

## **Home and Community Based Services Waiver for Individuals with Developmental Disabilities Provider Assessment**

**SB 210** establishes a provider assessment on the gross revenues received by entities providing services to individuals with developmental disabilities. The proceeds of the provider assessment will be used to draw down additional federal funds for the Medicaid Home and Community Based Services Waiver for Individuals with Developmental Disabilities (HCBS/DD). The increased funding will be utilized to increase provider reimbursement rates for HCBS/DD waiver providers. The bill authorizes an assessment for the fiscal year that approval is achieved and the subsequent four fiscal years.

### ***Calculation and Collection***

The bill defines gross revenues and specifies that the calculation to determine gross revenues excludes state or local-only funded revenues as well as revenues from services provided to individuals who are not developmentally disabled. "Gross revenues" also excludes the receipt of any charitable donations received by the entities. The developmental disabilities waiver provider assessment (provider assessment) will be an annual assessment based upon the maximum federally allowed rate of gross revenues.

The assessment received for waiver participants will be achieved by not increasing payments to providers to account for the entire enhanced funding stream on a claim-by-claim basis. To capture provider assessment payments for non-waiver participants revenue, quarterly payments will be collected from providers on those amounts. The provider assessment will be effective the first month after the federal Centers for Medicare and Medicaid Services authorizes developmental disabilities as an approved service class and approves the Kansas waiver submission to establish a provider assessment for this provider class. The provider assessment is effective for five fiscal years.

### ***Administration and Rules and Regulations Authority***

The Kansas Health Policy Authority (KHPA) is directed to administer and collect the assessment. In addition, the bill allows the KHPA to collect administrative costs not exceeding 0.5 percent of collections in the first year and up to \$100,000 each year thereafter. The KHPA is authorized to assess penalties on providers who do not pay the full amount of the assessment of the lesser of \$500 per day or 2.0 percent owed for the fiscal year. The bill directs the KHPA to adopt rules and regulations within 30 days of federal approval of the assessment. The bill also creates a new no limit fund, the Quality Based Community Assessment Fund for the KHPA. Interest earnings from balances in the Fund shall be credited to the Fund.

### ***Nullification/ Termination***

The bill makes the provider assessment null and void if:

- The Centers for Medicare and Medicaid Services (federal) does not authorize the provider assessment;
- HCBS/DD waiver provider payment rates are reduced;
- Medicaid eligibility criteria are reduced; or
- Medicaid services are reduced.

The bill terminates the assessment if:

- Any funds are transferred or revert back to the State General Fund; or
- Funds are used to supplant or replace existing funding.

If the provider assessment becomes null and void or terminates, any funds collected will be returned to providers on a pro-rated basis.