS waiver program is authorized under Section 1915(c) of the federal Social Security Act. Through the program, a Medicaid beneficiary can receive services designed to allow them to live in their home or community rather than receive institutionalized care.

### WAITLIST HISTORY

Due to funding and capacity limitations, several waivers have waitlists for services. Individuals are assessed and determined eligible, but are placed on a list until HCBS can be provided. Both Physical Disability (PD) and Intellectual/Developmental Disability (I/DD) waivers have historically had waitlists. While not technically a waitlist, the Autism waiver has a proposed recipient list, where individuals are identified as potential waiver participants, and once a spot on the waiver opens, the individual is assessed and placed on the waiver.

During the 2021 Session, funding was added for FY 2021 for Brain Injury (BI) waiver services in order to avoid a potential waitlist after the Legislature expanded the population eligible for

the BI waiver. With this expanded population, the agency anticipates an increase in waiver participants over the next several years.

**REIMBURSEMENT RATES**

The agency sets a base rate that a managed care organization is permitted to pay a provider for HCBS.

**PROGRAM FOR ALL-INCLUSIVE CARE FOR THE ELDERLY**

This program also includes expenditures for PACE, which provides community-based care and services to individuals age 55 or older who otherwise need a nursing home level of care.

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 767,967,344	\$ 1,181,947,071	\$ 1,170,799,390	\$ 1,054,176,122	\$ 1,033,835,252
Federal Funds	1,498,855,301	1,596,869,461	1,578,854,262	1,659,745,537	1,620,882,201
All Other Funds	31,948,480	31,948,480	29,641,000	31,948,480	27,661,000
<b>TOTAL</b>	<b>\$ 2,298,771,125</b>	<b>\$ 2,810,765,012</b>	<b>\$ 2,779,294,652</b>	<b>\$ 2,745,870,139</b>	<b>\$ 2,682,378,453</b>
<b>Percent Change:</b>					
SGF	28.5 %	53.9 %	(0.9) %	(10.8) %	(1.9) %
All Funds	13.2 %	22.3 %	(1.1) %	(2.3) %	(2.3) %
FTE Positions	11.0	8.0	8.0	2.0	2.0

**BUDGET ANALYSIS**

**FY 2024 REVISED ESTIMATE**

The **agency** estimates revised expenditures totaling \$2.8 billion, including \$1.2 billion SGF, for the Medicaid program in FY 2024. This is an increase of \$512.0 million, including \$414.0 million SGF, above actual expenditures in FY 2023, primarily due to underspending \$164.9 million SGF in FY 2023 and reappropriating the funding in FY 2024. Additionally, the revised estimate includes an enhancement request to lapse \$7.5 million of the reappropriation associated with consensus caseloads funding.

The **Governor** recommends expenditures totaling \$2.8 billion, including \$1.2 billion SGF, for the Medicaid program in FY 2024. This is a decrease of \$31.5 million, including \$11.2 million SGF, below the agency's revised estimate in FY 2024. The decrease is due to the Governor's enhancement to adopt the fall consensus caseloads estimate in FY 2024. This is primarily due to the revised estimate reducing the estimated expenditures for the CCBHCs transitioning in FY 2024.

**FY 2025 REQUEST**

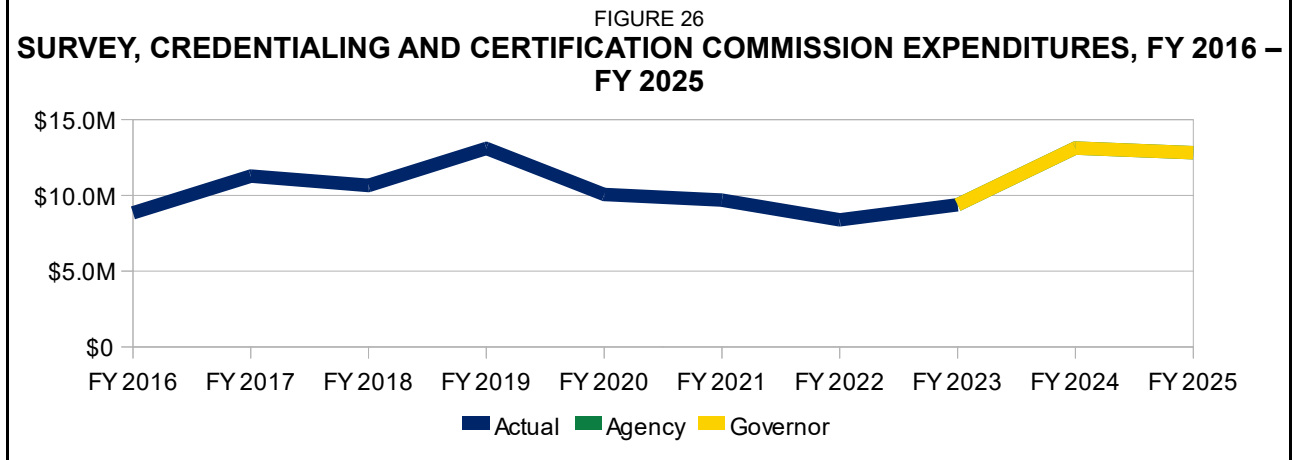
The **agency** requests expenditures totaling \$2.8 billion, including \$1.1 billion SGF, for the Medicaid program for FY 2025. This is a

decrease of \$64.9 million, including \$127.7 million SGF, below the agency's revised estimate in FY 2024. This decrease is primarily due to the agency's \$164.9 million reappropriation in FY 2024 not reoccurring in FY 2025. The overall decrease is partially offset by the agency's six enhancement requests totaling \$102.4 million, including \$39.5 million SGF. The enhancement requests are discussed in detail in the "Medicaid Programs" subsection of the "Supplementals and Enhancements" section for this agency.

The **Governor** recommends expenditures totaling \$2.7 billion, including \$1.0 billion SGF, for the Medicaid program for FY 2025. This is a decrease of \$63.5 million, including \$20.3 million SGF, below the agency's request for FY 2025. The decrease is primarily due to the Governor not recommending five enhancement requests and only partially recommending the remaining request. The overall decrease is partially offset by the Governor's recommendation to add \$30.3 million, including \$15.8 million SGF, to adopt the fall consensus caseloads estimate. For information on the factors contributing to an increase in the consensus caseloads estimate, see the "Consensus Caseloads Estimate" subsection in the Special Topics section for this agency.



## SURVEY, CREDENTIALING AND CERTIFICATION COMMISSION



**STATUTORY BASIS:** • 42 CFR Parts 405, 431, 447, 482, 483, 485, 488, and 489; KSA Chapter 39 Article 9 Adult Care Home Statutes; KAR Chapter 26 Adult Care Homes

**PROGRAM GOALS:**

- Provide enforcement and oversight to ensure the requirements that long-term care facilities must meet to participate in the Medicare and Medicaid programs.
- Ensure compliance with statutory requirements for licensure of adult care homes and ongoing inspections/investigations of complaints related to allegations of abuse, neglect, and exploitation.
- Ensure compliance with statutory requirements for the Criminal Record Check Program and Nurse Aide registry, as well as several health occupations curriculum, course approval, and licensure/certification of these occupations.

The primary purpose of the Survey, Credentialing and Certification Commission (SCCC) 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. 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.

The Commission largely operates through surveying adult care homes for compliance in state and federal guidelines.

The facilities include:

- **NURSING FACILITIES**, which are facilities that provide 24/7 care for six or more individuals who require skilled nursing care;
- **ASSISTED LIVING FACILITIES**, which provide care for six or more individuals who require assistance in their daily activities but do not require 24/7 care;
- **RESIDENTIAL HEALTH CARE FACILITIES**, which provide care for six or more individuals who require assistance in their daily activities but do not require 24/7 care and where the facility is divided into individual living units;
- **HOME PLUS FACILITIES**, which

provide care to not more than 12 individuals and are typically located in a residential area; and

- **ADULT DAY CARE FACILITIES**, which provide care for individuals needing assistance with activities of daily living, but operate less than 24 hours a day.

**HEALTH OCCUPATION CREDENTIALING**

Included in the SCCC is the health occupations credentialing program, which provides the oversight and licensing for a number of long-term care positions, including, but not limited to, nurse aides, home health aides, and adult care home operators. As part of the licensing process, the agency requires criminal background checks to be conducted for all individuals employed by facilities licensed by KDADS.

FIGURE 27

**SURVEY, CERTIFICATION AND CREDENTIALING COMMISSION FINANCING,  
FY 2023 – FY 2025**

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 3,571,031	\$ 4,462,808	\$ 4,462,808	\$ 4,151,196	\$ 4,151,196
Federal Funds	4,398,868	6,443,281	6,443,281	6,440,347	6,440,347
All Other Funds	1,408,815	2,220,246	2,220,246	2,220,079	2,220,079
<b>TOTAL</b>	<b>\$ 9,378,714</b>	<b>\$ 13,126,335</b>	<b>\$ 13,126,335</b>	<b>\$ 12,811,622</b>	<b>\$ 12,811,622</b>
<b>Percent Change:</b>					
SGF	27.7 %	25.0 %	-- %	(7.0) %	-- %
All Funds	11.8 %	40.0 %	-- %	(2.4) %	-- %
FTE Positions	137.0	125.0	125.0	125.0	125.0

**BUDGET ANALYSIS**

**FY 2024 REVISED ESTIMATE**

The **agency** estimates revised expenditures totaling \$13.2 million, including \$4.5 million SGF, for the SCCC in FY 2024. This is an increase of \$3.7 million, including \$891,777 SGF, above actual expenditures in FY 2023. This increase is primarily due to the agency underspending its salaries and wages budget in FY 2023 due to having vacant positions.

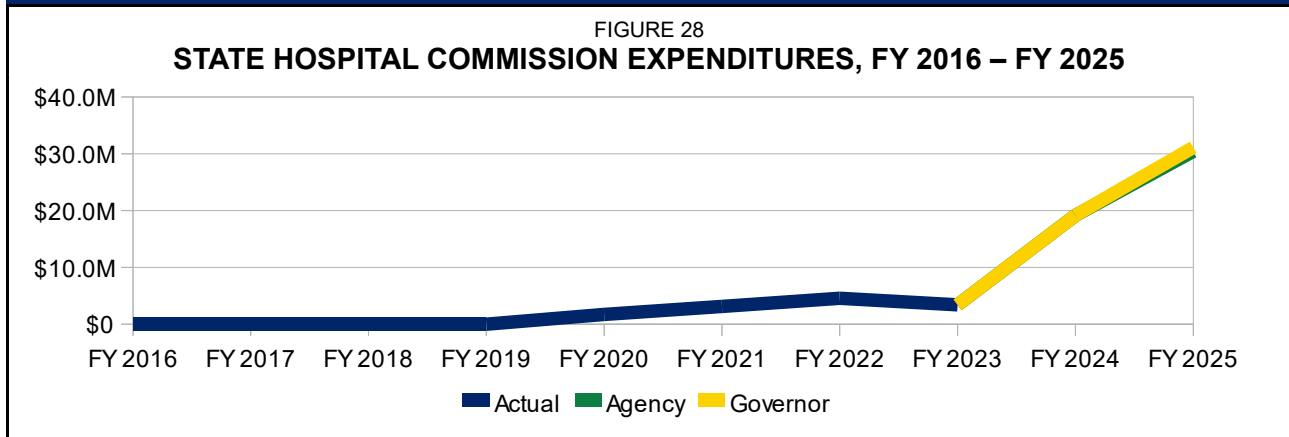
The **Governor** concurs with the agency's revised estimate in FY 2024.

**FY 2025 REQUEST**

The **agency** requests expenditures totaling \$12.8 million, including \$4.2 million SGF, for the SCCC for FY 2025. This is a decrease of \$314,713, including \$311,612 SGF, below the agency's revised estimate in FY 2024. The decrease is primarily due to small decreases in a number of contractual service expenditures, including fees and in-state travel.

The **Governor** concurs with the agency's request for FY 2025.

## STATE HOSPITAL COMMISSION



**STATUTORY BASIS:** • KSA 76-12a01

- PROGRAM GOALS:**
- Ensure state hospital budget submissions are integrated into the KDADS budget priorities and goals.
  - Standardize risk management reporting across the state hospitals to inform the Governing Body about patient safety and care practices.
  - Lead projects to modernize processes and implement technology solutions to improve and enhance critical processes, patient safety, and clinical outcomes.

The State Hospital Commission was formed in FY 2019 to provide oversight over the four state hospitals in an effort to facilitate coordinated leadership, guidance, direction, oversight, and training. The 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 for Medicare and Medicaid Services and accreditation with The Joint Commission. The Commission oversees Osawatomi State Hospital, Larned State Hospital, Kansas Neurological Institute, and Parsons State Hospital and training Center. Additionally, the Commission is overseeing the development of a regional mental health hospital in Sedgwick County. The new hospital is being developed jointly between Sedgwick County and KDADS.

FIGURE 29

**STATE HOSPITAL COMMISSION FINANCING, FY 2023 – FY 2025**

Fund	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
SGF	\$ 3,018,853	\$ 13,934,113	\$ 13,934,113	\$ 25,207,589	\$ 25,898,457
Federal Funds	92,409	33,057	33,057	32,891	32,891
All Other Funds	277,619	5,169,535	5,169,535	5,169,435	5,169,435
<b>TOTAL</b>	<b>\$ 3,388,881</b>	<b>\$ 19,136,705</b>	<b>\$ 19,136,705</b>	<b>\$ 30,409,915</b>	<b>\$ 31,100,783</b>
<b>Percent Change:</b>					
SGF	16.2 %	361.6 %	-- %	80.9 %	2.7 %
All Funds	25.6 %	464.7 %	-- %	58.9 %	2.3 %
FTE Positions	9.0	9.0	9.0	9.0	9.0

**BUDGET ANALYSIS**

**FY 2024 REVISED ESTIMATE**

The **agency** estimates revised expenditures totaling \$19.1 million, including \$14.0 million SGF, for the State Hospital Commission in FY 2024. This is an increase of \$15.8 million, including \$10.9 million SGF, above actual expenditures in FY 2023. The agency's revised estimate includes the addition of \$5.0 million SGF, all from special revenue funds, to provide reimbursement to counties for confinement of individuals waiting for forensic evaluation or treatment pursuant to 2023 SB 228. Additionally, the 2023 Legislature approved \$5.0 million SGF to fund reimbursement to hospitals for reimbursement for supervision and transportation of individuals awaiting transfer to a state hospital. Additionally, the State Hospital Commission did not complete the Electronic Hospital Records project in FY 2023 and reappropriated \$5.1 million SGF into FY 2024. This had the effect of both decreasing FY 2023 actual expenditures and increasing the FY 2024 revised estimate.

The **Governor** concurs with the agency's revised estimate in FY 2024.

**FY 2025 REQUEST**

The **agency** requests expenditures totaling \$30.4 million, including \$25.2 million SGF, for the State Hospital Commission for FY 2025. This is an increase of \$11.3 million, including \$11.3 million SGF, above the agency's revised estimate in FY 2024. This increase is due to the addition of \$12.3 million SGF for the 24/7 Pay Plan transfer to the state hospital to occur in FY 2025, as well as increases in fringe benefits. The overall increase is partially offset by the reappropriation of \$5.1 million SGF for the Electronic Hospital Records system not reoccurring for FY 2025.

The **Governor** recommends expenditures totaling \$31.1 million, including \$25.9 million SGF, for the State Hospital Commission for FY 2025. This is an increase of \$690,868 above the agency's request for FY 2025. This is due to the Governor's enhancement for a shoe and boot allowance for safety and security officers and nursing staff at the state hospitals.

## **CAPITAL IMPROVEMENTS**

The Kansas Department for Aging and Disability Services serves as the point of contact to coordinate all of the capital improvement projects for the four state hospitals:

### **KANSAS NEUROLOGICAL INSTITUTE**

Kansas Neurological Institute (KNI) was established in 1960 by repurposing a former veterans' hospital and is one of the two state institutions serving individuals with intellectual and developmental disabilities.

### **PARSONS STATE HOSPITAL AND TRAINING CENTER**

Established in 1903, Parsons State Hospital and Training Center (PSH) is one of the two state institutions serving individuals with intellectual and developmental disabilities. The hospital has historically reported that its infrastructure is deteriorating.

### **LARNED STATE HOSPITAL**

Larned State Hospital (LSH) was established in 1914 and serves the western portion of the state. It comprises three main units: an adult psychiatric program, the state security program, and the sexual predator treatment program.

### **OSAWATOMIE STATE HOSPITAL**

Established in 1866, Osawatomie State Hospital (OSH) was Kansas' first established institution for mental health. While the original buildings have been demolished, the campus comprises several older buildings that have fallen into disrepair.

FIGURE 30  
**CAPITAL IMPROVEMENTS, FY 2023 – FY 2025**

	Actual FY 2023	Agency FY 2024	Governor FY 2024	Agency FY 2025	Governor FY 2025
<b>Capital Projects:</b>					
Remodeling	\$ 18,350	\$ 1,139,407	\$ 1,139,407	\$ 2,780,400	\$ -
Razing	-	-	-	650,200	3,150,200
Rehabilitation and Repair	10,223,714	17,540,028	17,540,028	8,827,350	8,827,350
Miscellaneous	-	-	-	-	-
<i>Subtotal–Projects</i>	<u>\$ 10,242,064</u>	<u>\$ 18,679,435</u>	<u>\$ 18,679,435</u>	<u>\$ 12,257,950</u>	<u>\$ 11,977,550</u>
<b>Debt Service Principal:</b>					
State Hospital Debt Service	\$ -	\$ 264,225	\$ 264,225	\$ -	\$ -
<i>Subtotal–Debt</i>	<u>\$ -</u>	<u>\$ 264,225</u>	<u>\$ 264,225</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL</b>	<u><b>\$ 10,242,064</b></u>	<u><b>\$ 18,943,660</b></u>	<u><b>\$ 18,943,660</b></u>	<u><b>\$ 12,257,950</b></u>	<u><b>\$ 11,977,550</b></u>
<b>Financing:</b>					
SGF	\$ -	\$ -	\$ -	\$ -	\$ -
State Institutions Bldg. Fund	10,242,064	18,943,660	18,943,660	12,257,950	11,977,550
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<b>TOTAL</b>	<u><b>\$ 10,242,064</b></u>	<u><b>\$ 18,943,660</b></u>	<u><b>\$ 18,943,660</b></u>	<u><b>\$ 12,257,950</b></u>	<u><b>\$ 11,977,550</b></u>

### **FY 2024 CAPITAL IMPROVEMENTS**

The **agency** estimates revised expenditures totaling \$18.9 million, all from the State Institutions Building Fund (SIBF), for Capital Improvement expenditures in FY 2024. This is an increase of \$8.4 million SIBF above actual expenditures in FY 2023. The increase is due to reappropriated funds from projects not completed during FY 2023. These projects include the ongoing remodel of the Biddle Building on OSH campus, which the agency anticipates to be completed in February 2024, and the remodel of the Spruce Building on PSH campus, which the agency anticipates will begin in Spring 2024.

In addition to the ongoing projects, the 2023 Legislature approved \$3.2 million SIBF in expenditures to complete the agency's Priority 1 Rehabilitation and Repair projects in FY 2024. These are projects required to maintain safe operation of the facility and include replacement of a chiller at LSH and repairing roadways and parking lots at OSH.

The **Governor** concurs with the agency's revised estimate in FY 2024.

### **FY 2025 CAPITAL IMPROVEMENTS**

The **agency** requests \$12.3 million SIBF in capital improvement expenditures for FY 2025, including \$2.7 million for LSH, \$6.9 million for OSH, \$1.3 million for PSH, and \$1.4 million for KNI. Requested projects include Priority 1 Rehabilitation and Repair projects listed in the agency's 5-Year Capital Improvement Plan for FY 2025, as well as the following enhancement requests:

the FY 2025 Priority 2 rehabilitation and repair projects identified in the agency's 5-year capital improvement plan. These projects include:

- \$2.4 million to replace the medium-voltage electrical system at OSH;
- \$772,200 to upgrade sewer mains at KNI;
- \$711,450 to replace deteriorated water mains at OSH;

### **FY 2025 PRIORITY 2 REHABILITATION AND REPAIR PROJECTS**

The agency requests \$5.6 million, all from the State Institutions Building Fund (SIBF), to fund

- \$707,200 to replace a chiller at LSH; and
- \$468,000 to replace piping at PSH.

### **RAZING PROJECTS**

The agency requests \$650,200 SIBF to raze the Gheel building on LSH campus and the Chestnut Building on PSH campus. Following the razing of the De Jong and West Pavilion at OSH in FY 2023 and FY 2024, the Gheel and Chestnut buildings are the next oldest. The buildings contain asbestos insulation, asbestos floor and ceiling tile, and lead-based paint. Additionally, the agency reports the buildings contain live rats and broken windows, and are susceptible to collapse and arson.

### **COTTONWOOD RECREATION BUILDING REMODEL**

The agency requests \$1.9 million SIBF to remodel the Cottonwood Recreation Building on OSH campus. The building was constructed in 1956 and the agency reports it has had no significant renovations since. The remodel would include sealing and tuckpointing the structure, replacing windows, implementing ADA compliant modifications, a new HVAC system, restroom upgrades, repairing moisture-damaged walls, and improving exterior drainage to prevent moisture damage. The building includes patient recreation, including a library, television rooms, and game areas.

### **SPECIAL SERVICES AND MICO HOUSE OFFICE RENOVATION**

The agency requests \$873,600 SIBF to remodel the Special Services building and an office area in the MICO House, both on OSH campus. The project would involve asbestos abatement, new flooring, repairing walls, repairing the heating system, and improving exterior drainage. The project would allow utilization of the third floor of the Special Services building and protect the IT and other programs in the Special Services building. The project would expand office space at the MICO facility.

The **Governor** recommends expenditures totaling \$12.0 million SIBF for Capital Improvements for FY 2025. This is a decrease of \$280,400 SIBF below the agency's request for FY 2025. The decrease is due to the following adjustments:

- **Non-Recommended Enhancements.** The Governor does not recommend the agency's enhancements to remodel the Cottonwood Building (\$1.9 million) or to renovate the Special Services and MICO buildings (\$873,600).

**Additional Razing Projects.** The overall decrease is partially offset by the Governor's recommendation to add \$2.5 million SIBF to complete all 9 razing projects in the agency's 5-Year Capital Improvement Plan to maximize cost savings by razing all buildings at once. This would bring the total cost for razing to \$3.2 million SIBF for FY 2025.