

**Neutral Testimony on HB 2784  
House Health & Human Services Committee  
Thursday, February 15, 2024**

Madam Chair and Members of the Committee,

Thank you for the opportunity to provide neutral testimony on HB 2784 which makes a number of changes to current statute regarding Continuing Care Retirement Communities (CCRCs). CCRC is a national designation for a facility type with multiple levels of care ranging from independent living to skilled nursing. Often times residents are charged an upfront fee before admission or agree to a fixed-price payment plan intended to cover the range of care needed for the duration of their life within the services provided by the CCRC.

HB 2784 makes several policy changes related to CCRCs The bill:

- Adds CCRC to the definition of adult care home
- Further defines what a CCRC is
- Moves registration of CCRCs from the Kansas Insurance Department to the Kansas Department for Aging & Disability Services
- Adjusts rates that facilities pay for the Quality Care Assessment (QCA)

HB 2784 creates a regulated licensure category for independent living by altering the definition of adult care home in K.S.A. 39-923(a). The addition of CCRC to the definition of adult care home that would require the creation and on-going monitoring of licensure and regulatory oversight of independent living facilities and homes. That does not exist in current statute.

If independent living is to be included in the definition of adult care homes, they would move an unlicensed, unregulated setting to a facility type that must comply with regulations common to all adult care homes based on the authority of K.S.A. 39-923(a). Those include requiring the hiring of Certified Nurse Aides (CNAs) and Certified Medication Aides (CMAs) for direct care staff roles as well as having the independent living residences, such as a townhome, apartment, or duplex inspected by KDADS survey staff and the Kansas State Fire Marshal (KSFM) to ensure compliance with facility standards and life safety code requirements.

KDADS supports adding the definition of a CCRC to the definition of the types of facilities KDADS licenses on page 3, number 9 of HB 2784.

HB 2784 also transfers the authority for certification of CCRC facilities from the Kansas Insurance Department to KDADS. KDADS is neutral on this change and leaves that policy decision up to the Legislature.

Additionally, HB 2784 adjusts the rates of the Quality Care Assessment for nursing facilities. KDADS anticipates that the provider assessment rates included in the bill would not comply with federal requirements, as proposed. In the event the proposed rates are not approved at the federal level by CMS, the fiscal impact to the state could be approximately \$25.0 million SGF to maintain the existing level of funding for Nursing Facilities in the Medicaid program. This fiscal impact would account for loss in revenue from the provider assessment if not compliant with federal requirements.

Section 9 of HB 2784 changes the definition of small skilled nursing care facility for Quality Care Assessment. The bill lowers to required number of beds for a small skilled nursing care facility from 46 to 40 beds. Currently, such a facility with fewer than 46 beds would qualify for the lower QCA rate. For a facility with 39 beds, this change would put them at the higher QCA rate while a facility with 41 beds would be at the lower rate. It would have an adverse impact on small, often rural, facilities.

Thank you for the opportunity to provide testimony on HB 2784. I am happy to stand for questions at the appropriate time.

Respectfully,

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