

House Budget Committee Report

Agency: Kansas Department for Aging and Disability Services **Bill No.** HB 2802

Bill Sec. 64

Analyst: LaMunyon

Budget Analysis Vol. --

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Expenditure Summary	Agency Request FY 2025	Governor Recommendation FY 2025	House Budget Committee Adjustments
<i>Operating Expenditures:</i>			
State General Fund	\$ 1,263,419,268	\$ 1,274,371,082	\$ 49,630,000
Federal Funds	1,746,455,551	1,707,284,945	110,700,000
Other Funds	75,792,215	71,504,735	0
<i>Subtotal</i>	\$ 3,085,667,034	\$ 3,053,160,762	\$ 160,330,000
<i>Capital Improvements:</i>			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	12,257,950	11,977,550	0
<i>Subtotal</i>	\$ 12,257,950	\$ 11,977,550	\$ 0
TOTAL	\$ 3,097,924,984	\$ 3,065,138,312	\$ 160,330,000
FTE positions	372.6	366.6	0.0

Agency Request

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 a 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 offset by the agency's 20 enhancement requests totaling \$122.5 million, including \$49.9 million SGF.

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 reduction is primarily due to the Governor's recommendation not to adopt twelve 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 positions),
- 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 8 enhancement requests, which results in a reduction of \$22.8 million. Those requests include:

- **Supported Employment Rate Increase.** The agency requested \$29.9 million, including \$11.5 million SGF, to increase the rate from \$28/hour to \$53/hour. The Governor recommends \$8.6 million, including \$3.3 million SGF to raise the rate from \$18 per hour to \$28 per hour.
- **Family Treatment Court Costs.** The agency requested \$3.0 million SGF. The Governor recommends \$1.5 million SGF.
- **Employment and Benefits Coordinator.** The agency requested \$87,752, all SGF, and 1.0 FTE position. The Governor recommends \$87,752, including \$43,876 SGF, and no additional FTE position. The Governor's recommendation would utilize FMAP funding to supplement the SGF appropriation.
- **Family Support Coordinator.** The agency requested \$87,752, all SGF, and 1.0 FTE position. The Governor recommends \$87,752, including \$43,876 SGF, and no additional FTE position. The Governor's recommendation would utilize FMAP funding to supplement the SGF appropriation.
- **CSW Staffing.** The agency requested \$358,995, including \$179,497 SGF, and 2.0 FTE positions. The Governor recommends adding the funding but not the FTE positions.
- **TA Program Manager.** The agency requested \$87,632, including \$43,816 SGF, and 1.0 FTE position. The Governor recommends adding the funding but not the FTE positions.

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.

House Committee on Social Services Budget Recommendation

The **Budget Committee** concurs with the Governor's recommendation for FY 2025 with the following adjustments:

1. Delete \$40.0 million SGF for one-time housing grants.
2. Delete \$120,000 SGF and 1.0 FTE position for a state housing supports director.
3. Add \$75,000 SGF in one-time funding and add language for KDADS to study and report information on involuntary discharges and transfers from state licensed adult care homes.
4. Add \$100,000 SGF in one-time funding for increased operational support for the Self Advocate Coalition of Kansas.
5. Add \$275,000 SGF in one-time funding for Shatterproof to implement a technology platform to track providers for substance use disorder.
6. Add \$500,000 SGF in one-time funding for EmberHope for after-care services not covered by the standard PRTF rate.
7. Add \$600,000 SGF for one-time operational support for Envision.
8. Add \$600,000 SGF for respite care funding for individuals with Alzheimer's disease, up to \$1,000 per person, with 10.0 percent dedicated to the Area Agencies on Aging for administrative costs.
9. Add \$1.0 million SGF in one-time funding to increase support for Community Developmental Disability Organizations (CDDOs) to provide services to individuals with I/DD that are not provided by other sources, including but not limited to transportation, non-Medicaid case management, employment support, home modification.
10. Add \$5.8 million, including \$2.2 million SGF, to add 250 individuals from the waitlist to the Physical Disability waiver, and add language to prohibit KDADS from carrying a waitlist greater than 2,000 individuals for the HCBS Physical Disability (PD) waiver for FY 2025, and further requiring the agency to submit, as part of its budget submission for FY 2026, an estimate of the additional cost to keep the waitlist below 2,000 individuals for FY 2026.
11. Add \$17.3 million, including \$6.7 million SGF, to add 250 individuals from the waitlist to the Intellectual and Developmental Disability waiver, and add language to prohibit KDADS from carrying a waitlist greater than 4,800 individuals for the HCBS Intellectual and Developmental Disability (I/DD) waiver for FY 2025, and further requiring the agency to submit, as part of its budget submission for FY 2026, an estimate of the additional cost to keep the waitlist below 4,800 individuals for FY 2026.
12. Add \$5.2 million, including \$2.0 million SGF, to increase the specialized medical care rate to \$51.50 per hour.
13. Add \$10.2 million, including \$3.9 million SGF, to increase the supported employment

rate to \$40 per hour.

14. Add \$6.2 million, including \$2.4 million SGF, to increase PACE Medicaid rates to 90.0 percent of the amount that otherwise would have been paid if the participants were not enrolled in PACE.
15. Add \$2.4 million SGF in one-time funding for Mirror, Inc. for workforce development.
16. Add \$5.0 million SGF in one-time funding to supplement federal funding for substance use disorder treatment for non-Medicaid eligible populations.
17. Add \$5.0 million SGF for one-time grants to increase wages in 14c settings, and to assist providers in providing competitive wages in anticipation of the federal government eliminating the 14c exception.
18. Add \$5.0 million SGF for core funding for the Area Agencies on Aging.
19. Add \$26.0 million, including \$10.0 million SGF, to increase rates on the BI, PD, Autism, FE, and TA waivers to match the rates offered on the I/DD waiver.
20. Add \$48.3 million, including \$18.6 million SGF, to increase the average reimbursement rate for agency-directed personal care services on the Frail Elderly (FE) waiver to \$30 per hour.
21. Add \$60.9 million, including \$23.4 million SGF, in one-time funding to continue the Medicaid add-on payment to nursing facilities based on the number of Medicaid patients served for FY 2025 only.
22. Add language to increase the cap on lottery vending machine transfers to \$12.0 million, and to transfer \$1.0 million per month.
23. Recommend the House Committee on Appropriations add \$49,893 SGF to the Legislature's budget for a mental health bus tour for members of House Committee on Appropriations, Senate Committee on Ways and Means, and the Joint Committee on State Building Construction.

House Committee on Appropriations Recommendation

The **Committee** concurs with the Budget Committee's recommendation for FY 2025 with the following adjustment:

1. Adopt GBA No. 1, Item 5, to add \$23.0 million, including \$8.9 million SGF, to add 250 slots to the I/DD waiver and 250 slots to the PD waiver for FY 2025.
2. Delete \$75,000 SGF in one-time funding to support a study regarding involuntary discharges and transfers from state licensed adult care homes. [*Note: The Committee adopted the Budget Committee's recommendation to add the language requiring the report.*]
3. Delete \$100,000 SGF in one-time funding for increased operational support for the Self Advocate Coalition of Kansas.

4. Delete \$275,000 SGF in one-time funding for Shatterproof to implement a technology platform to track providers for substance use disorder.
5. Add \$49,893 SGF for a health care bus tour for members of House Committee on Appropriations, Senate Committee on Ways and Means, and the Joint Committee on State Building Construction. [Note: This funding appears in the Legislature's budget in the appropriations bill.]

Senate Subcommittee Report

Agency: Kansas Department for Aging and Disability Services **Bill No.** SB 514

Bill Sec. 83

Analyst: LaMunyon

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- IECMH Coordinator (\$87,752 SGF and 1.0 FTE positions),
- 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 6 enhancement requests, which results in a reduction of \$22.8 million. Those requests include:

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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.

Senate Committee on Ways and Means Human Services Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation for FY 2025 with the following adjustments:

1. Add \$50,000 SGF for increased operational support for the Self Advocate Coalition of Kansas.
2. Add \$250,000 SGF for EmberHope Youthville for after-care services not covered by the standard PRTF rate.
3. Add \$600,000 SGF for respite care funding for individuals with Alzheimer's disease, up to \$1,000 per person, with 10.0 percent dedicated to the Area Agencies on Aging for administrative costs.
4. Add \$1.0 million SGF to increase funds for Community Developmental Disability Organization to provide non-Medicaid reimbursable services and add language for KDADS to report to the Legislature how much funding goes to each service provided.
5. Add \$3.4 million, including \$1.3 million SGF, to increase the specialized medical care rate to \$50 per hour.
6. Add \$1.8 million SGF for Mirror, Inc. for workforce projects.
7. Add \$6.2 million, including \$2.4 million SGF, to increase PACE rates to 90.0 percent of the amount the state would otherwise pay.
8. Add \$2.5 million SGF to supplement federal opioid grant funds for substance use disorder treatment for non-Medicaid eligible populations, and require a report on distribution and usage of the funds.
9. Add \$4.0 million SGF to establish a grant fund to provide \$1 million per year for 4 years to non-CMHCs to begin the process to become certified as CCBHCs, for FY 2025, FY 2026, FY 2027 and FY 2028, and add language that not more than 50.0 percent of the grants should go to FQHCs or FQHC look-a-likes.

10. Add \$5.0 million in grant funds to increase wages in 14c settings, and to assist providers in providing competitive wages in anticipation of the federal government eliminating the 14c exception.
11. Add \$5.0 million SGF for core funding for the Area Agencies on Aging.
12. Add \$5.4 million SGF to develop behavioral health workforce programs at University of Kansas School of Medicine – Wichita and Wichita State University.
13. Add \$13.0 million, including \$5.0 million SGF, to increase HCBS waiver rates for services also provided on the I/DD waiver.
14. Add \$14.6 million, including \$5.6 million SGF, to increase the supported employment rate to \$35 per hour.
15. Add \$26.0 million, including \$10.0 million SGF, to increase personal care services (PCS) rates on all waivers except the Frail Elderly (FE) waiver.
16. Add \$30.1 million, including \$11.7 million SGF, to continue the Medicaid add-on to nursing facilities based on the number of Medicaid patients served, at a rate of \$10 per Medicaid day instead of \$20 per Medicaid day.
17. Add language to increase the cap on lottery vending machine revenue to \$9.0 million.
18. Add language to convene a workgroup to study the opening of rehabilitation codes to other provider types and report back to the Legislature. Members of the workgroup would include KDADS, KDHE, the Association of CMHCs, CMHCs, Kansas Health Institute, and the National Council on Mental Wellbeing.
19. Add language to study capacity issues for HCBS services provided under the Frail Elderly waiver, and to make recommendations to expand these services.
20. Add language for KDADS to oversee registration of supplemental nursing staff agencies, and requiring such agencies to submit a report to KDADS on the rates charged by the agencies to facilities in Kansas.
21. Prior to finalizing the mega appropriations bill, review the addition of language to ensure portions of the \$40.0 million housing grants are distributed to smaller communities.
22. Review at Omnibus the addition of \$2.0 million SGF for primary care services at CMHCs/CCBHCs in counties not served by FQHCs or FQHC look-a-likes, based on demonstrated needs.
23. Review at Omnibus the addition of language to direct KDADS and KDHE to conduct a study of areas of Kansas currently underserved by primary care safety net services. The study should include such topics as lack of primary care access for rural and frontier Kansas counties; lack of primary care access for individuals with a severe mental illness; barriers to increasing primary care access; strategies for increasing access to primary care; and how qualified providers might be able to access state or federal funding to increase primary care access.

24. Support the inclusion of administrative case management services for the BI, FE, PD waivers and the PACE program in the outstanding KanCare RFP.

Senate Committee on Ways and Means Recommendation

The **Committee** concurs with the Subcommittee's recommendation for FY 2025 with the following adjustments:

1. Adopt GBA No. 1, Item 5, to add \$23.0 million, including \$8.9 million SGF, to add 250 slots to the I/DD waiver and 250 slots to the PD waiver for FY 2025.
2. Delete \$40.0 million for one-time housing grants.
3. Add language to lapse \$5.0 million SGF for grants to 14(c) providers if the exception has not yet been eliminated by the effective date of the mega appropriations bill.
4. Add language for KDADS to study and report information on involuntary discharges and transfers from state licensed adult care homes for FY 2025.
5. Add \$600,000 SGF for Envision for operational support to address its waitlist for FY 2025 only.