To: Sen. Beverly Gossage, Chair, and Members, Senate Public Health and Welfare Committee
From: Rachel Monger, President/CEO, LeadingAge Kansas
Date: March 12, 2024

LeadingAge Kansas is the state association for not-for-profit and other mission-focused aging services. We have 150 member organizations across Kansas, which include not-for-profit nursing homes, retirement communities, hospital long-term care units, assisted living, homes plus, senior housing, low-income housing, home health agencies, home and community-based service programs, PACE and Meals on Wheels. Our members serve more than 25,000 older Kansans each day and employ more than 20,000 people across the state.

Neutral Testimony on HB 2784

Traditionally, continuing care retirement communities (CCRCs) are a nonprofit business model, and that is still largely true today. Up until a few years ago, LeadingAge Kansas members made up most of the registered CCRCs in Kansas. Over the years the CCRC registration list has swelled, and our members now make up a minority of CCRCs in Kansas. This shift has been allowed to happen because our CCRC statute does not contain a clear definition of CCRCs and contains language that allows nearly any aging service provider to register as a CCRC if desired.

As the state association that has represented actual CCRCs in Kansas for 70 years, we support the dual aim of tightening loopholes in CCRC statutes and better ensuring the integrity and efficacy of the nursing home bed tax program. However, there are additional amendments we are requesting to HB 2784 to further clarify the definition of a CCRC, and to relieve an overly burdensome requirement that could force organizations to change their fiscal years.

Add Home Plus to the list of care settings in the definition of CCRC

In the newly amended version of HB 2784, all iterations of adult care home settings are listed in the definition of “continuing care retirement community” except for Home Plus. There is no reason we can find as to why it has been left out of the definition, and we request that it be added in.

Changing CCRC financial reporting and registration to April 1st is burdensome, arbitrary, and unnecessary.

Under current statute, CCRCs are required to submit their required financial disclosure statements and audit reports within four months of the completion of their fiscal year. This requirement is written to accommodate the various fiscal years found in private business operations. By changing the due date for all financial filings to April 1st, HB 2784 could force all CCRCs to comply with a calendar fiscal year. Not only is this an unnecessary requirement, but it is also extremely expensive and burdensome.

We assume the April 1st deadline is connected to internal KDADS deadlines around the nursing home provider tax program, in which CCRCs are included as a 1/6th payment tier. CCRCs and the CCRC registration statute long pre-existed the nursing home bed tax scheme, as do CCRC business operations, fiscal years, legal contracts, and the actuarial underpinnings of life care contracts. Forcing these businesses to conform with internal KDADS timelines for a separate and unrelated provider tax statute is senseless and destructive.

We have received no reports from providers or regulators that the current CCRC reporting timelines based on a provider's fiscal year has caused any actual problems with the nursing home bed tax system. Any perceived convenience of moving to an April 1st reporting period is far outweighed by the upheaval, expense, and government overreach when forcing businesses to change their fiscal year.

We ask that the current statutory language on fiscal year reporting be restored.

We thank the committee for its consideration of our requests and are available for further questions and discussion.