

## Kansas Department for Aging and Disability Services

Expenditure	Actual FY 2021	Approved FY 2022	Approved FY 2023
<b>All Funds:</b>			
State Operations	\$ 94,158,882	\$ 119,189,737	\$ 147,740,999
Aid to Local Units	95,578,534	105,814,637	101,694,931
Other Assistance	1,966,296,807	2,131,768,080	2,449,026,710
<i>Subtotal - Operating</i>	<u>\$ 2,156,034,223</u>	<u>\$ 2,356,772,454</u>	<u>\$ 2,698,462,640</u>
Capital Improvements	3,434,349	16,738,077	13,790,142
<b>TOTAL</b>	<b><u>\$ 2,159,468,572</u></b>	<b><u>\$ 2,373,510,531</u></b>	<b><u>\$ 2,712,252,782</u></b>
<b>State General Fund:</b>			
State Operations	\$ 28,188,180	\$ 67,989,532	\$ 100,520,748
Aid to Local Units	39,033,353	62,573,580	72,323,580
Other Assistance	584,571,746	713,159,912	925,307,867
<i>Subtotal - Operating</i>	<u>\$ 651,793,279</u>	<u>\$ 843,723,024</u>	<u>\$ 1,098,152,195</u>
Capital Improvements	-	-	-
<b>TOTAL</b>	<b><u>\$ 651,793,279</u></b>	<b><u>\$ 843,723,024</u></b>	<b><u>\$ 1,098,152,195</u></b>
<b>Percent Change:</b>			
Operating Expenditures			
All Funds	7.3 %	9.3 %	14.5 %
State General Fund	19.0	29.4	30.2
FTE Positions	316.0	325.5	335.5

The approved FY 2022 operating budget for the Kansas Department for Aging and Disability Services is \$2.4 billion, including \$843.7 million SGF. This is an increase of \$200.7 million, or 9.3 percent, including \$191.9 million SGF, or 29.4 percent, above the FY 2021 actual expenditures. A large portion of the increase is related to yearly fluctuations in the estimates for Medicaid expenditures. Twice each fiscal year, the Kansas Legislative Research Department and the Division of the Budget work with the agency to develop an estimate for Medicaid expenditures. The estimate for FY 2021 was slightly higher than the actual expenditures, and the revised estimates for FY 2022 were higher than originally anticipated.

The agency also received additional COVID-19 pandemic relief funds related to an increase in the Federal Medical Assistance Percentage (FMAP) rate for Medicaid Home and Community Based Services (HCBS). Additionally, the approved budget includes additional funding to begin the implementation of Crisis Intervention Centers as well as funding for a salary increase plan for nursing staff at the state hospitals to aid in recruitment and retention. The delay of several projects originally planned for FY 2021, such as the establishment of psychiatric beds in Hays and the implementation of the electronic health records system at the state hospitals, contributed to the increase in FY 2022. The approved budget also includes 325.5 FTE positions in FY 2022, which is an increase of 9.5 FTE positions over the FY 2021 actual number. This is due to the creation of several FTE positions due to newly received grants.

The approved FY 2022 capital improvement expenditures budget for the Kansas Department for Aging and Disability Services is \$16.7 million, all from the State Institutions Building Fund (SIBF). This is an increase of \$13.3 million, or 387.4 percent, above the FY 2021 actual capital improvement expenditures budget. This increase is primarily due to the delay in the remodel for the Biddle building at Osawatometie State Hospital. This project was originally appropriated by the 2020 Legislature, however it was subsequently delayed due to the COVID-19 pandemic. The funding has reappropriated year to year, and additional funds were appropriated in FY 2022 to account for increased supply costs associated with the pandemic.

The approved FY 2023 operating budget for the Kansas Department for Aging and Disability Services is \$2.7 billion, including \$1.1 billion SGF. This is an increase of \$341.7 million, or 14.5 percent, including \$254.4 million SGF, or 30.2 percent, above the FY 2022 approved budget. As with FY 2022, a large portion of the increase is related to Medicaid expenditures. This includes increases associated with a growth in the number of Medicaid beneficiaries, as well as an increase for the transition of Community Mental Health Centers to Certified Community Behavioral Health Clinics (CCBHCs). Additionally, the Legislature approved increases for reimbursement rates for the HCBS Intellectual/Developmental Disability waiver, the HCBS Frail Elderly waiver, as well as rates for behavioral health services. Additionally, the Medicaid increases include a full rebase of the daily rate for nursing facilities providing services for Medicaid-eligible residents as well as a rebase of the rates for Programs for All Inclusive Care of the Elderly (PACE). Increases outside of Medicaid are associated with the creation of additional regional mental health beds in south-central Kansas as well as funding for suicide prevention,

including the 988 hotline. The approved budget also includes 335.5 FTE positions for FY 2023, which is an increase of 10.0 FTE positions over the FY 2022 approved number. This is due to the creation of several FTE positions to bolster surveying and certification of facilities services as well as HSBC administration services.

The approved FY 2023 capital improvement expenditures budget for the Kansas Department for Aging and Disability Services is \$13.8 million, all from the SIBF. This is a decrease of \$2.9 million, or 17.6 percent, below the FY 2022 approved capital improvement expenditures. This decrease is due to the completion of the remodel for the Biddle building at Osawatomie State Hospital. Additionally, the approved capital improvement budget includes additional funding for rehabilitation and repair projects at the state hospitals as well as the razing of several older buildings at the Osawatomie State Hospital campus.

## Kansas Department for Aging and Disability Services

	FY 2022			FY 2023		
	SGF	All Funds	FTE	SGF	All Funds	FTE
<b>Agency Estimate</b>	\$ 894,740,368	\$ 2,361,992,784	325.5	\$ 903,448,989	\$ 2,342,561,426	341.5
<b>Governor's Changes:</b>						
1. Fall 2021 Human Services Caseloads Adjustment	\$ (66,017,344)	\$ (89,707,943)	-	\$ 24,112,282	\$ 8,578,711	-
2. Governor's 24/7 Pay Plan Base Increase	-	1,302,885	-	2,419,644	2,419,644	-
3. Governor's 24/7 Pay Plan Differential Funding	-	8,342,805	-	15,588,008	15,588,008	-
4. Crisis Intervention Center Funding	2,000,000	2,000,000	-	10,000,000	10,000,000	-
5. Non-Recommended Enhancement - CDDO Administration Funding	-	-	-	(1,450,000)	(2,500,000)	-
6. Non-Recommended Enhancement - PD Waiver Wait List Reduction	-	-	-	(2,910,987)	(7,312,200)	-
7. Non-Recommended Enhancement - I/DD Waiver Wait List Reduction	-	-	-	(6,903,269)	(17,340,540)	-
8. Non-Recommended Enhancement - KanCheck Revenue Gap	-	-	-	(4,800,000)	(4,800,000)	-
9. Non-Recommended Enhancement - State Hospital Commission Position	-	-	-	(87,000)	(87,000)	(1.0)
10. Partial Recommendation of Surveying Positions	-	-	-	(635,200)	(838,600)	(7.0)
11. Recommendation of PACE Rebase through Caseloads	-	-	-	(959,777)	(2,410,895)	-
12. KanCare Ombudsman to Department of Administration	-	-	-	(224,814)	(224,814)	(3.0)
13. Mobile Competency Expansion	-	-	-	2,800,000	2,800,000	-
14. Regional Bed Expansion	-	-	-	15,000,000	15,000,000	-
15. Suicide Prevention Plan	-	-	-	1,500,000	1,500,000	-
16. State Highway Fund Mental Health Grants Swap	-	-	-	9,750,000	-	-
17. Children's Initiatives Fund Expenditures Swap	-	-	-	3,800,000	-	-
18. GBA No. 2, Item 1 - Spring 2022 Human Services Caseloads Adjustment	16,000,000	89,580,000	-	32,355,348	110,711,113	-
19. GBA No. 2, Item 6 - Additional HCBS Staffing	-	-	-	250,000	500,000	5.0
20. GBA No. 2, Item 20 - Salary Increases for Employees in the 24/7 Plan	-	-	-	2,940,000	2,940,000	-
<b>Subtotal - Governor's Recommendation</b>	<b>\$ 846,723,024</b>	<b>\$ 2,373,510,531</b>	<b>325.5</b>	<b>\$ 1,005,993,224</b>	<b>\$ 2,477,084,853</b>	<b>335.5</b>
Change from Agency Est.	\$ (48,017,344)	\$ 11,517,747	-	\$ 102,544,235	\$ 134,523,427	(6.0)
Percent Change from Agency Est.	(5.4)%	0.5 %	0.0 %	11.4 %	5.7 %	(1.8)%
<b>Legislative Action:</b>						
21. Federal Funds Swap Authorized BY 2021 SB 159	\$ (3,000,000)	\$ -	-	\$ -	\$ -	-
22. I/DD Waiver Provider Medicaid Rate Increase	-	-	-	48,875,820	122,189,545	-
23. Rebase of Medicaid Nursing Facilities Daily Rate	-	-	-	26,184,882	65,233,887	-
24. Mental Health Provider Medicaid Rate Increase	-	-	-	5,000,000	12,500,000	-
25. FE Waiver Provider Medicaid Rate Increase	-	-	-	4,732,836	11,832,090	-
26. 988 Hotline Operational Funding	-	-	-	10,000,000	10,000,000	-
27. T1000 Medicaid Code Increase for Nursing Care	-	-	-	3,094,545	7,736,360	-
28. CDDO Administration Funding	-	-	-	1,450,000	2,500,000	-
29. PRTF Funding for Staff Retention	-	-	-	2,000,000	2,000,000	-
30. Funding for Envision	-	-	-	500,000	500,000	-

31. Lapse SGF for 988 Hotline Operational Funding	-	-	-	(10,000,000)	-	-
32. Language to Establish Nursing Facilities Staffing Guidelines	-	-	-	-	-	-
33. Language for CMHC Mobile Competency Evaluations	-	-	-	-	-	-
34. Other Medical Assistance SGF Account Reappropriation Language	-	-	-	-	-	-
35. State Finance Council Language for Regional Bed Funding	-	-	-	-	-	-
36. Appropriate 988 Suicide Prevention Special Revenue Fund	-	-	-	-	-	-
37. Adopt GBA No. 2, Item 1	-	-	-	-	-	-
38. Adopt GBA No. 2, Item 6	-	-	-	-	-	-
39. Adopt GBA No. 2, Item 20	-	-	-	-	-	-
40. Salary Increase	-	-	-	320,888	676,047	-
<b>TOTAL APPROVED</b>	<b>\$ 843,723,024</b>	<b>\$ 2,373,510,531</b>	<b>325.5</b>	<b>\$ 1,098,152,195</b>	<b>\$ 2,712,252,782</b>	<b>335.5</b>
Change from Gov. Rec.	\$ (3,000,000)	\$ -	-	\$ 92,158,971	\$ 235,167,929	-
Percent Change from Gov. Rec.	(0.4)%	- %	0.0 %	9.2 %	9.5 %	0.0 %
Change from Agency Est.	\$ (51,017,344)	\$ 11,517,747	-	\$ 194,703,206	\$ 369,691,356	(6.0)
Percent Change from Agency Est.	(5.7)%	0.5 %	0.0 %	21.6 %	15.8 %	(1.8)%

- The Governor deleted \$89.7 million, including an SGF reduction of \$66.0 million, in FY 2022 and added \$8.6 million, including \$24.1 million SGF, for FY 2023 to adopt the fall human services consensus caseload estimate. Due to the temporary increase in the Federal Medical Assistance Percentage (FMAP) rate, this estimate reflected an increased receipt of federal moneys with a decreased utilization of SGF moneys to draw down those federal moneys in FY 2022. Additionally, the FY 2023 estimate increased due to the expanded Medicaid-eligible population associated with the requirements of the temporary FMAP rate increase, as well as the inclusion of the Program of All-Inclusive Care for the Elderly (PACE) in the caseloads estimating process.
- The Governor added \$1.3 million, all from federal American Rescue Plan Act (ARPA) pandemic relief funds, in FY 2022 and \$2.4 million SGF for FY 2023 to provide a permanent increase in the base pay for nursing staff at the state hospitals to assist in recruitment and retention issues. *Staff Note:* KDADS receives these funds on behalf of the state hospitals to disperse accordingly.
- The Governor added \$8.3 million, all from federal ARPA pandemic relief funds, in FY 2022 and \$15.6 million SGF for FY 2023 to provide an increased hourly rate in certain circumstances and a bonus to salaried positions for nursing staff at the state hospitals to assist in recruitment and retention issues. *Staff Note:* KDADS receives these funds on behalf of the state hospitals to disperse accordingly.
- The Governor added \$2.0 million SGF in FY 2022 and \$10.0 million SGF for FY 2023 for the implementation of crisis intervention centers. Currently, the state has several crisis stabilization centers, which allow for individuals to receive crisis mental health services in the community on a voluntary basis. The implementation of crisis intervention centers will increase the capacity to receive individuals on an involuntary basis.
- The Governor deleted \$2.5 million, including \$1.5 million SGF, for FY 2023 to not recommend the agency's enhancement request to increase the allocation for Community Developmental Disability Organizations (CDDOs) to assist in fulfilling their administrative function in assessing individuals for the HCBS Intellectual/Developmental Disability (I/DD) waiver.
- The Governor deleted \$7.3 million, including \$2.9 million SGF for FY 2023, to not recommend the agency's enhancement request to reduce the number of individuals waiting for services through the HCBS Physical Disability (PD) waiver.
- The Governor deleted \$17.3 million, including \$6.9 million SGF for FY 2023, to not recommend the agency's enhancement request to reduce the number of individuals waiting for services through the HCBS I/DD waiver.
- The Governor deleted \$4.8 million SGF for FY 2023, to not recommend the agency's enhancement request to supplement the costs of background checks it requires as part of its certification responsibilities.
- The Governor deleted \$87,000 SGF and 1.0 FTE position for FY 2023, to not recommend the agency's enhancement request for an additional FTE position to facilitate its new performance management system at the state hospitals.

10. The Governor deleted \$838,600, including \$635,200 SGF, and 7.0 FTE positions for FY 2023 to only partially adopt the agency's enhancement request for additional survey and credentialing staff to assist in ensuring compliance of adult care facilities in the state. The agency had originally requested \$1.7 million, including \$1.3 million SGF, and 15.0 FTE positions for this enhancement.
11. The Governor deleted \$2.4 million, including \$959,777 SGF, for FY 2023 related to the rebase of reimbursement rates for PACE. As part of the inclusion of the PACE into caseloads, this funding was folded into the caseloads adjustments item.
12. The Governor deleted \$224,814 SGF, and 3.0 FTE positions for FY 2023 to transfer the KanCare Ombudsman Office from KDADS to the newly created Office of Public Advocates within the Department of Administration. The transfer reflects the changes made by the Governor's Executive Order 21-27, establishing the Office of Public Advocates.
13. The Governor added \$2.8 million SGF for FY 2023 to expand funding for mobile competency evaluations to allow for competency evaluations and restoration services to be conducted within the community.
14. The Governor added \$15.0 million SGF for FY 2023 for construction and start-up costs to expand bed capacity for regional mental health beds. This funding is planned to provide 25 new regional beds for involuntary patients and 25 new beds for competency needs.
15. The Governor added \$1.5 million SGF for FY 2023 to implement the suicide prevention plan through support for local coalitions and provide grants to local communities for suicide prevention.
16. The Governor replaced \$9.8 million transferred from the State Highway Funds with SGF moneys, as part of the Governor's plan to end extraordinary transfers from the State Highway Fund in FY 2023. For several years, this transfer has assisted in providing mental health grants. As part of the Governor's plan, these expenditures are not being reduced but instead being funded with SGF moneys.
17. The Governor replaced \$3.8 million from the Children's Initiatives Fund with \$3.8 million SGF for FY 2023, to allow for Children's Initiatives Funds to be used for other projects as recommended by the Children's Cabinet.
18. In Governor's Budget Amendment (GBA) No. 2, Item 1 the Governor added \$89.6 million, including \$16.0 million SGF, in FY 2022 and added \$110.7 million, including \$32.4 million SGF, for FY 2023 to adopt the spring human services consensus caseload estimate. The increases are primarily related to an increasing Medicaid population associated with the temporary pandemic related FMAP increase, as well as increased funding associated with the implementation of Certified Community Behavioral Health Clinics.
19. In GBA No. 2, Item 6, the Governor added \$500,000, including \$250,000 SGF, and 5.0 FTE positions for FY 2023 to increase the staff for the HCBS program.
20. In GBA No. 2, Item 20, the Governor added \$2.9 million SGF for FY 2023 to include employees who did not receive a permanent salary increase through the 24/7 pay plan in the Governor's 5.0 percent executive pay plan. *Staff Note:* This primarily includes Mental Health/Developmental Disability Technicians at the state hospitals who had received increases through Executive Directives Nos. 21-537 and 21-538.
21. The Legislature replaced \$3.0 million SGF with federal ARPA funds related to operation of the 988 suicide prevention hotline in FY 2022. *Staff Note:* This funding was originally approved by the 2021 Legislature with a proviso lapsing the funding if federal ARPA funds were available. In February 2022, the Director of the Budget certified that funds were available, and the SGF moneys were replaced with federal moneys.
22. The Legislature added \$122.2 million, including \$48.9 million SGF, to provide a 25.0 percent reimbursement rate increase, excluding the T1000 Medicaid code for specialized nursing care, for providers of HCBS I/DD waiver services, and added language for the agency to provide a report to the joint Legislative Budget Committee regarding salaries and wages for the direct support workforce, for FY 2023.
23. The Legislature added \$65.2 million, including \$26.2 million SGF, to provide for a full rebase of the nursing facility daily Medicaid rate for FY 2023. This amount is the difference between the amount to fully rebase the daily rate and the 3.0 percent increase already included in the Governor's recommendation for FY 2023. The full rebase amount is based on calendar year 2019, 2020, and 2021 cost data, however, the data for calendar year 2021 is an estimate.
24. The Legislature added \$12.5 million, including \$5.0 million SGF, to provide a 4.0 percent reimbursement rate increase for providers of Medicaid behavioral health services for FY 2023.
25. The Legislature added \$11.8 million, including \$4.7 million SGF, to provide a 10.0 percent reimbursement rate increase for providers of HCBS Frail Elderly waiver services for FY 2023.

26. The Legislature added \$10.0 million SGF to fund 988 hotline operations for FY 2023 and added language to lapse the SGF funding if House Sub. for SB 19 or a substantially similar bill regarding funding of the 988 Suicide Prevention hotline passed during the 2022 Session. *Staff Note:* House Sub. for SB 19 was enacted, which changes the source of the funding to special revenue funds, see Item 31.
27. The Legislature added \$7.7 million, including \$3.1 million SGF, and added language to increase the reimbursement rate for the T1000 Medicaid code for specialized nursing care from \$43.00 per hour to \$47.00 per hour for FY 2023.
28. The Legislature added \$2.5 million, including \$1.5 million SGF, to increase the amount provided to community developmental disability organizations to fulfill their role in assessing individuals for the HCBS I/DD waiver for FY 2023.
29. The Legislature added \$2.0 million SGF to assist with staffing at psychiatric residential treatment facilities for FY 2023 to assist with staff retention and recruitment.
30. The Legislature added \$500,000 SGF for Envision to make necessary renovations for the PRIDE program serving individuals with developmental disabilities, who are also blind, for FY 2023.
31. The Legislature replaced \$10.0 million SGF with special revenue funds for FY 2023 with the passage of House Sub. for SB 19, which creates a \$10.0 million revenue transfer to the 988 Suicide Prevention and Mental Health Hotline Fund beginning in FY 2023.
32. The Legislature added language to allow the agency to establish guidelines for a nursing facility to request a waiver for staffing requirements compatible with federal Centers for Medicare and Medicaid Services rules for FY 2023 and investigate similar guidelines for adult care homes for FY 2023.
33. The Legislature added language to require KDADS to enter into agreements with community mental health centers to establish rates for conducting mobile competency evaluations for FY 2023. The Governor's recommendation already included the funding for mobile competency expansion in an effort to reduce wait times for the state hospitals.
34. The Legislature added language to the Other Medical Assistance SGF account for FY 2023 to allow for any unencumbered balance at the end of FY 2022 to reappropriate into FY 2023.
35. The Legislature added language making the release of the \$15.0 million SGF for regional inpatient mental health bed expansion contingent on State Finance Council approval and language that an interim committee must review the need for regional bed expansion and provide a plan to State Finance Council prior to approval for FY 2023.
36. The Legislature appropriated the 988 Suicide Prevention and Mental Health Hotline Fund for FY 2023.
37. The Legislature concurred with the Governor to adopt GBA No. 2, Item 1, to add \$110.7 million, including \$32.4 million SGF, to the Governor's recommendation to adopt the spring human services consensus estimate for FY 2023.
38. The Legislature concurred with the Governor to adopt GBA No. 2, Item 6, to add \$500,000, including \$250,000 SGF, and 5.0 FTE positions to increase staff for the HCBS waiver program for FY 2023.
39. The Legislature concurred with the Governor to adopt GBA No. 2, Item 20, to add \$2.9 million SGF for a 5.0 percent salary increase among employees at state hospitals who did not receive a base pay increase as part of the 24/7 Pay Plan for FY 2023.
40. The Legislature added \$676,047, including \$355,159 SGF, for a 5.0 percent salary increase for most state employees for FY 2023. This adjustment excludes statewide elected officials, current beneficiaries of the 24/7 pay plan, with other specific limitations for employees who receive salary adjustments in other portions of the appropriations bill.