

KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES

FY 2022 – FY 2024 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2022 – FY 2024

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Operating Expenditures:					
State General Fund	\$ 712,381,851	\$ 1,137,185,233	\$ 1,155,714,468	\$ 1,139,784,949	\$ 1,184,008,817
Federal Funds	1,501,435,325	1,447,656,286	1,580,878,905	1,556,201,133	1,602,256,921
All Other Funds	66,062,451	74,622,880	72,427,975	74,432,193	73,386,885
<i>Subtotal</i>	<u>\$ 2,279,879,627</u>	<u>\$ 2,659,464,399</u>	<u>\$ 2,809,021,348</u>	<u>\$ 2,770,418,275</u>	<u>\$ 2,859,652,623</u>
Capital Improvements:					
State General Fund	\$ 59,318	\$ 55,360	\$ 55,360	\$ 55,360	\$ 55,360
Federal Funds	-	-	-	-	-
All Other Funds	3,463,860	27,463,529	27,463,529	11,465,380	3,462,030
<i>Subtotal</i>	<u>\$ 3,523,178</u>	<u>\$ 27,518,889</u>	<u>\$ 27,518,889</u>	<u>\$ 11,520,740</u>	<u>\$ 3,517,390</u>
TOTAL	<u>\$ 2,283,402,805</u>	<u>\$ 2,686,983,288</u>	<u>\$ 2,836,540,237</u>	<u>\$ 2,781,939,015</u>	<u>\$ 2,863,170,013</u>
Percentage Change:					
State General Fund	7.3 %	59.6 %	62.2 %	0.2 %	2.4 %
All Funds	19.0 %	17.7 %	24.2 %	3.5 %	0.9 %
FTE Positions	334.0	362.3	362.3	397.3	364.3

For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The Kansas Department for Aging and Disability Services (KDADS) was established by statute in 1977 as a cabinet-level agency, known as the Department of Aging until 2012. The agency is headed by a secretary appointed by the Governor, subject to confirmation by the Senate. Its goals are to promote the security, dignity, and independence of older adults and persons with disabilities. KDADS is responsible for Medicaid long-term care payments, survey and certification for adult care homes, behavioral health programs, home and community-based services for older adults and persons with disabilities, and the management and oversight of the four state hospitals. KDADS is mandated under the federal Older Americans Act to serve as an advocate for seniors and to administer programs funded by Older Americans Act appropriations.

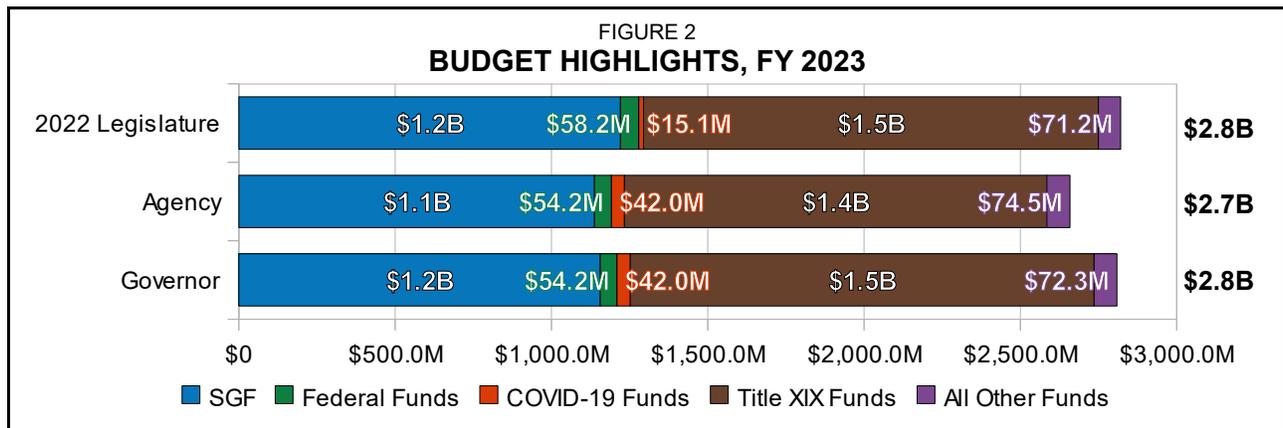
KDADS is responsible for overseeing the administration of the Medicaid Home and Community Based Services (HCBS) waivers for older adults and persons with disabilities. Kansas currently has seven separate HCBS waivers: Autism (AU), Frail Elderly (FE), Intellectual and Developmental Disability (I/DD), Physical Disability (PD), Serious Emotional Disturbance (SED), Technology Assisted (TA), and Brain Injury (BI).

KDADS is organized into the major areas of Administration; the Commission on Aging and Disability Community Services and Programs; Medicaid programs; the Behavioral Health Commission; the Survey, Certification, and Credentialing Commission; and the State Hospital Commission.

EXECUTIVE SUMMARY

The 2022 Legislature approved a budget of \$2.7 billion, including \$1.1 billion from the State General Fund (SGF), for the Kansas Department for Aging and Disability Services for FY 2023. Several adjustments have been made subsequently to that amount, which changes the current year approved amount without any legislative action required.

- SGF REAPPROPRIATIONS.** The agency received approximately \$122.8 million SGF in reappropriated funds from FY 2022 into FY 2023. These reappropriations were primarily related to Medicaid-related expenditures as well as funds associated with program delays due to the timing of when contracts were executed.
- SIBF REAPPROPRIATIONS.** The agency received approximately \$13.9 million in reappropriations from the State Institutions Building Fund (SIBF) from FY 2022 into FY 2023.

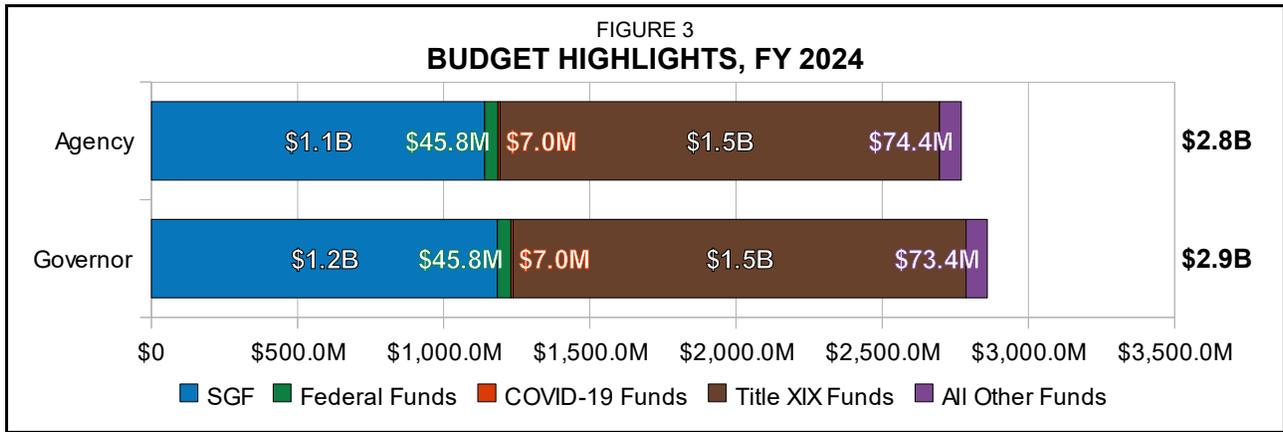


The **agency** submits a revised estimate of \$2.7 billion, including \$1.1 billion SGF, and 362.3 FTE positions in FY 2023. This is an all funds decrease of \$161.9 million, or 5.7 percent, including a decrease of \$83.7 million SGF, or 6.9 percent, below the FY 2023 approved amount. Significant items in the agency's estimate include the following:

- LAPSED REAPPROPRIATIONS.** The agency's revised estimate includes a supplemental request to lapse \$164.1 million from all funds, including \$63.3 million SGF, that were reappropriated from FY 2022. The reappropriated funds were budgeted for human services caseloads, and the agency requests lapsing the Medicaid caseloads reappropriations, as the need for these funds will be reassessed during the human services consensus caseloads process.

The **Governor** recommends expenditures of \$2.8 billion, including \$1.2 billion SGF, in FY 2023. This is an all funds increase of \$149.6 million, including an SGF increase of \$18.5 million, above the agency's revised estimate in FY 2023. The Governor's recommendation also includes 362.3 FTE positions, which is unchanged from the agency's FY 2023 revised estimate.

- FALL 2022 CASELOADS ADJUSTMENT.** The Governor recommends the addition of \$149.6 million, including \$18.5 million SGF, in FY 2023, to reflect the fall 2022 human services consensus caseloads estimate. Compared to the FY 2023 approved amount, the fall 2022 consensus caseloads estimate for KDADS is an all funds decrease of \$14.5 million, including a decrease of \$44.8 million SGF. The SGF decrease below the FY 2023 approved amount is primarily due to the extension of the Public Health Emergency (PHE) for three quarters of FY 2023, compared to one quarter reflected in the approved amount in FY 2023. For more information on the fall 2022 estimate, see the Special Topics section.



The **agency** requests \$2.8 billion, including \$1.1 billion SGF, and 397.3 FTE positions for FY 2024. This is an all funds increase of \$95.0 million, or 3.4 percent, including an increase of \$2.6 million SGF, or 0.2 percent, above the FY 2023 revised estimate. Significant items in the agency's request include the following:

- **ENHANCEMENT REQUESTS.** The agency's request includes 21 enhancement requests for an all funds increase totaling \$105.6 million, including \$46.4 million SGF. These items are detailed in the Budget Year table and the Enhancements section.

The **Governor** recommends expenditures of \$2.9 billion, including \$1.2 billion SGF, for FY 2024. This is an increase of \$81.2 million, including \$44.2 million SGF, above the agency's request for FY 2024. The Governor's recommendation includes the following adjustments:

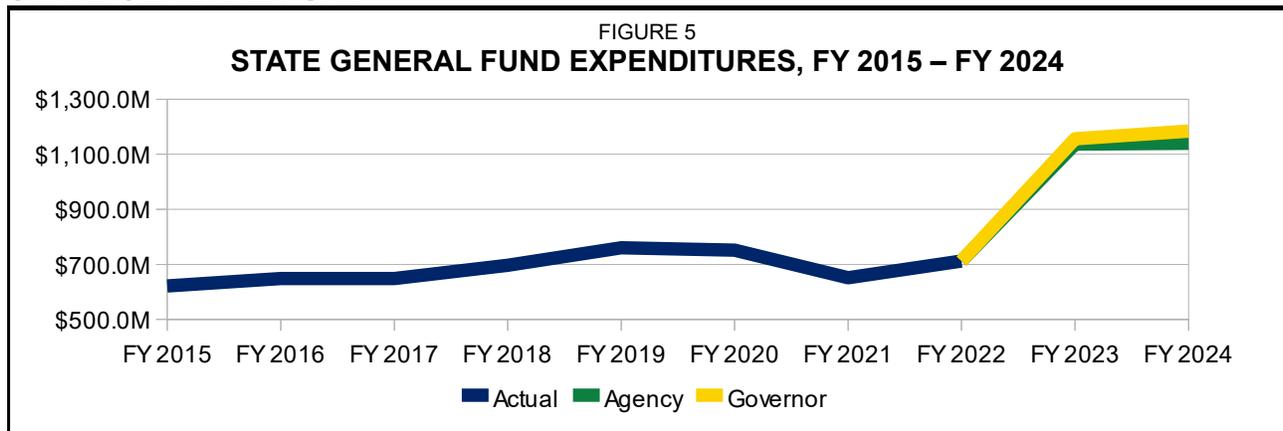
- **FALL 2022 CASELOADS ADJUSTMENT.** The Governor recommends the addition of \$126.4 million, including \$53.5 million SGF, to reflect the fall 2022 human services consensus caseloads estimate. For more information on the fall 2022 estimate, see the Special Topics section.
- **EMERGENCY MENTAL HEALTH BED EXPANSION.** The Governor recommends the addition of \$22.0 million SGF to fund behavioral health emergency room bed expansion. The stated purpose is to expand behavioral health services to patients of all ages who would otherwise meet admission criteria for Osawatomie State Hospital.
- **ENHANCEMENTS NOT RECOMMENDED.** The Governor did not recommend the adoption of several agency enhancements, resulting in a decrease of \$66.7 million, including \$29.8 million SGF, below the agency's request for FY 2024.
- **ENHANCEMENTS PARTIALLY RECOMMENDED.** The Governor partially recommended several agency enhancements, resulting in a decrease of \$514,514 from all funds, including a decrease of \$1.5 million SGF, below the agency's request for FY 2024.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2022 – FY 2024

Category of Expenditure:	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Salaries and Wages	\$ 17,923,556	\$ 27,258,848	\$ 27,258,848	\$ 45,476,548	\$ 43,621,461
Contractual Services	101,284,153	141,386,302	141,386,302	91,445,965	110,874,218
Commodities	279,635	299,670	299,670	306,478	302,770
Capital Outlay	4,164,712	1,019,190	1,019,190	1,139,190	1,019,190
Debt Service Interest	248,182	131,200	131,200	8,450	8,450
<i>Subtotal</i>	<i>\$ 123,900,238</i>	<i>\$ 170,095,210</i>	<i>\$ 170,095,210</i>	<i>\$ 138,376,631</i>	<i>\$ 155,826,089</i>
Aid to Local Units	90,146,709	117,008,110	117,008,110	111,544,830	111,544,830
Other Assistance	2,065,832,680	2,372,361,079	2,521,918,028	2,520,496,814	2,592,281,704
<i>Subtotal—Operating</i>	<i>\$ 2,279,879,627</i>	<i>\$ 2,659,464,399</i>	<i>\$ 2,809,021,348</i>	<i>\$ 2,770,418,275</i>	<i>\$ 2,859,652,623</i>
Capital Improvements	1,183,178	25,063,889	25,063,889	11,260,740	3,257,390
Debt Service Principal	2,340,000	2,455,000	2,455,000	260,000	260,000
TOTAL	\$ 2,283,402,805	\$ 2,686,983,288	\$ 2,836,540,237	\$ 2,781,939,015	\$ 2,863,170,013
Financing:					
State General Fund	\$ 712,441,169	\$ 1,137,240,593	\$ 1,155,769,828	\$ 1,139,840,309	\$ 1,184,064,177
COVID-19 Federal Funds	22,528,221	42,042,634	42,042,634	6,958,188	6,958,188
Title XIX Funds	1,411,815,952	1,351,368,958	1,484,591,577	1,503,416,215	1,549,472,003
Other Federal Funds	67,091,152	54,244,694	54,244,694	45,826,730	45,826,730
State Institutions Building Fund	4,260,351	27,592,699	27,592,699	11,471,800	3,468,450
All Other Funds	65,265,960	74,493,710	72,298,805	74,425,773	73,380,465
TOTAL	\$ 2,283,402,805	\$ 2,686,983,288	\$ 2,836,540,237	\$ 2,781,939,015	\$ 2,863,170,013
FTE Positions	334.0	362.3	362.3	397.3	364.3

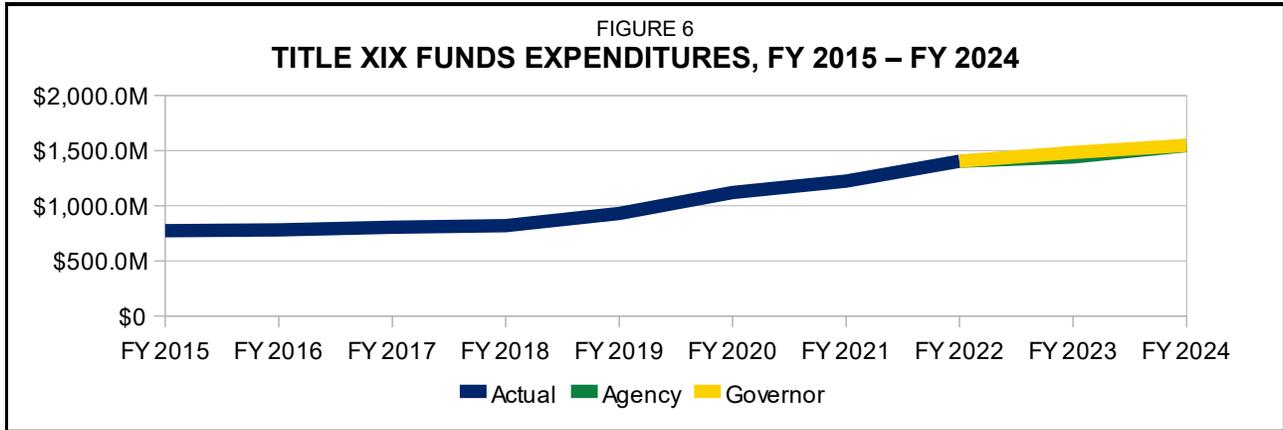
STATE GENERAL FUND



SGF expenditures are the second largest source of financing for KDADS. A large portion of the SGF expenditures provide a state match to draw down federal funds for various programs.

In FY 2021, the federal government implemented a temporary 6.2 percent increase in the Federal Medical Assistance Percentage (FMAP) rate as part of its efforts to address the COVID-19 pandemic. This increase in the FMAP allowed the agency to utilize less SGF moneys and draw down more federal funds. The increased FMAP rate is currently expected to end in March 2023, which will result in increased SGF expenditures for the final quarter of FY 2023 and the entirety of FY 2024.

TITLE XIX FUNDS



The Title XIX Funds are federal Medicaid moneys the agency receives as reimbursement for providing various Medicaid services. It is the largest source of funding for the agency, and is largely determined by the FMAP rate. These funds are generally used for Medicaid expenditures for behavioral health services, nursing facility reimbursements, and Home and Community Based Services (HCBS). The large increase starting in FY 2020 is due to the increased FMAP rate related to the COVID-19 pandemic. This increase is anticipated to continue until the end of the declared public health emergency.

FY 2023 ANALYSIS

FIGURE 7
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	All Other Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2022 Legislature	\$ 1,098,152,195	\$ 1,614,100,587	\$ 2,712,252,782	335.5
1. SGF Reappropriation	122,781,851	-	122,781,851	--
2. SIBF Reappropriation	-	13,844,736	13,844,736	--
<i>Subtotal—Legislative Approved</i>	<u>\$ 1,220,934,046</u>	<u>\$ 1,627,945,323</u>	<u>\$ 2,848,879,369</u>	<u>335.5</u>
Agency Revised Estimate:				
3. Supplemental—Lapsed Caseloads Reappropriation	\$ (63,324,607)	\$ (100,771,291)	\$ (164,095,898)	--
4. All Other Adjustments	(20,368,846)	22,568,663	2,199,817	26.8
<i>Subtotal—Agency Revised Estimate</i>	<u>\$ 1,137,240,593</u>	<u>\$ 1,549,742,695</u>	<u>\$ 2,686,983,288</u>	<u>362.3</u>
Governor's Recommendation:				
5. Fall 2022 Caseloads Adjustment	\$ 18,529,235	\$ 131,027,714	\$ 149,556,949	--
TOTAL	<u><u>\$ 1,155,769,828</u></u>	<u><u>\$ 1,680,770,409</u></u>	<u><u>\$ 2,836,540,237</u></u>	<u><u>362.3</u></u>

LEGISLATIVE APPROVED

Subsequent to the 2022 Session, two adjustments were made to the \$2.7 billion appropriated to the Kansas Department for Aging and Disability Services for FY 2023. These adjustments change the current year approved amount without any legislative action required and include the following:

1. **SGF REAPPROPRIATION.** The agency received \$122.8 million SGF in reappropriated funds from FY 2022 into FY 2023. These reappropriations were primarily for Medicaid-related expenditures. Twice a year, the Kansas Legislative Research Department and the Division of the Budget work together to estimate total Medicaid expenditures. When the actual expenditures are lower than the estimates, the excess moneys reappropriate into the following fiscal year.
2. **SIBF REAPPROPRIATION.** The agency received \$13.9 million in reappropriated State Institutions Building Fund (SIBF) moneys. These funds were unused in FY 2022 and reappropriated into FY 2023.

AGENCY ESTIMATE

The **agency** submits a revised estimate of \$2.7 billion, including \$1.4 billion SGF, in expenditures in FY 2023. This is an all funds decrease of \$161.9 million, or 5.7 percent, and an SGF decrease of \$83.7 million, or 6.9 percent, below the FY 2023 approved amount.

The **agency** estimate includes the following adjustments:

3. **SUPPLEMENTAL—LAPSE CASELOADS REAPPROPRIATION.** The agency requests lapsing \$164.1 million from all funds, including \$63.3 million SGF, that was not used in FY 2022 and reappropriated into FY 2023. The lapsed funds were allocated for KanCare caseloads expenditures in FY 2022 and include the SGF allocation, as well as the associated federal match. The agency requests the funds be lapsed because caseloads funds are reassessed as part of the fall and spring human services consensus caseloads estimating process.

4. **ALL OTHER ADJUSTMENTS.** All other adjustments amount to an increase of \$2.2 million, including a decrease of \$20.4 million SGF, from the approved amount in FY 2023. This is attributable to an increase in federal grants, primarily related to the COVID-19 pandemic. The agency has decreased its SGF expenditures due to increased availability of federal funds.

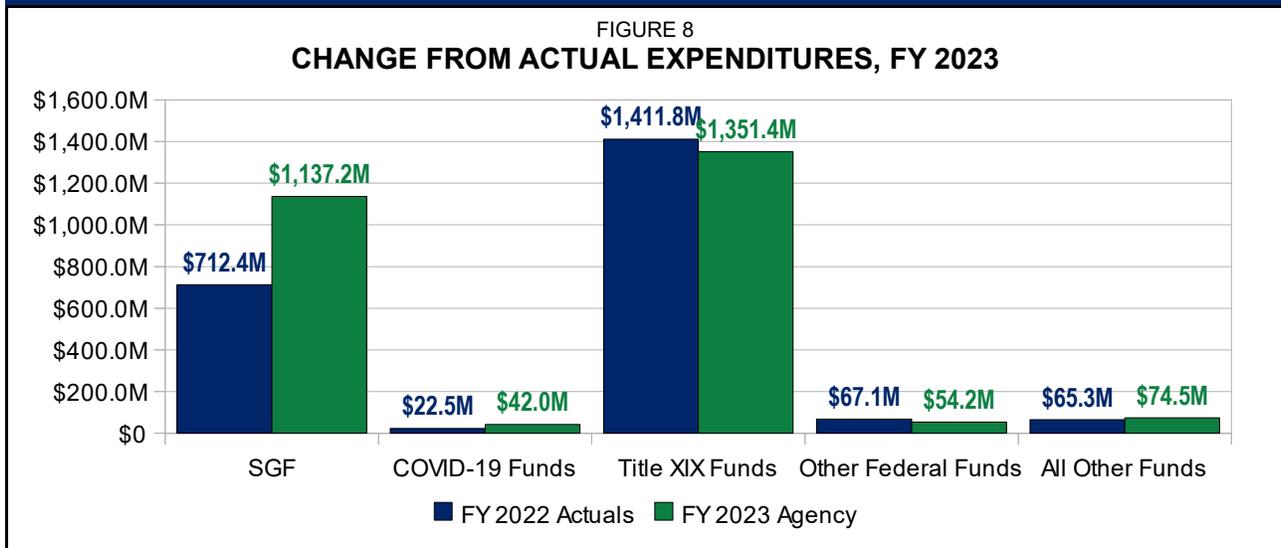
The **agency's** FY 2023 revised estimate also includes 362.3 FTE positions. This is an increase of 28.3 FTE positions above the FY 2023 approved number. The increased positions are primarily in the Survey and Certification Commission and the Medicaid program.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$2.8 billion, including \$1.2 billion SGF, in FY 2023. This is an all funds increase of \$149.6 million, including \$18.5 million SGF, above the agency's revised estimate in FY 2023. The **Governor's** recommendation also includes 362.3 FTE positions, which is unchanged from the FY 2023 approved number.

5. **FALL 2022 CASELOADS ADJUSTMENT.** The Governor recommends the addition of \$149.6 million, including \$18.5 million SGF, in FY 2023, to reflect the fall 2022 human services consensus caseloads estimate. Compared to the FY 2023 approved amount based on the spring 2022 consensus caseloads estimate, the fall 2022 estimate for KDADS is an all funds decrease of \$14.5 million, including a decrease of \$44.8 million SGF. The decrease below the FY 2023 approved amount is primarily due to the extension of the PHE for three quarters of FY 2023, compared to one quarter reflected in the approved amount in FY 2023. For more information on the fall 2022 estimate, see the Special Topics section.

FY 2023 CHANGE FROM ACTUAL EXPENDITURES



The change from actual expenditures is tied to the human services consensus caseloads estimating process. Twice a year, Kansas Legislative Research Department (KLRD) and the Division of the Budget (DOB) work with KDADS, the Kansas Department of Health and Environment, and the Department for Children and Families to develop a consensus estimate for human services entitlement expenditures.

As part of the federal COVID-19 response, the Federal Medicaid Assistance Percentage (FMAP) was increased by 6.2 percent for the duration of the public health emergency. All four quarters of FY 2022 included this enhanced federal match, lowering the amount of SGF required for the Medicaid program in FY 2022. The agency's FY 2023 estimate, however, includes three quarters of the fiscal year without the enhanced FMAP, increasing the FY 2023 SGF Medicaid caseloads expenditures over the FY 2022 amount. Additionally, the agency had approximately \$59.5 million SGF that was unspent in FY 2022 and reappropriated into FY 2023.

FY 2024 ANALYSIS

FIGURE 9

SUMMARY OF BUDGET REQUEST, FY 2024

	SGF	All Other Funds	All Funds	FTE
Agency Revised Estimate, FY 2023	\$ 1,137,240,593	\$ 1,549,742,695	\$ 2,686,983,288	362.3
Agency Request:				
1. Enhancements to Medicaid Program	\$ 30,443,292	\$ 45,741,123	\$ 76,184,415	--
2. Enhancements to Behavioral Health Commission Program	11,974,636	222,572	12,197,208	11.0
3. Enhancements to Aging and Disability Commission Program	1,967,449	4,909,408	6,876,857	7.0
4. Enhancements to SCCC Program	1,349,642	-	1,349,642	12.0
5. Enhancements to Administration Program	655,076	373,952	1,029,028	10.0
6. Enhancements to Capital Improvement Program	-	8,003,350	8,003,350	--
7. All Other Adjustments	(43,790,379)	33,105,606	(10,684,773)	(5.0)
<i>Subtotal–Agency Estimate</i>	\$ 1,139,840,309	\$ 1,642,098,706	\$ 2,781,939,015	397.3
Governor’s Recommendation:				
8. Fall 2022 Caseloads Adjustment	\$ 53,490,000	\$ 72,930,000	\$ 126,420,000	--
9. Emergency Mental Health Bed Expansion	22,000,000	-	22,000,000	--
10. Enhancements Not Recommended	(29,788,998)	(36,885,940)	(66,674,938)	(16.0)
11. Enhancements Partially Recommended	(1,477,134)	963,070	(514,064)	(17.0)
TOTAL	\$ 1,184,064,177	\$ 1,679,105,836	\$ 2,863,170,013	364.3

AGENCY REQUEST

The **agency** requests \$2.8 billion, including \$1.1 billion SGF, in expenditures for FY 2024. This is an all funds increase of \$95.0 million, or 3.5 percent, including an SGF increase of \$2.6 million, or 0.2 percent, above the agency's revised estimate in FY 2023.

The **agency** request includes the following adjustments:

1. **ENHANCEMENTS TO THE MEDICAID PROGRAM.** The agency requests an all funds increase of \$76.2 million, including \$30.4 million SGF, to implement enhancements to the agency's Medicaid program. The enhancements include:
 - **INTELLECTUAL/DEVELOPMENTAL DISABILITY (I/DD) AND PHYSICAL DISABILITY (PD) HOME AND COMMUNITY BASED SERVICES (HCBS) WAIVER SLOTS.** The agency requests an enhancement of \$45.3 million, including \$18.1 million SGF, to add 500 I/DD waiver slots and 500 PD waiver slots. The I/DD and PD waivers have historically had waitlists for services, and the agency indicates adding 500 slots to each waiver will prevent the waitlists from growing during FY 2024.
 - **STANDARDIZE RATES ACROSS WAIVERS.** The agency requests the addition of \$17.7 million, including \$7.1 million SGF, to increase select HCBS service rates on the Brain Injury (BI), PD, Autism, and Technology Assisted (TA) waivers to match the rates approved for the Frail Elderly (FE) waiver by the 2022 Legislature. Services include self-directed personal care services (PCS), agency-directed PCS, enhanced care services, medication reminders, and financial management services.

- **INCREASE TRAUMATIC BRAIN INJURY REHABILITATION FACILITY (TBI REHAB FACILITY) RATES.** The agency requests \$9.3 million, including \$3.7 million SGF, to increase the TBI rehab facility rate from \$700/day to \$1,400/day. The agency indicates these rates have not been increased in many years. The agency indicates additional TBI rehab facility bed capacity is needed and increasing the rate is important to building additional network capacity.
 - **INCREASE I/DD TARGETED CASE MANAGEMENT (TCM) RATE.** The agency requests \$3.8 million, including \$1.5 million SGF, to increase the TCM rates for individuals receiving I/DD waiver services. This would increase the current rate by 25.0 percent, from \$43.24 per hour to \$54.15 per hour. TCM is a Medicaid State Plan service, which has not received any of the rate increases applied to HCBS waiver services in recent years. The agency anticipates the increase will assist TCM providers to maintain their level of service and possibly add new providers.
2. **ENHANCEMENTS TO THE BEHAVIORAL HEALTH COMMISSION PROGRAM.** The agency requests an all funds increase of \$12.2 million, all SGF, to implement enhancements to the agency's Behavioral Health Commission program. The enhancements include:
- **INCREASE SUBSTANCE USE DISORDER (SUD) MEDICAID AND UNINSURED RATES.** The agency requests \$5.0 million SGF to supplement federal block grant funding to support SUD services for those not covered by Medicaid. The funding would be used to increase the number of individuals served and to increase rates paid to providers.
 - **EXPAND CHILDREN'S CRISIS RESPITE PROGRAM.** The agency requests \$1.0 million SGF to expand the children's crisis respite pilot program to additional communities. These respite services provide residential services to children with serious emotional disturbance (SED); the services are shorter-term and more local than what the children would receive in a psychiatric residential treatment facility (PRTF). The funds will be used to provide start-up and operational support for three to four more programs.
 - **NURSING FACILITY FOR MENTAL HEALTH (NFMH) CASE MANAGEMENT.** The agency requests \$4.3 million SGF to maintain the requirements set forth in the NFMH Pre-Litigation Settlement Agreement Practice Improvement. Specifically, this funding will allow KDADS and the Kansas Department of Health and Environment (KDHE) to ensure individuals are connected to specialized mental health services upon discharge from an NFMH. Current funding for third-party case management services has been provided through federal COVID-19 supplemental funding that will not be available in FY 2024.
 - **SPORTS BETTING RESPONSE FTE POSITIONS.** The agency requests the addition of 2.0 FTE positions and \$1.1 million SGF to support problem gambling prevention efforts in response to the passage of sports betting legislation. The agency reports that adding 2.0 FTE positions will double the current size of the problem gambling team and allow each state-run casino gaming area to be supported by a full-time problem gambling specialist. Additionally, the funds will assist the gambling prevention program in updating their public awareness campaign to include identifying and treating sports betting problems.

- **NEW BEHAVIORAL HEALTH SERVICES (BHS) FTE POSITIONS FOR CHILDREN SERVICES AND SUD SERVICES.** The agency requests the addition of 4.0 FTE positions and \$302,466 SGF to improve access to children's behavioral health care (3.0 FTE positions) and to help improve compliance in federally funded SUD programs (1.0 FTE position).
 - **CONTINUE FUNDING BEHAVIORAL HEALTH SERVICES (BHS) QUALITY ASSURANCE FTE POSITIONS.** The agency requests \$445,145, including \$222,573 SGF, to continue funding 5.0 FTE positions for the BHS Quality Assurance program. These positions are currently funded with federal COVID-19 block grant funds; however, these funds will not be available for FY 2024. These FTE positions will assist in the implementation of ongoing and new initiatives within BHS, such as Mobile Crisis Response, Certified Community Behavioral Health Clinics (CCBHCs), the NFMH Pre-Litigation Settlement Agreement, and the 988 Suicide and Crisis Hotline Program.
3. **ENHANCEMENTS TO THE AGING AND DISABILITY COMMISSION PROGRAM.** The agency requests an all funds increase of \$6.9 million, including \$2.0 million SGF, to implement enhancements to the agency's Aging and Disability Commission program. The enhancement requests include:
- **FULLY AUTOMATED CARE ASSESSMENT SYSTEM.** The agency requests \$4.0 million, including \$1.0 million SGF, to implement a fully automated system for the Client Assessment, Referral and Evaluation (CARE) program. CARE is the Kansas-specific program used to assess the appropriate placement of an individual in a long-term care facility. The agency reports that the current program is only partially automated and relies on outdated technology.
 - **INCREASE CARE RATE PER CRISIS ASSESSMENT.** The agency requests \$1.9 million, including \$470,980 SGF, to increase the rates for Level I CARE assessments for the Area Agencies on Aging (AAAs). The agency states that this will allow the AAAs to more effectively process the Level I assessments and ensure continued effectiveness of the CARE process.
 - **I/DD WAIVER POPULATION SURVEY CONTRACT.** The agency requests \$500,000, including \$250,000 SGF, to issue a contract to complete the National Core Indicator (NCI) survey of the I/DD waiver population. The agency states contracting out the survey work will eliminate a conflict of interest created by agency licensure staff surveying clients and providers.
 - **CONTINUE FUNDING HCBS FINAL SETTINGS COMPLIANCE FTE POSITIONS.** The agency requests \$492,937, including \$246,469 SGF, to continue funding 7.0 FTE positions providing compliance monitoring and oversight of state compliance with the federal Centers for Medicare and Medicaid Services (CMS) HCBS settings final rule. The rule defines the qualities of settings that are eligible to receive HCBS Medicaid funding. All states are required to ensure that all Medicaid HCBS settings are compliant by March 17, 2023.
4. **ENHANCEMENTS TO THE SURVEY, CERTIFICATION, AND CREDENTIALING COMMISSION (SCCC) PROGRAM.** The agency requests an increase of \$1.4 million, all SGF, to implement enhancements to the agency's SCCC program. The enhancement requests include:

- **INCREASE BASE PAY FOR SCCC STAFF.** The agency requests \$290,215 SGF for base pay increases for SCCC staff who did not receive pay increases as part of the 24/7 Pay Plan. The SCCC staff provides regulatory oversight for providers of health care services, and oversee the criminal record checks, course curriculum, and certification of the direct care workforce.
 - **NEW SURVEY, CERTIFICATION, AND CREDENTIALING COMMISSION (SCCC) FTE POSITIONS.** The agency requests the addition of 12.0 FTE positions and \$1.1 million SGF to support the SCCC in meeting statutory requirements for adult care home surveys, ensuring compliance with CMS requirements for PRTFs and nursing facilities, and to increase surveillance and enforcement for poorly performing providers. [*Staff Note:* For more information on the specific FTE positions, see Request 13 in the Enhancement section below.]
5. **ENHANCEMENTS TO THE ADMINISTRATION PROGRAM.** The agency requests an increase of \$1.0 million, including \$655,076 SGF, to implement enhancements to the agency's Administration program. The enhancement requests include:
- **NEW IT SUPPORT FTE POSITIONS.** The agency requests \$777,982, including \$466,791 SGF, to add 8.0 FTE positions to support IT functions, including modernization and security efforts for the agency. The agency states gaps in IT support have limited the agency's efforts to modernize critical agency systems.
 - **NEW ATTORNEY FTE POSITIONS.** The agency requests the addition of 2.0 FTE positions and \$251,046, including \$188,285 SGF, to add a staff attorney at Larned State Hospital (LSH) to provide legal advice to LSH leadership. The agency states the other staff attorney will provide legal advice to the Secretary and Commissioners, with an emphasis on the growing needs of the Behavioral Health Commission, and to provide legal representation for cases brought against the agency.
6. **ENHANCEMENTS TO THE CAPITAL IMPROVEMENTS PROGRAM.** The agency requests an increase of \$8.0 million, all special revenue funds, to implement enhancements to the agency's Capital Improvements program. The enhancement requests include:
- **OSH REMODEL AND RENOVATIONS.** The agency requests \$2.8 million, all from the State Institutions Building Fund (SIBF), for renovation projects on the Osawatomie State Hospital (OSH) campus. Of the total, \$1.9 million would be used to remodel the Cottonwood Resource Center, including sealing, new windows, ADA-compliant modifications, a new HVAC system, restroom upgrades, and repairing moisture-damaged walls. The remaining \$873,600 would be used to remodel the Special Services building and the office area in the MICO House reintegration facility, including asbestos abatement, installing new flooring, repairing walls, repairing the heating system, and improving site drainage.
 - **RAZING PROJECTS.** The agency requests \$556,800 to raze abandoned buildings on the OSH and Parsons State Hospital and Training Center (PSH) campuses. The FY 2023 budget includes \$457,000 to demolish three of seven abandoned buildings on the campus. The requested funds for FY 2024 would allow the agency to demolish the remaining abandoned buildings. The agency states these buildings contain asbestos insulation, asbestos flooring and ceiling tile, lead-based paint, rats, and are susceptible to collapse and arson.

- **PRIORITY 2 REHABILITATION AND REPAIR PROJECTS.** The agency requests \$4.7 million SIBF to fund the second priority Rehabilitation and Repair projects included in the five-year capital improvement plan. At LSH, this includes \$1.0 million to maintain the roof of the food production building and redo the parking area at the Jung Building. At OSH, this includes \$1.2 million to replace deteriorated water mains across the campus. At PSH, this includes \$845,000 to replace plumbing in the laundry building and to replace fan coil units in the art building. At Kansas Neurological Institute (KNI), this includes \$1.6 million to upgrade campus sewer mains and to upgrade exterior lighting across campus.
7. **ALL OTHER ADJUSTMENTS.** All other adjustments amount to a decrease of \$10.7 million, including a decrease of \$43.8 million SGF. This is attributable to an increase in federal grants, primarily related to the COVID-19 pandemic. The agency has decreased its SGF expenditures due to increased availability of federal funds. The all other funds increase of \$33.1 million is partially offset by a decrease of \$21.8 million for capital improvement projects occurring in FY 2023 that do not reoccur in FY 2024.

The **agency** request also includes 397.3 FTE positions. This is an increase of 35.0 FTE positions above the agency's FY 2023 revised estimate. This increase is primarily due to the agency's enhancement requests detailed above, and in the Enhancements section below.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends expenditures of \$2.9 billion, including \$1.2 billion SGF, for FY 2024. This is an increase of \$81.2 million, including \$44.2 million SGF, above the agency's request for FY 2024. The Governor's recommendation includes the following adjustments:

8. **FALL 2022 CASELOADS ADJUSTMENT.** The Governor recommends the addition of \$126.4 million, including \$53.5 million SGF, to reflect the fall 2022 human services consensus caseloads estimate. For more information on the fall 2022 estimate, see the Special Topics section.
9. **EMERGENCY MENTAL HEALTH BED EXPANSION.** The Governor recommends the addition of \$22.0 million SGF to fund behavioral health emergency room bed expansion. The stated purpose is to expand behavioral health services to patients of all ages who would otherwise meet admission criteria for Osawatomie State Hospital.
10. **ENHANCEMENTS NOT RECOMMENDED.** The Governor did not recommend the adoption of several agency enhancement requests, resulting in a decrease of \$66.7 million, including \$29.8 million SGF, below the agency's request for FY 2024. Enhancement requests not recommended include:
- **ADD I/DD AND PD HCBS WAIVER SLOTS.** The agency requested \$45.3 million, including \$18.1 million SGF, to add slots to the I/DD and PD waivers to reduce the waiting lists for services (included in Item 1).
 - **INCREASE SUD MEDICAID AND UNINSURED RATES.** The agency requested \$5.0 million SGF to supplement federal block grant funding to support SUD services for individuals not covered by Medicaid (included in Item 2).
 - **NFMH CASE MANAGEMENT.** The agency requested \$4.3 million SGF to maintain the requirements set forth in the NFMH Pre-Litigation Settlement Agreement Practice Improvement (included in Item 2).

- **ADD BEHAVIORAL HEALTH COMMISSION POSITIONS FOR CHILDREN'S SERVICES AND SUD SERVICES.** The agency requested \$302,466 SGF and 4.0 FTE positions for children's services and SUD services (included in Item 2).
 - **CONTRACT TO SURVEY I/DD WAIVER POPULATION.** The agency requested \$500,000, including \$250,000 SGF, to issue a contract to complete the NCI survey of the I/DD waiver population (included in Item 2).
 - **INCREASE CARE RATE PER CRISIS ASSESSMENT.** The agency requested \$1.9 million from all funds, including \$470,980 SGF, to increase rates for Level I CARE assessments conducted by AAAs (included in Item 3).
 - **INCREASE BASE PAY FOR SCCC STAFF.** The agency requested \$290,215 SGF for base pay increases for SCCC staff who did not receive pay increases as part of the 24/7 Pay Plan (included in Item 4).
 - **ADD SCCC FTE POSITIONS.** The agency requested \$1.1 million SGF and 12.0 FTE positions to survey adult care homes, ensure compliance with CMS requirements for PRTFs, and to increase surveillance and enforcement for poorly performing providers (included in Item 4).
 - **CAPITAL IMPROVEMENT PROJECTS NOT RECOMMENDED.** The agency requested \$8.0 million SIBF to remodel two buildings on OSH campus, to raze four abandoned buildings on OSH and PSH campuses, and to fund the second priority rehabilitation and repair projects included in the agency's 5-year capital improvements plan. (included in Item 6).
11. **ENHANCEMENTS PARTIALLY RECOMMENDED.** The Governor partially recommended several agency enhancement requests, resulting in a decrease of \$514,514 from all funds, including a decrease of \$1.5 million SGF, below the agency's request for FY 2024. Enhancement requests partially recommended include:
- **SPORTS BETTING RESPONSE FTE POSITIONS.** The agency requested \$1.1 million SGF to add 2.0 FTE positions. The Governor does not recommend funding the positions using SGF moneys, and instead recommends the agency fund the positions using \$1.1 million from the Problem Gambling and Addictions Grant Fund (included in Item 2).
 - **CONTINUE FUNDING BEHAVIORAL HEALTH COMMISSION QUALITY ASSURANCE FTE POSITIONS.** The agency requested \$445,145, including \$222,573 SGF, to continue funding 5.0 FTE positions. The Governor recommends adding the funding but not the FTE positions (included in Item 2).
 - **CONTINUE FUNDING HCBS FINAL SETTINGS COMPLIANCE.** The agency requested \$492,937, including \$246,469 SGF, to continue funding 7.0 FTE positions providing compliance monitoring and oversight of state compliance with the CMS HCBS settings final rule. The Governor recommends adding the funds, but does not recommend adding the FTE positions (included in Item 3).
 - **NEW IT SUPPORT POSITIONS.** The agency requested \$777,982, including \$466,791 SGF, to add 8.0 FTE positions to support IT functions. The Governor recommends partial adoption of the request, in the amount of \$388,991, including \$233,396 SGF, to add 4.0 FTE positions to support IT functions (included in Item 5).

- **NEW ATTORNEY FTE POSITIONS.** The agency requested \$251,046, including \$188,285 SGF, to add 2.0 attorney FTE positions. One FTE position would support LSH and the other FTE position would support KDADS, particularly the Behavioral Health Commission. The Governor recommends partial adoption of the request, in the amount of \$125,523, including \$94,143 SGF, to add 1.0 FTE position to support KDADS Behavioral Health Commission (included in Item 5).

The **Governor's** recommendation also includes 364.3 FTE positions, which is 33.0 FTE positions below the agency's request for FY 2024. The decrease in FTE positions is primarily due to the Governor not recommending certain agency enhancement requests.

ENHANCEMENT REQUESTS

ENHANCEMENT REQUESTS BY PROGRAM

*ENHANCEMENTS TO MEDICAID PROGRAM
FIGURE 10*

FY 2024 ENHANCEMENT REQUESTS							
Request	Agency			Governor			
	SGF	All Funds	FTE	SGF	All Funds	FTE	
Add I/DD and PD Waiver Slots	\$ 18,115,910	\$ 45,335,110	--	\$ -	\$ -	--	
Standardize Rates Across Waivers	7,069,701	17,691,945	--	7,069,701	17,691,945	--	
Increase TBI Rehab Facility Rates	3,729,114	9,332,118	--	3,729,114	9,332,118	--	
Increase I/DD TCM Rate	1,528,567	3,825,242	--	1,528,567	3,825,242	--	
TOTAL	\$ 30,443,292	\$ 76,184,415	--	\$ 12,327,382	\$ 30,849,305	--	

ADD INTELLECTUAL/DEVELOPMENTAL DISABILITY (I/DD) AND PHYSICAL DISABILITY (PD) HOME AND COMMUNITY BASED SERVICES (HCBS) WAIVER SLOTS. The agency requests an enhancement of \$45.3 million, including \$18.1 million SGF, to add 500 I/DD waiver slots and 500 PD waiver slots. Both waivers have historically had waitlists for services. The agency indicates adding 500 slots to each waiver will prevent the waitlists from growing during FY 2024.

The Governor does not recommend adoption of this request.

STANDARDIZE RATES ACROSS WAIVERS. The agency requests \$17.7 million, including \$7.1 million SGF, to increase select HCBS service rates on the Brain Injury (BI), PD, Autism, and Technology Assisted (TA) waivers to match the rates approved by the 2022 Legislature for the Frail Elderly (FE) waiver. Services include self-directed personal care services (PCS), agency-directed PCS, enhanced care services, medication reminders, and financial management services.

The Governor recommends adoption of this request.

INCREASE TRAUMATIC BRAIN INJURY REHABILITATION FACILITY (TBI REHAB FACILITY) RATES. The agency requests \$9.3 million, including \$3.7 million SGF, to increase the TBI Rehab Facility rate from \$700/day to \$1,400/day. The agency indicates these rates have not been increased in many years. The agency indicates additional TBI Rehab Facility bed capacity is needed and increasing the rate is important to building additional network capacity.

The Governor recommends adoption of this request.

INCREASE I/DD TARGETED CASE MANAGEMENT (TCM) RATE. The agency requests \$3.8 million, including \$1.5 million SGF, to increase the TCM rates for individuals receiving I/DD waiver services. This would increase the current rate by 25.0 percent, from \$43.24 per hour to \$54.15 per hour. TCM is a Medicaid State Plan service, which has not received any of the rate increases applied to HCBS waiver services in recent years. The agency anticipates the increase will assist TCM providers to maintain their level of service and possibly add new providers.

The Governor recommends adoption of this request.

ENHANCEMENTS TO BEHAVIORAL HEALTH COMMISSION PROGRAM

FIGURE 11

FY 2024 ENHANCEMENT REQUESTS						
Request	Agency			Governor		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Increase SUD Medicaid and Uninsured Rates	\$ 5,000,000	\$ 5,000,000	--	\$ -	\$ -	--
Expand Children's Crisis Respite Program	1,000,000	1,000,000	--	1,000,000	1,000,000	--
NFMH Case Management	4,300,000	4,300,000	--	-	-	--
Sports Betting Response FTE Positions	1,149,597	1,149,597	2.0	-	1,149,597	2.0
Children Services and SUD Services FTE Positions	302,466	302,466	4.0	-	-	--
Quality Assurance FTE Positions	222,573	445,145	5.0	222,573	445,145	--
TOTAL	\$ 11,974,636	\$ 12,197,208	11.0	\$ 1,222,573	\$ 2,594,742	2.0

INCREASE SUBSTANCE USE DISORDER (SUD) MEDICAID AND UNINSURED RATES.

The agency requests \$5.0 million SGF to supplement federal block grant funding to support SUD services for those not covered by Medicaid. The funding would be used to increase the number of individuals served and to increase rates paid to providers.

The Governor does not recommend adoption of this request.

EXPAND CHILDREN'S CRISIS RESPITE PROGRAM. The agency requests \$1.0 million SGF to expand the Children's Crisis Respite Pilot Program to additional communities. These respite services provide residential services to children with serious emotional disturbance (SED); the services are shorter-term and more local than those the children would receive in a PRTF. The funds will be used to provide start-up and operational support for three to four more programs.

The Governor recommends adoption of this request.

NURSING FACILITY FOR MENTAL HEALTH (NFMH) CASE MANAGEMENT. The agency requests \$4.3 million SGF to maintain the requirements set forth in the NFMH Pre-Litigation Settlement Agreement Practice Improvement. Specifically, this funding will allow KDADS and KDHE to ensure individuals are connected to specialized mental health services upon discharge from an NFMH. Current funding for third-party case management services has been provided through federal COVID-19 supplemental funding that will not be available in FY 2024.

The Governor does not recommend adoption of this request.

ADD SPORTS BETTING RESPONSE FTE POSITIONS. The agency requests the addition of 2.0 FTE positions and \$1.1 million SGF to support problem gambling prevention efforts in response to the passage of sports betting. The agency reports that adding 2.0 FTE positions will double the current size of the problem gambling team and allow each state-run casino gaming area to be supported by a full-time problem gambling specialist. Additionally, the funds will assist the gambling prevention program in updating their public awareness campaign to include identifying and treating sports betting problems.

The Governor recommends partial adoption of this request, funded with \$1.1 million from the Problem Gambling and Addictions Grant Fund instead of \$1.1 million SGF.

ADD BEHAVIORAL HEALTH SERVICES (BHS) POSITIONS FOR CHILDREN'S SERVICES AND SUD SERVICES. The agency requests the addition of 4.0 FTE positions and \$302,466 SGF to improve access to children's behavioral health care (3.0 FTE positions) and to help improve compliance in federally funded SUD programs (1.0 FTE positions).

The Governor does not recommend adoption of this request.

CONTINUE FUNDING BHS QUALITY ASSURANCE FTE POSITIONS. The agency requests \$445,145, including \$222,573 SGF, to continue funding 5.0 FTE positions for the BHS Quality Assurance program. These positions are currently funded with federal COVID-19 federal block grant funds; however, these funds will end by FY 2024. These FTE positions will assist in the implementation of ongoing and new initiatives within BHS, such as Mobile Crisis Response, Certified Community Behavioral Health Clinics (CCBHCs), the NFMH Pre-Litigation Settlement Agreement, and the 988 Suicide and Crisis Hotline Program.

The Governor recommends partial adoption of this request. The Governor recommends adding the funds, but not the FTE positions.

ENHANCEMENTS TO AGING AND DISABILITY COMMISSION PROGRAM
FIGURE 12

FY 2024 ENHANCEMENT REQUESTS						
Request	Agency			Governor		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Implement Fully Automated CARE System	\$ 1,000,000	\$ 4,000,000	--	\$ 1,000,000	\$ 4,000,000	--
Increase CARE Rate per Crisis Assessment	470,980	1,883,920	--	-	-	--
Contract to Survey I/DD Waiver Population	250,000	500,000	--	-	-	--
Fund HCBS Final Settings Compliance FTE Positions	246,469	492,937	7.0	246,469	492,937	--
TOTAL	\$ 1,967,449	\$ 6,876,857	7.0	\$ 1,246,469	\$ 4,492,937	--

IMPLEMENT CARE FULLY AUTOMATED SYSTEM. The agency requests \$4.0 million, including \$1.0 million SGF, to implement a fully automated system for the Client Assessment, Referral and Evaluation (CARE) program. CARE is the Kansas-specific program used to assess the appropriate placement of an individual in a long-term care facility. The agency reports that the current program is only partially automated and relies on outdated technology.

The Governor recommends adoption of this request.

INCREASE CARE RATE PER CRISIS ASSESSMENT. The agency requests \$1.9 million, including \$470,980 SGF, to increase the rates for Level I CARE assessments for the Area Agencies on Aging (AAAs). The agency states this will allow the AAAs to more effectively process the Level I assessments and ensure continued effectiveness of the CARE process.

The Governor does not recommend adoption of this request.

CONTRACT TO SURVEY I/DD WAIVER POPULATION. The agency requests \$500,000, including \$250,000 SGF, to issue a contract to complete the National Core Indicator (NCI) survey of the I/DD waiver population. The agency states contracting out the survey work will eliminate a conflict of interest created by agency licensure staff surveying clients and providers.

The Governor does not recommend adoption of this request.

CONTINUE FUNDING HCBS FINAL SETTINGS COMPLIANCE FTE POSITIONS. The agency requests \$492,937, including \$246,469 SGF, to continue funding 7.0 FTE positions providing compliance monitoring and oversight of state compliance with the federal Centers for Medicare and Medicaid Services (CMS) HCBS settings final rule. The rule defines the qualities of settings that are eligible to receive HCBS Medicaid funding. All states are required to ensure that all Medicaid HCBS settings are compliant by March 17, 2023.

The Governor recommends partial adoption of this request. The Governor recommends adding the funds, but not the FTE positions.

ENHANCEMENTS TO SURVEY, CERTIFICATION, AND CREDENTIALING COMMISSION PROGRAM
FIGURE 13

FY 2024 ENHANCEMENT REQUESTS							
Request	Agency			Governor			
	SGF	All Funds	FTE	SGF	All Funds	FTE	
Increase Base Pay for SCCC Staff	\$ 290,215	\$ 290,215	--	\$ -	\$ -	--	
Add SCCC FTE Positions	1,059,427	1,059,427	12.0	-	-	--	
TOTAL	\$ 1,349,642	\$ 1,349,642	12.0	\$ -	\$ -	--	

INCREASE BASE PAY FOR SURVEY, CERTIFICATION, AND CREDENTIALING COMMISSION (SCCC) STAFF. The agency requests \$290,215 SGF for base pay increases for SCCC staff who did not receive pay increases as part of the 24/7 Pay Plan. The SCCC staff provides regulatory oversight for providers of health care services, as well as overseeing the criminal record checks, course curriculum, and certification of the direct care workforce.

The Governor does not recommend adoption of this request.

ADD SCCC FTE POSITIONS. The agency requests the addition of 12.0 FTE positions and \$1.1 million SGF to support the SCCC in meeting statutory requirements for adult care home surveys, ensuring compliance with CMS requirements for psychiatric residential treatment facilities (PRTFs) and nursing facilities, and to increase surveillance and enforcement for poorly performing providers. The agency requests the following FTE positions:

- *Health Facility Surveyor (4.0 FTE Positions).* These positions would be responsible for the licensing and surveying of state-only Adult Care Homes. The agency reports it is struggling to comply with statutory requirements to survey the facilities within an average of 12-month intervals.
- *Enforcement Specialists (2.0 FTE Positions).* These positions would provide support in monitoring survey data pertaining to Adult Care Homes as well as behavioral health and I/DD providers. The agency states these positions would increase its ability to provide quality regulatory oversight, including monitoring survey trends and providing progressive enforcement recommendations.

- *I/DD Field Survey Staff (2.0 FTE Positions)*. These positions would provide regular regulatory oversight to providers of I/DD day and residential services, as well as targeted case managers. The agency states these positions will also ensure the agency is adequately staffed to resume the shared living licensure concept.
- *Administration Support (2.0 FTE Positions)*. The agency states these positions would provide increased transparency in the survey and regulatory process for all licensure types and to produce publicly available data.
- *Quality Improvement Coordinator (2.0 FTE Positions)*. The agency states these positions would improve the agency's ability to provide meaningful quality oversight by ensuring quality and consistency in the survey process through shadow surveys.
- *Behavioral Health Field Survey (1.0 FTE Position)*. This position would provide regulatory oversight to private psychiatric hospitals, psychiatric residential treatment facilities, residential care facilities, and community mental health centers.

The Governor does not recommend adoption of this request.

ENHANCEMENTS TO ADMINISTRATION PROGRAM
 FIGURE 14

FY 2024 ENHANCEMENT REQUESTS							
Request	Agency			Governor			FTE
	SGF	All Funds	FTE	SGF	All Funds	FTE	
Add IT Support FTE Positions	\$ 466,791	\$ 777,982	8.0	\$ 233,395	\$ 388,991	4.0	
Add Attorney FTE Positions	188,285	251,046	2.0	94,142	125,523	1.0	
TOTAL	\$ 655,076	\$ 1,029,028	10.0	\$ 327,537	\$ 514,514	5.0	

ADD IT SUPPORT FTE POSITIONS. The agency requests \$777,982, including \$466,791 SGF, to add 8.0 FTE positions to support IT functions, including modernization and security efforts for the agency. The agency states gaps in IT support have limited the agency's efforts to modernize critical agency systems.

The Governor recommends partial adoption of this request. The Governor recommends adding \$388,991, including \$233,395 SGF, to add 4.0 FTE positions.

ADD ATTORNEY FTE POSITIONS. The agency requests the addition of 2.0 FTE positions and \$251,046, including \$188,285 SGF, to add a staff attorney at LSH to provide legal advice to LSH leadership. The agency states the other staff attorney will provide legal advice to the Secretary and Commissioners, with an emphasis on the growing needs of the Behavioral Health Commission, and to provide legal representation for cases brought against the agency.

The Governor recommends partial adoption of this request. The Governor recommends adding \$125,523, including \$94,142 SGF, to add 1.0 FTE position.

ENHANCEMENTS TO CAPITAL IMPROVEMENTS PROGRAM

FIGURE 15

FY 2024 ENHANCEMENT REQUESTS							
Request	Agency			Governor			
	SGF	All Funds	FTE	SGF	All Funds	FTE	
OSH Remodel and Renovations	\$ -	\$ 2,780,400	--	\$ -	\$ -	--	
Razing Projects	-	556,800	--	-	-	--	
Priority 2 Rehab and Repair Projects	-	4,666,150	--	-	-	--	
TOTAL	\$ -	\$ 8,003,350	--	\$ -	\$ -	--	

OSH REMODEL AND RENOVATIONS. The agency requests \$2.8 million from the State Institutions Building Fund (SIBF) for renovation projects on the OSH campus. Of the total, \$1.9 million would be used to remodel the Cottonwood Resource Center, including sealing, new windows, ADA-compliant modifications, a new HVAC system, restroom upgrades, and repairing moisture-damaged walls. The remaining \$873,600 would be used to remodel the Special Services building and the office area in the MICO House reintegration facility, including asbestos abatement, installing new flooring, repairing walls, repairing the heating system, and improving site drainage.

The Governor does not recommend adoption of this request.

RAZING PROJECTS. The agency requests \$556,800 to raze abandoned buildings on the OSH and Parsons State Hospital and Training Center (PSH) campuses. The FY 2023 budget includes \$457,000 to demolish three of seven abandoned buildings on the campus. The requested funds for FY 2024 would allow the agency to demolish the remaining abandoned buildings. The agency states these buildings contain asbestos insulation, asbestos flooring and ceiling tile, lead-based paint, rats, and are susceptible to collapse and arson.

The Governor does not recommend adoption of this request.

PRIORITY 2 REHABILITATION AND REPAIR PROJECTS. The agency requests \$4.7 million SIBF to fund the second priority Rehabilitation and Repair projects included in the five-year capital improvement plan. At LSH, this includes \$1.0 million to maintain the roof of the food production building and redo the parking area at the Jung Building. At OSH, this includes \$1.2 million to replace deteriorated water mains across the campus. At PSH, this includes \$845,000 to replace plumbing in the laundry building and to replace fan coil units in the art building. At KNI, this includes \$1.6 million to upgrade campus sewer mains and to upgrade exterior lighting across campus.

The Governor does not recommend adoption of this request.

SPECIAL TOPICS

HUMAN SERVICES CONSENSUS CASELOAD ESTIMATES

Twice a year, in the spring and fall, the Division of the Budget, the Department for Children and Families, the Department of Health and Environment, KDADS, and the Legislative Research Department meet to revise and develop estimates for entitlement expenditures for the current fiscal year and the budget year. The group met on October 24, 2022, to revised the estimates in FY 2023 and develop an estimate for FY 2024.

KDADS REVISED FY 2023 ESTIMATE

KANCARE EXPENDITURES

The estimate for KDADS KanCare expenditures is \$1.3 billion, including \$431.0 million SGF, for FY 2023. This estimate includes the continuation of the current Public Health Emergency (PHE) through January 2023, with the 6.2 percent enhanced FMAP continuing through March 2023. Thus, the estimate for FY 2023 includes three quarters of enhanced FMAP, which will decrease SGF expenditures during those three quarters. The final quarter of FY 2023 includes increased SGF expenditures as the enhanced FMAP is no longer in place.

NON-KANCARE EXPENDITURES

The estimate for KDADS Non-KanCare expenditures is \$91.0 million, including \$45.0 million SGF. This is a decrease of \$2.4 million, including \$4.0 million SGF, below the approved amount in FY 2022. The decrease is due to lower nursing facility for mental health fee-for-service payments and actual expenditures for HCBS I/DD waiver assessments being lower than the anticipated amount.

KDADS INITIAL FY 2024 ESTIMATE

KANCARE EXPENDITURES

The estimate for KDADS KanCare expenditures is \$1.4 billion, including \$510.0 million SGF, for FY 2024. The estimate includes \$70.0 million, including \$27.5 million SGF, to support the transition of nine Community Mental Health Centers (CMHCs) to Certified Community Behavioral Health Clinics (CCBHCs) for FY 2024. According to the schedule set forth in 2022 HB 2208, nine CCBHCs will become certified by the end of FY 2024, and the final eight will become certified by the end of FY 2025. Additionally, the estimate includes \$37.5 million, including \$14.8 million SGF, to implement a 5.0 percent nursing facility rate increase. Rates are set based on a three-year period of reported costs and adjusted for inflation. The agency currently estimates an increase of 5.0 percent, but the final cost reports will not be finalized until the spring of 2023. This estimate will be revised during the spring human services consensus caseloads process.

NON-KANCARE EXPENDITURES

The estimate for FY 2024 KDADS Non-KanCare expenditures is \$100.0 million, including \$52.0 million SGF. This is an increase of \$9.0 million, including \$7.0 million SGF, above the FY 2023 revised estimate. The increase is primarily due to increased expenditures for the Program of All-inclusive Care for the Elderly (PACE) program. The number of participants in the program is expected to grow as the number of providers increase.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

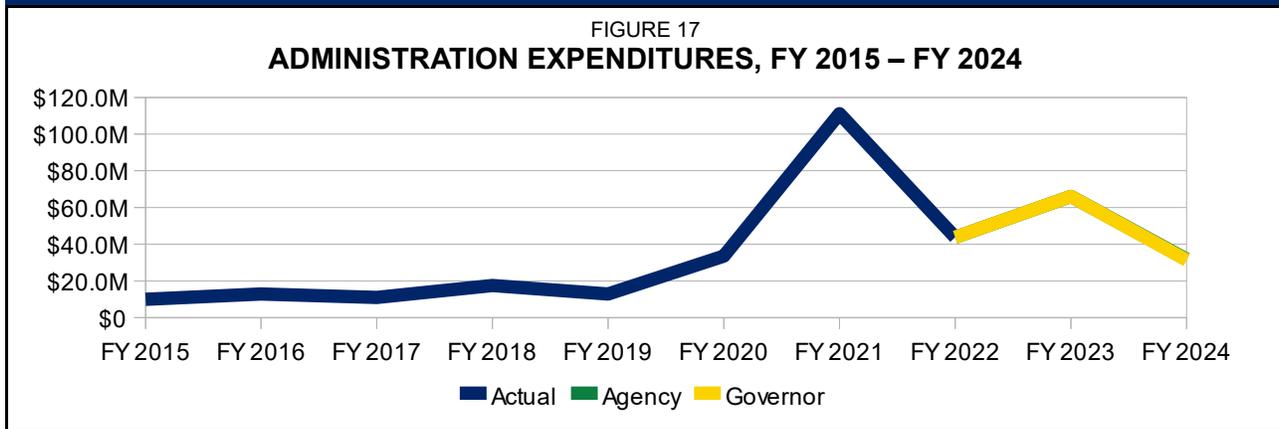
FIGURE 16
EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2022 – FY 2024

Programs	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Expenditures:					
Administration	\$ 43,849,272	\$ 66,001,580	\$ 66,001,580	\$ 31,838,826	\$ 31,324,312
Aging and Disability Commission	55,729,540	60,032,572	60,032,572	62,508,717	60,124,797
Behavioral Health Commission	135,940,392	186,640,307	186,640,307	183,661,741	196,059,275
Medicaid Programs	2,031,421,029	2,326,496,809	2,476,053,758	2,461,300,553	2,542,385,443
State Hospital Commission	4,553,299	7,706,623	7,706,623	17,213,941	17,213,941
Survey and Certification Commission	8,386,095	12,586,508	12,586,508	13,894,497	12,544,855
Capital Improvements	3,523,178	27,518,889	27,518,889	11,520,740	3,517,390
TOTAL	\$ 2,283,402,805	\$ 2,686,983,288	\$ 2,836,540,237	\$ 2,781,939,015	\$ 2,863,170,013
FTE Positions:					
Administration	125.0	117.5	117.5	117.5	122.5
Aging and Disability Commission	47.0	47.0	47.0	53.0	53.0
Behavioral Health Commission	41.0	40.8	40.8	40.8	42.8
Medicaid Programs	--	11.0	11.0	--	--
State Hospital Commission	7.0	9.0	9.0	9.0	9.0
Survey and Certification Commission	114.0	137.0	137.0	177.0	137.0
Capital Improvements	--	--	--	--	--
TOTAL	334.0	362.3	362.3	397.3	364.3

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

ADMINISTRATION



STATUTORY BASIS: • KSA 75-5901 *et seq.*; KSA 75-59-45; KSA 75-5321a; KSA 39-925

- PROGRAM GOALS:**
- Planning, policy development, administration, coordination, prioritization, and evaluation of all state activities related to older Kansans and Kansans with disabilities.
 - Promote healthy aging with personal and financial independence and high-quality service and supports at all levels of individuals needs.
 - Analyze consumer-focused quality data (timely and accurately) across all service settings to improve the service quality

The Administration Program includes all administrative functions of KDADS. The Secretary for Aging and Disability Services has organized the program into the Office of the Secretary and the Financial and Information Services Commission. The Office of the Secretary provides general administrative functions of KDADS. The Financial and

Information Services Commission is responsible for all fiscal information and technology services for the agency. Expenditures for the program include debt service interest payments, and, during the COVID-19 pandemic, all COVID-19 pandemic related funding.

FIGURE 18
ADMINISTRATION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
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There are no performance measures submitted for this program.

	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
Financing (in Thousands)					
SGF	\$ 8,693.2	\$ 10,378.3		\$ 12,096.5	\$ 13,201.1
Federal Funds	91,867.3	32,960.1		48,807.2	13,014.4
All Other Funds	12,834.5	511.0		5,098.0	5,108.9
TOTAL	<u>\$ 113,395.0</u>	<u>\$ 43,849.4</u>		<u>\$ 66,001.7</u>	<u>\$ 31,324.4</u>
Percentage Change:					
SGF	(30.0) %	19.4 %		16.6 %	9.1 %
All Funds	590.3 %	(61.3) %		50.5 %	(52.5) %
FTE Positions	112.0	125.0		117.5	122.5

BUDGET ANALYSIS

The Administration Program covers all of the agency's administrative functions. These largely include legal consultation, legislative policy monitoring, budgetary recommendations and development, and development/management of information services.

COVID-19 PANDEMIC FUNDING

Due to the COVID-19 pandemic, the State received a large influx of COVID-19-related federal funding to respond to the pandemic. In order to easily track, monitor, and disperse the funding, the agency budgets all of its COVID-19 relief transactions in one program, which is included in the larger Administration Program. This includes all funding the agency receives from the Strengthening People and Revitalizing Kansas (SPARK) Taskforce as well as several direct disbursements the agency received for federal Older Americans Act services.

In FY 2021, expenditures increased significantly due to pandemic-related funds that pass through the agency and are provided to organizations such as community mental health centers, nursing facilities, and Area Agencies on Aging. As federal COVID-19 funds are used, expenditures will continue to decrease in FY 2022 and future years.

FY 2023 REVISED ESTIMATE

The **agency** estimates revised expenditures of \$66.0 million, including \$12.1 million SGF, for the Administration Program in FY 2023. This is an all funds increase of \$32.0 million, or 73.0 percent, including a SGF increase of \$5.6 million, or 86.8 percent, above the FY 2023 approved amount.

The FY 2023 increase is primarily due to the addition of COVID-19 funds, including \$15.4 million in ARPA funds passing through the agency to nursing facilities. Additionally, the agency has an additional \$8.5 million in federal Substance Abuse Prevention and Treatment Block Grant (SAPTBG) and Mental Health Block Grant (MHBG) funds.

The **Governor** concurs with the agency's revised estimate in FY 2023.

FY 2024 REQUEST

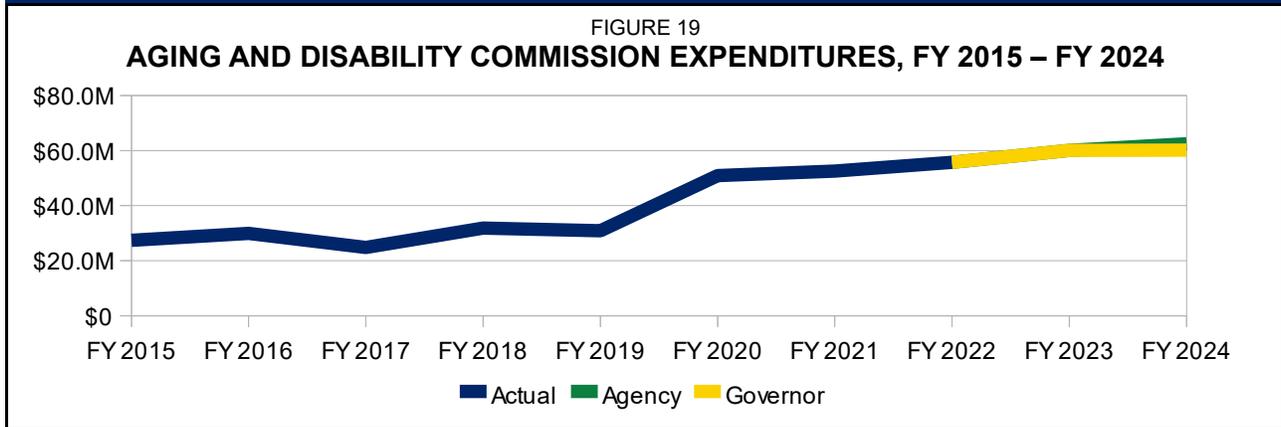
The **agency** requests \$31.8 million, including \$13.6 million SGF, in Administration Program expenditures for FY 2024. This is an all funds decrease of \$34.2 million, or 51.8 percent, including an SGF increase of \$1.4 million, or 11.8 percent, from the FY 2023 revised estimate.

The change from the FY 2023 revised estimate is primarily due to COVID-19 funds

passing through the agency in FY 2023 that do not reoccur in FY 2024. The all funds decrease is slightly offset by an increase in SGF expenditures due to the agency's enhancement requests to add IT support and attorney FTE positions.

The **Governor** recommends expenditures of \$31.3 million, including \$13.2 million SGF, for FY 2024. This is a decrease of \$514,514, including \$327,537 SGF, below the agency's request for FY 2024. This decrease is due to the Governor only partially recommending two of the agency's enhancement requests, detailed in the Enhancements Section, Figure 14.

AGING AND DISABILITY COMMISSION



STATUTORY BASIS: • KSA 65-5101 *et seq.* and KSA 65-6201, KSA 39-1801, KSA 65-4411, KSA 75-5903, KSA 75-5926, KSA 75-5903, KSA 65-4411 *et seq.*, and KSA 39-1801 *et seq.*

- PROGRAM GOALS:**
- Assist older Kansans who are at risk of institutionalization with services to help them remain in their homes.
 - Provide quality meal services to older Kansans in order to improve or maintain their health and nutritional status.
 - Implement person-centered, self-determined services that allow individuals to live successfully in their home and community

The Aging and Disability Commission was established in FY 2020 when the Commission on Aging and Disability Community Services and Programs was merged with the Community Services Commission. It now includes two organizational units, the HCBS Waiver Services Program and the Aging Services Unit.

HCBS WAIVER SERVICES PROGRAM

The HCBS Waiver Services Program oversees community-based supports and services provided through the State's managed

care plan, KanCare, to approximately 25,000 persons with disabilities to assist them in living an integrated, safe, and healthy community life. KanCare was implemented on January 1, 2013. HCBS waiver services providers contract with the three KanCare Managed Care Organizations (MCOs) to provide HCBS for each of the waivers. Oversight of the Medicaid program services is supported by HCBS Waiver Program Managers, Program Integrity Specialists, Quality Assurance Reviewers, and a Policy and Program Oversight Manager.

AGING SERVICES UNIT

The Aging Services Unit seeks to assist older Kansans in avoiding premature nursing facility placement through an effective and supportive community aging network. It includes seven programs: 1) Older Americans Act (OAA); 2) Senior Care Act (SCA); 3) Transitional Services and Client Assessment, Referral, and Evaluation (CARE); 4) Information and Community Resources; 5) Aging and Disability Resource Centers; 6) Quality Review; and 7) Nutrition Programs.

The Aging Services Unit is responsible for providing services to Kansas seniors through a privatized network of providers. The unit provides day-to-day management and training and provision of technical assistance to providers funded by the Senior Care Act, Older Americans Act, Medicaid, and the SGF. The Area Agencies on Aging function as the point of entry for seniors seeking services.

FIGURE 20
AGING AND DISABILITY COMMISSION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Percentage of Customers that Would Recommend the SCA Program to a Friend or Relative*	98 %	98 %	98 %	100 %	100 %
2. SCA - Percentage of Customers that have Contacted their Provider in the Last 2-3 Months*	62 %	61 %	65 %	70 %	70 %
3. Percentage of Customers that Would Recommend the OAA Program to a Friend or Relative*	100 %	100 %	99 %	99 %	99 %
4. Percentage of OAA Customers that have Contacted their Provider in the Last 2-3 Months*	60 %	55 %	60 %	65 %	65 %
Output Measure:					
5. Number of Individuals Served through the Senior Care Act*	3,348	3,666	3,629	3,801	3,801
6. Number of Individuals Served through the Older Americans Act	27,867	34,001	30,824	34,001	34,001
7. Number of Meals Served	3,084,983	3,130,000	1,120,481	3,130,000	3,130,000
Financing (in Thousands)	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 19,502.8	\$ 21,795.7		\$ 27,781.9	\$ 27,294.5
Federal Funds	150.0	33,850.2		31,870.7	32,540.3
All Other Funds	32,855.5	83.7		380.0	290.0
TOTAL	\$ 52,508.3	\$ 55,729.6		\$ 60,032.6	\$ 60,124.8
Percentage Change:					
SGF	3.1 %	11.8 %		27.5 %	(1.8) %
All Funds	3.2 %	6.1 %		7.7 %	0.2 %
FTE Positions	44.0	47.0		47.0	53.0

* The Governor's Office does not utilize this measure for performance evaluation.

PERFORMANCE AND BUDGET ANALYSIS

The Aging and Disability Commission administers the aging related programs as well as the HCBS waivers.

AREA AGENCIES ON AGING

With respect to aging services, the agency traditionally distributes funds to Area Agencies on Aging (AAAs), which then contract out to providers to serve individuals. AAAs are generally private nonprofit organizations, but can be a unit of county government, which serve as the first resource for Kansas seniors. There are currently 11 AAAs in Kansas, which also serve as Aging and Disability Resource Centers.

In their capacity as Aging and Disability Resource Centers, the AAAs serve as

organizations to assess individuals for Home and Community Based Services (HCBS) for the Frail Elderly, Physical Disability, and Brain Injury Medicaid waivers; Program of All-Inclusive Care for the Elderly (PACE); and Client Assessment, Referral, and Evaluation (CARE).

SENIOR CARE ACT SERVICES

The Senior Care Act (SCA) provides early intervention components to the Kansas long-term care network. The SCA program provides services in the customer's home, such as homemaker, chore, attendant care, and case management services. The services are designed to prevent premature nursing home placement for persons who have not exhausted their financial resources, unlike the HCBS Frail Elderly Waiver (HCBS FE) waiver. The program

is targeted at those who are 60 years of age or older. Participants contribute a significantly higher proportion of the cost of SCA services than participants on the HCBS FE waiver.

The total number of SCA participants has remained flat over the last several years, with a

three-year average of 3,756 individuals per year. Over the last ten years, the funding for the SCA has also remain relatively flat at approximately \$7.0 million per year, with a \$3.0 million SGF increase that was approved by the 2021 Legislature, which brings the total to \$10.0 million in FY 2022 and beyond.

NUTRITIONAL GRANTS

FIGURE 21

	Actual FFY 2020	Actual FFY 2021	Actual FFY 2022	Estimate FFY 2023
Total Meals Served	3,130,000	3,130,000	3,130,000	3,130,000
Cost per Meal	\$6.20	\$6.20	\$6.20	\$6.20

Staff Note: Each Federal Fiscal Year (FFY) comprises October 1 to September 30 of the following year.

NUTRITIONAL PROGRAM

The agency provides some nutritional programming through the federal Older Americans Act. Meals are provided in two ways: home delivered or in a congregate setting (such as through an AAA). During the 2021 Session, the Governor's budget recommendation included reduced resources of \$850,000 in the nutritional program in FY 2022. However, the agency indicated that it would be able to cover the costs of the decrease through federal funding and it would not result in reduced services.

FY 2023 REVISED ESTIMATE

The agency estimated revised expenditures of \$60.0 million, including \$27.8 million SGF, for the Aging and Disability Commission program in FY 2023. This is an all funds decrease of \$1.7 million, or 2.8 percent, including an SGF increase of \$690,158, or 2.5 percent, from the FY 2023 approved amount.

The overall decrease is due to the agency anticipating decreased federal and SGF expenditures on OAA supportive services programs for FY 2023. The SGF increase is primarily due to expenditures on assessments, Senior Care Act services, the state match for nutritional grants, and the state portion of Medicaid assistance for nursing facilities. The SGF increase is partially offset by decreased administration expenditures.

The **Governor** concurs with the agency's revised estimate in FY 2023.

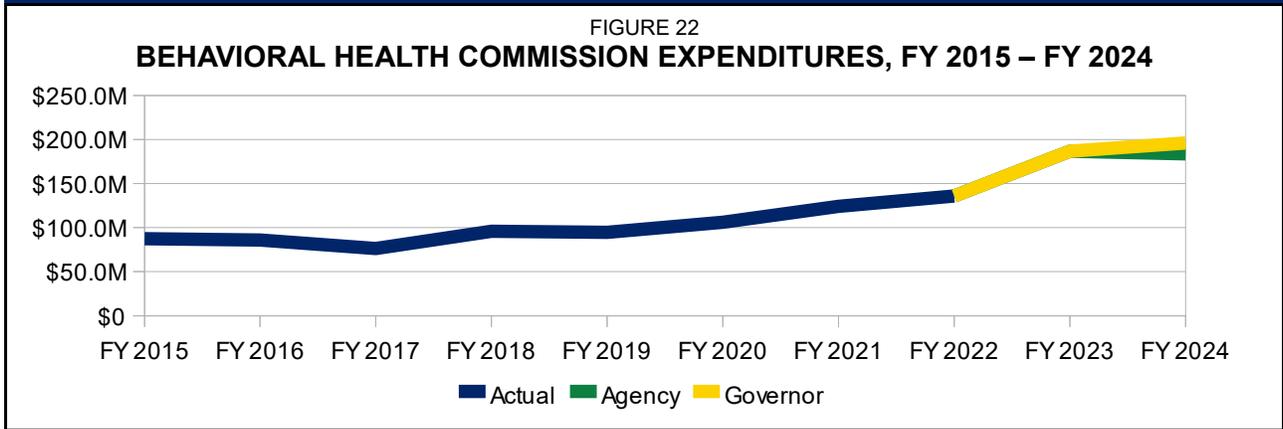
FY 2024 REQUEST

The agency requests \$62.5 million, including \$28.0 million SGF, in Aging and Disability Commission program expenditures for FY 2024. This is an all funds increase of \$2.5 million, or 4.1 percent, including an SGF increase of \$233,592 or 0.8 percent, above the FY 2023 revised estimate.

The primary cause of the increase is due to the agency's four enhancement requests, detailed in the Enhancements section above, resulting in an increase of \$6.9 million from all funds, including \$2.0 million SGF. The overall increase is partially offset by decreased expenditures on OAA supportive services and preventative health programs.

The **Governor** recommends expenditures of \$60.1 million, including \$27.3 million SGF, for FY 2024. This is a decrease of \$2.4 million, including \$720,980 SGF, below the agency's request for FY 2024. This decrease is due to the Governor only partially recommending adoption of one enhancement request and not recommending adoption of two Aging and Disability Commission program enhancement requests. The enhancements are detailed in the Enhancements Section, Figure 12.

BEHAVIORAL HEALTH COMMISSION



STATUTORY BASIS: • KSA 65-4001, KSA 75-5375, KSA 65-4007, KSA 75-3307b, KSA 79-4805, KSA 39-1601 to KSA 39-1604

PROGRAM GOALS:

- Address and treat people who are in immediate crisis.
- Increase availability of diagnosis and treatment of serious mental illness (SMI) and substance use disorder (SUD).
- Stabilize patients so that they can return to the community.

The Behavioral Health Commission provides oversight for various programs and grants to assist individuals with severe and persistent mental illness (SPMI) and individuals with a substance use disorder (SUD).

MENTAL HEALTH SERVICES

The foundation for all community mental health services is the Mental Health Reform Act, (KSA 39-1601 *et seq.*). Additionally, the Treatment Act for Mentally Ill Persons, KSA 59-2901 *et seq.*, provides for how patients shall be provided both voluntary and involuntary psychiatric treatment. Funding through grants and contracts is awarded to community mental health centers (CMHCs), certified community behavioral health clinics (CCBHCs) private community mental health providers, psychiatric residential treatment facilities (PRTFs), nursing

facilities for mental health (NFMHs), consumer-run organizations, advocacy groups, a pharmacy benefits manager, housing organizations, and universities.

SUBSTANCE USE DISORDERS AND ADDICTION SERVICES

The Behavioral Health Commission supports a system of services for individuals experiencing alcoholism, drug dependence, or a gambling addiction, using federal block grant moneys, Medicaid, and state funds. The Commission's SUD and additional services are generally broken up into efforts toward prevention through education, awareness, and contact, and grants to support a system of services for low-income individuals experiencing alcoholism, drug dependence, or gambling addiction.

FIGURE 23
BEHAVIORAL HEALTH COMMISSION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Output Measure:					
1. Number of Persons with Severe and Persistent Mental Illness Receiving Outpatient Services	15,691	14,997	15,935	17,260	17,260
2. Number of Individuals Receiving SUD treatment*	9,876	8,648	9,243	10,500	10,500
3. Number of Individuals Served in a KDADS-Funded Crisis Program	13,260	8,904	11,753	10,240	10,240
4. Number of Individuals Receiving Problem Gambling Treatment*	203	213	203	228	244
Financing (in Thousands)	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 43,720.0	\$ 76,376.0		\$ 129,986.4	\$ 143,087.2
Federal Funds	37,814.7	32,592.9		24,176.9	19,344.8
All Other Funds	42,606.1	26,971.6		32,477.0	33,627.3
TOTAL	<u>\$ 124,140.8</u>	<u>\$ 135,940.5</u>		<u>\$ 186,640.3</u>	<u>\$ 196,059.3</u>
Percentage Change:					
SGF	14.9 %	74.7 %		70.2 %	10.1 %
All Funds	12.1 %	9.5 %		37.3 %	5.0 %
FTE Positions	32.0	41.0		40.8	42.8

* The Governor's Office does not utilize this measure for performance evaluations.

PERFORMANCE AND BUDGET ANALYSIS

The Behavioral Health Commission primarily oversees grants and contracts for Kansas' various mental health and substance use disorder providers.

FUNDING FOR COMMUNITY MENTAL HEALTH CENTERS

As part of its oversight, the agency serves as the pass-through agency for funding to the community mental health centers (CMHCs) across the state. There are currently 26 CMHCs in the state to provide behavioral health services to individuals. In FY 2022, CMHCs receive approximately \$55.9 million, including \$38.8 million SGF, from the agency to provide behavioral health services to Kansans. This funding generally goes towards services for uninsured and other at-risk individuals and provides screenings for the state hospitals.

CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS

During the 2021 Session, the Legislature passed Senate Sub. for HB 2208, which, among other things, required KDADS to establish a certification process for certified

community behavioral health clinics (CCBHCs), a relatively new Medicaid provider type. Generally, these providers are required to provide expanded services, including but not limited to, person-centered treatment planning, crisis services, outpatient mental health and substance use services, and screening, assessment, diagnosis and risk assessment.

Nine CCBHCs have been certified as of July 1, 2022. According to the schedule set forth in 2022 HB 2208, an additional nine CCBHCs will become certified by the end of FY 2023, and the final eight will become certified by the end of FY 2024.

FY 2023 REVISED ESTIMATE

The **agency** estimates revised expenditures of \$186.6 million, including \$130.0 million SGF, for the Behavioral Health Commission program in FY 2023. This is an all funds increase of \$7.6 million, or 4.2 percent, including an SGF increase of \$7.2 million, or 5.9 percent, above the FY 2023 approved amount.

The increase is primarily due to the increased availability of federal mental health block grant funds and additional funds for community crisis stabilization.

The **Governor** concurs with the agency's revised estimate in FY 2023.

FY 2024 REQUEST

The **agency** requests expenditures of \$183.7 million, including \$131.8 million SGF, for the Behavioral Health Commission program for FY 2024. This is an all funds decrease of \$3.0 million, or 1.6 percent, including an SGF increase of \$1.9 million, or 1.4 percent, from the agency's FY 2023 revised estimate.

The overall decrease is due to decreased availability of federal funds and the associated state match for certain substance abuse and mental health grant funds. The decrease is partially offset by the agency's six enhancement requests totaling \$12.2 million, including \$12.0 million SGF.

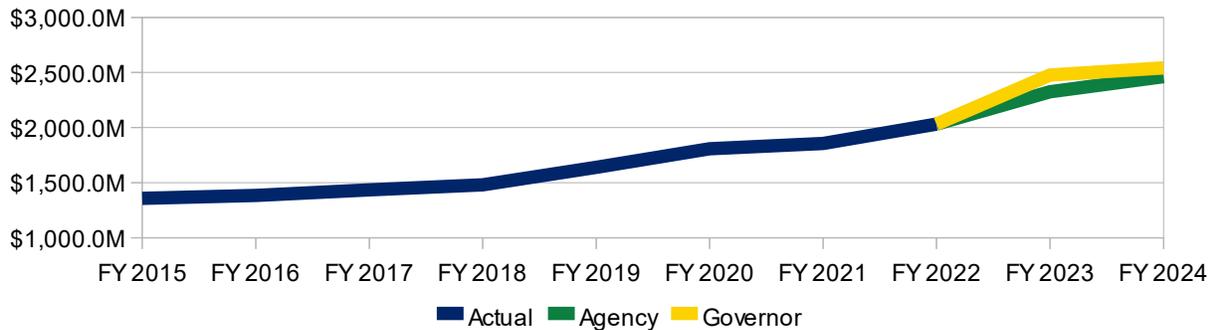
The **Governor** recommends expenditures of \$196.1 million, including \$143.1 million SGF, for FY 2024. This is an increase of \$12.4 million, including \$11.2 million SGF, above the agency's request for FY 2024.

The increase is primarily due to the Governor's recommendation to add \$22.0 million SGF for behavioral health emergency room bed expansion, with a stated purpose of expanding behavioral health services to patients who would otherwise meet admission criteria for OSH.

The overall increase is partially offset by a decrease of \$9.6 million, including \$10.8 million SGF, due to the Governor not recommending four of the agency's enhancement requests and the Governor only partially recommending adoption of one enhancement request for the Behavioral Health Commission Program. The enhancements are detailed in the Enhancements Section, Figure 11.

MEDICAID PROGRAMS

FIGURE 24
MEDICAID PROGRAMS EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 75-5945 and 39-1801 *et seq.* HCBS (FE) KS.0303.R05.00; HCBS (I/DD) KS.0224.R06.00; HCBS (AU) KS.0476.R02.00; HCBS (PD) KS.0304.R05.00; HCBS (TA):KS.4165.R06.00; HCBS (BI) KS.4164.R06.02; HCBS (SED):KS.0320.R04.00

- PROGRAM GOALS:**
- Ensure that Kansas with high level of care needs (regarding activities of daily living and instrumental activities of daily living) and at imminent risk of institutionalization are served and supported while remaining in their homes and communities.
 - Deliver equitable services and supports to Kansans with different forms of disabilities by encouraging competitive and integrated employment alternatives and opportunities, incentivizing positive movement towards greater independence through competitive employment, and creating a path for disability employment and empowerment in the state of Kansas.
 - Divert psychiatric hospitalization by providing intensive Home and Community Based Support Services (HCBS) to children and youth in their homes and communities; provide short-term rehabilitation to individuals with brain injury; support parents of children with autism spectrum disorder; support children and youth chronically ill or medically fragile and dependent upon a ventilator or medical device to compensate for the loss of vital bodily function; and support frail and elderly Kansans above 65 years of age.

The Medicaid Programs include all of the medical services programs KDADS manages, most of which are included in KanCare. Services include mental health services, psychiatric residential treatment facilities, nursing facilities for mental health, substance

use disorder services, the Nursing Facility Program, Head Injury Rehabilitation Hospitals, Intermediate Care Facilities for Individuals with Intellectual Disabilities, HCBS waivers, and the Program for All-Inclusive Care for the Elderly (PACE).

FIGURE 25
MEDICAID PROGRAMS, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Output Measures:					
1. Number of Participants Eligible to Receive HCBS I/DD Services (Monthly Average)*	9,074	9,111	9,100	9,111	9,111
2. Number of Individuals on Waitlist to Receive HCBS I/DD Services*	4,640	4,768	4,624	4,943	5,100
3. Number of Participants Eligible to Receive HCBS PD Services (Monthly Average)*	6,033	6,147	6,103	6,208	6,208
4. Number of Individuals on Waitlist to Receive HCBS PD Services*	2,142	2,427	2,199	2,627	2,827
5. Number of Participants Enrolled In PACE Program (Monthly Average)	739	850	755	899	899
Financing (in Millions)	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 578.8	\$ 597.4		\$ 974.7	\$ 979.8
Federal Funds	1,210.9	1,397.6		1,469.6	1,530.8
All Other Funds	66.1	36.4		31.8	31.8
TOTAL	<u>\$ 1,855.8</u>	<u>\$ 2,031.4</u>		<u>\$ 2,476.1</u>	<u>\$ 2,542.4</u>
Percentage Change:					
SGF	(2.8) %	3.2 %		63.2 %	0.5 %
All Funds	10.3 %	9.5 %		21.9 %	2.7 %
FTE Positions	--	--		11.0	--

*The Governor's Office does not utilize this measure for evaluation purposes.

PERFORMANCE AND BUDGET ANALYSIS

Generally, the Medicaid Programs include reimbursements for all of the Medicaid programs that KDADS oversees including: payments for behavioral health services, nursing facility payments, and HCBS waiver services.

HCBS WAIVER SERVICES

The HCBS waiver program is authorized under Section 1915(c) of the federal Social Security Act. Through the HCBS waiver program, a Medicaid beneficiary can receive a wide range of services designed to allow the individual to live in their home or community rather than receive institutionalized care.

WAITLIST HISTORY

Due to funding constraints and capacity issues, several of the waivers have waitlists for services, by which individuals are assessed, and determined eligible, but are placed on a list until HCBS can be provided. Both the Physical Disability (PD) and the

Intellectual/Developmental Disability (I/DD) waivers have historically had waitlists.

While not technically a waitlist, the Autism waiver has a proposed recipient list, where individuals are identified as potential waiver participants, and once a spot on the waiver opens, the individual is assessed and placed on the waiver.

During the 2021 Session, funding was added for Brain Injury (BI) waiver services in order to avoid a potential waitlist. Several years ago, the Legislature expanded the population eligible for the BI waiver. With this expanded population, the agency anticipates an increase in waiver participants over the next several years.

REIMBURSEMENT RATES

The agency sets a base rate that a managed care organization is permitted to pay a provider for HCBS. These rates have

remained relatively flat over the last several years, with incremental increases beginning in FY 2017. While there were increases for all of the waivers in FY 2017, FY 2018, and FY 2019, the only percentage increase for rates in FY 2021 and FY 2022 were for the I/DD waiver.

For FY 2023, the 2022 Legislature added funding to increase the reimbursement rate for the I/DD waiver by 25.0 percent, excluding the T1000 code, which it separately increased due to the service also being offered on the TA waiver. Additionally, the 2022 Legislature added funds for a 4.0 percent reimbursement rate increase for Medicaid behavioral health services, and a 10.0 percent increase for FE waiver services, to standardize personal care attendant service rates across the waivers, and to increase the lifetime cap on HCBS assistive services.

PROGRAM FOR ALL-INCLUSIVE CARE FOR THE ELDERLY

This program also includes expenditures for PACE, which provides community-based care and services to individuals age 55 or older who would otherwise need a nursing home level of care. The 2022 Legislature added \$2.4 million all funds to rebase the rates for PACE for FY 2023, in accordance with federal guidelines. As of September 2, 2022, PACE enrollment totaled 880 individuals.

FY 2023 REVISED ESTIMATE

The **agency** estimates revised expenditures of \$2.3 billion, including \$956.1 million SGF, for the Medicaid program in FY 2023. This is an all funds decrease of \$60.3 million, or 2.5 percent, including an SGF increase of \$42.2 million, or 4.6 percent, from the FY 2023 approved amount.

This decrease is primarily due to the agency lapsing part of its reappropriation from FY 2022. The agency reappropriated \$122.8 million SGF from FY 2022 into FY 2023. The agency's FY 2023 revised estimate includes lapsing \$164.1 million from all funds (\$63.3 million SGF and the associated \$100.8 million in federal funds).

The agency only requested to lapse the portion of the reappropriation tied to those

Medicaid services that are included in the Human Services Consensus Caseload process. These funds are reevaluated during the fall consensus caseloads meeting, and the new estimate is historically included in the Governor's recommendation. The SGF increase is primarily due to the remainder of the reappropriation, approximately \$59.5 million SGF, that is tied to HCBS waiver services. HCBS waiver funds are not included in the Human Services Consensus Caseloads process.

The **Governor** recommends expenditures of \$2.5 billion, including \$974.6 million SGF, for the Medicaid program in FY 2023. This is an increase of \$149.6 million, including \$18.5 million SGF, above the agency's revised estimate for the Medicaid program in FY 2023.

The increase is due to the Governor's recommendation to add \$149.6 million, including \$18.5 million SGF, in FY 2023, to reflect the fall 2022 human services consensus caseloads estimate. For more information on the fall 2022 estimate, see the Special Topics section.

FY 2024 REQUEST

The agency requests \$2.5 billion, including \$944.4 million SGF, in Medicaid program expenditures for FY 2024. This is an all funds increase of \$134.8 million, or 5.8 percent, including an SGF decrease of \$11.7 million, or 1.2 percent, from the agency's FY 2023 revised estimate.

The all funds increase is primarily due to the agency's four enhancement requests, which total \$76.2 million.

The SGF decrease is primarily due to \$42.2 million in expenditures from the agency's HCBS 10.0 percent FMAP savings account that occur in FY 2023 but do not reoccur in FY 2024. As part of the federal COVID-19 supplemental funds, HCBS waiver services were subject to a 10.0 percent increased FMAP.

This resulted in approximately \$93.0 million in SGF savings; however, federal guidelines required the SGF savings be spent on HCBS

programs. The SGF decrease is partially offset by the agency's four enhancement requests related to the Medicaid program, which include \$30.4 million SGF.

The agency's request also includes a decrease of 11.0 FTE positions below the FY 2023 revised estimate. The FTE positions were temporary in nature in FY 2023 to administer the funds the agency received as part of the 10.0 percent FMAP savings for HCBS waiver services.

The **Governor** recommends expenditures of \$2.5 billion, including \$979.8 million SGF, for FY 2024. This is an increase of \$81.1 million,

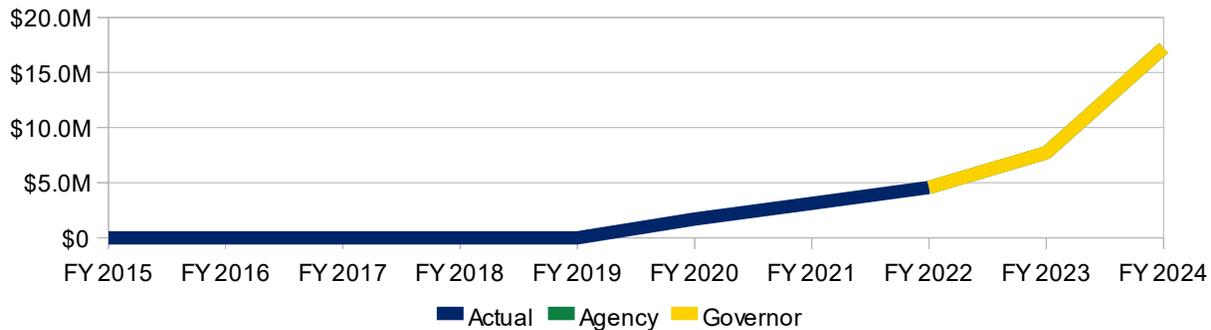
including \$35.4 million SGF, above the agency's request for FY 2024. This increase is primarily due to the addition of \$126.4 million, including \$53.5 million SGF, to reflect the fall 2022 human services consensus caseloads estimate. For more information on the fall 2022 estimate, see the Special Topics section.

The overall increase is partially offset by a decrease of \$45.3 million, including \$18.1 million SGF, due to the Governor not recommending the adoption of the agency's enhancement request to add 500 I/DD and 500 PD waiver slots to reduce the waiting list for services. This enhancement request is detailed in the Enhancements Section, Figure 10.

STATE HOSPITAL COMMISSION

FIGURE 26

STATE HOSPITAL COMMISSION EXPENDITURES, FY 2015 – FY 2024



STATUTORY BASIS: • KSA 76-12a01

- PROGRAM GOALS:**
- Ensure state hospital budget submissions are integrated into the KDADS budget priorities and goals.
 - Standardize risk management reporting across the state hospitals to inform the Governing Body about patient safety and care practices.
 - Lead projects to modernize processes and implement technology solutions to improve and enhance critical processes, patient safety and clinical outcomes.

The State Hospital Commission is responsible for providing leadership, guidance, direction, oversight, training, and support to the state hospitals. The Commission provides day-to-day management and collaboration with

superintendents and executive staff at the state hospitals to assist the hospitals with conditions of participation for certification with the federal Centers for Medicare and Medicaid Services and accreditation with The Joint Commission.

FIGURE 27

STATE HOSPITAL COMMISSION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
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There are no performance measures submitted for this program.

Financing (in Thousands)	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 588.3	\$ 3,600.4		\$ 7,539.0	\$ 17,046.3
Federal Funds	72.2	119.3		5.7	5.7
All Other Funds	2,457.4	833.6		161.9	161.9
TOTAL	\$ 3,117.9	\$ 4,553.3		\$ 7,706.6	\$ 17,213.9
Percentage Change:					
SGF	(59.1) %	512.0 %		109.4 %	126.1 %
All Funds	83.4 %	46.0 %		69.3 %	123.4 %
FTE Positions	7.0	7.0		9.0	9.0

PERFORMANCE AND BUDGET ANALYSIS

The State Hospital Commission was formed in FY 2019 to provide oversight over the four state hospitals in an effort to facilitate coordinated leadership, guidance, direction, oversight, and training.

FY 2023 REVISED ESTIMATE

The **agency** estimated revised expenditures of \$7.7 million, including \$7.5 million SGF, for the State Hospitals Commission program in FY 2023. This is an all funds decrease of \$16.4

million, or 68.0 percent, including an SGF decrease of \$16.2 million, or 68.2 percent, below the FY 2023 approved amount.

The decrease is due to the agency's FY 2023 approved amount including funding for the 24/7 Pay Plan. The agency's FY 2023 revised estimate does not include these funds, because the funds were transferred to the state hospitals in FY 2023 and appear in the state hospitals' FY 2023 revised budgets.

The **Governor** concurs with the agency's revised estimate in FY 2023.

FY 2024 REQUEST

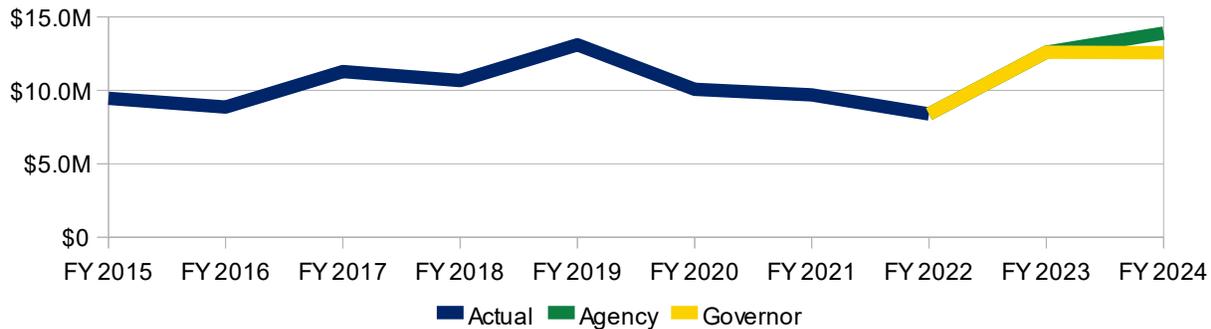
The **agency** requests expenditures of \$17.2 million from all funds, including \$17.0 million SGF, for the State Hospitals Commission program for FY 2024. This is an all funds increase of \$9.5 million, or 123.4 percent, including an SGF increase of \$9.5 million, or 126.1 percent, above the FY 2023 revised estimate.

The increase is due to the inclusion of the 24/7 Pay Plan funds in the agency's FY 2024 budget. The funds will follow the same transfer process to the state hospitals in FY 2024.

The **Governor** concurs with the agency's request for FY 2024.

SURVEY, CREDENTIALING AND CERTIFICATION COMMISSION

FIGURE 28
**SURVEY, CREDENTIALING AND CERTIFICATION COMMISSION EXPENDITURES,
 FY 2015 – FY 2024**



STATUTORY BASIS: • 42 CFR Parts 405, 431, 447, 482, 483, 485, 488, and 489; KSA Chapter 39 Article 9 Adult Care Home Statutes; KAR Chapter 26 Adult Care Homes

- PROGRAM GOALS:**
- Provide enforcement and oversight to ensure the requirements that long-term care facilities must meet to participate in the Medicare and Medicaid programs.
 - Ensure compliance with statutory requirements for licensure of adult care homes and ongoing inspections/investigations of complaints related to allegations of Abuse Neglect and Exploitation.
 - Ensure compliance with statutory requirements for the Criminal Record Check Program and Nurse Aide registry as well as several health occupations curriculum, course approval, and licensure/certification of these occupations.

The primary purpose of the Survey, Credentialing and Certification Commission is to protect public health through the inspection and licensing of adult care homes in Kansas, as defined by KSA 39-923. The Commission develops and enforces regulations related to adult care homes. Field staff document compliance with state regulations and federal certification standards through on-site surveys. Investigations of alleged abuse, neglect, or exploitation also are conducted. In rare cases, the Commission may assume temporary management of a nursing home facility

pursuant to a court order. Health Occupations Credentialing (HOC) administers the Health Occupations Credentialing Act (KSA 65-5001 *et seq.*), a review process whereby health professions seeking credentialing apply for a credentialing review. The program also issues licenses to dietitians, speech-language pathologists, audiologists, and adult care home administrators. Certification programs administered by the program include nurse aides, home health aides, and medication aides.

FIGURE 29
SURVEY, CREDENTIALING AND CERTIFICATION COMMISSION, PERFORMANCE MEASURES

	Actual FY 2021	Actual FY 2022	Actual 3-Year Avg.	Target FY 2023	Target FY 2024
Outcome Measure:					
1. Average Number of months between surveys	20	20	18	16	14
2. Number of Background Checks Processed*	91,995	115,000	93,998	120,000	125,000
3. Number of Surveys Exited*	342	216	283	280	300
Financing (in Thousands)	Actual FY 2021	Actual FY 2022		Governor FY 2023	Governor FY 2024
SGF	\$ 3,053.4	\$ 2,795.7		\$ 3,664.9	\$ 3,597.8
Federal Funds	5,507.2	4,554.5		6,546.0	6,561.0
All Other Funds	1,128.5	1,035.9		2,375.6	2,386.1
TOTAL	\$ 9,689.1	\$ 8,386.1		\$ 12,586.5	\$ 12,544.9
Percentage Change:					
SGF	16.4 %	(8.4) %		31.1 %	(1.8) %
All Funds	(3.7) %	(13.4) %		50.1 %	(0.3) %
FTE Positions	121.0	114.0		137.0	137.0

*The Governor's Office does not utilize this measure for evaluation purposes.

PERFORMANCE AND BUDGET ANALYSIS

The Survey, Credentialing and Certification Commission largely operates through surveying adult care homes for compliance in state and federal guidelines.

The facilities include:

- **NURSING FACILITIES**, which are facilities that provide 24/7 care for six or more individuals who require skilled nursing care;
- **ASSISTED LIVING FACILITIES**, which provide care for six or more individuals who require assistance in their daily activities, but do not require 24/7 care;
- **RESIDENTIAL HEALTH CARE FACILITIES**, which provide care for six or more individuals who require assistance in their daily activities but do not require 24/7 care and where the facility is divided into individual living units;
- **HOME PLUS FACILITIES**, which provide care to not more than 12 individuals and are typically located in a residential area; and

- **ADULT DAY CARE FACILITIES**, which provide care for individuals needing assistance with activities of daily living, but operate less than 24 hours a day.

HEALTH OCCUPATION CREDENTIALING

Included in the Survey and Certification Commission is the health occupations credentialing program, which provides the oversight and licensing for a number of long-term care positions including, but not limited to: nurse aides, home health aides, and adult care home operators. As part of the licensing process, the agency requires criminal background checks to be conducted for all individuals employed by facilities licensed by KDADS.

FY 2023 REVISED ESTIMATE

The **agency** estimates revised expenditures of \$12.6 million, including \$3.7 million SGF, for the Survey and Certification Commission in FY 2023. This is an all funds decrease of \$190,955, or 1.5 percent, including an SGF decrease of \$473,031, or 11.4 percent, below the FY 2023 approved amount.

The **Governor** concurs with the agency's revised estimate in FY 2023.

FY 2024 REQUEST

The **agency** requests expenditures of \$13.9 million, including \$5.0 million SGF. This is an all funds increase of \$1.3 million, or 10.4 percent, and an SGF increase of \$1.3 million, or 35.0 percent, above the FY 2023 revised estimate.

This increase is primarily due to the agency's two enhancement requests totaling \$1.3 million SGF and including the addition of 12.0 FTE positions.

The **Governor** recommends expenditures of \$12.5 million, including \$3.6 million SGF, for FY 2024. This is a decrease of \$1.3 million, all SGF, below the agency's request for FY 2024. The Governor also recommends a decrease of 12.0 FTE positions. This decrease is due to the Governor not recommending the agency's two enhancement requests, detailed in the Enhancements Section, Figure 13.

CAPITAL IMPROVEMENTS

The Kansas Department for Aging and Disability Services serves as the point of contact to coordinate all of the capital improvement projects for the four state hospitals:

KANSAS NEUROLOGICAL INSTITUTE

Kansas Neurological Institute (KNI) was established in 1960 by repurposing a former veterans' hospital, and is one of the two state institutions serving individuals with intellectual and developmental disabilities.

PARSONS STATE HOSPITAL AND TRAINING CENTER

Established in 1903, Parsons State Hospital and Training Center (PSH) is one of the two state institutions serving individuals with

intellectual and developmental disabilities. The hospital has historically reported that its infrastructure is deteriorating.

LARNED STATE HOSPITAL

Larned State Hospital (LSH) was established in 1914 and serves the western portion of the state. It comprises three main units: an adult psychiatric program, the state security program, and the sexual predator treatment program.

OSAWATOMIE STATE HOSPITAL

Established in 1866, Osawatome State Hospital (OSH) was Kansas' first established institution for mental health. While the original buildings have been demolished, the campus comprises several older buildings that have fallen into disrepair.

	Actual FY 2022	Agency FY 2023	Governor FY 2023	Agency FY 2024	Governor FY 2024
Capital Projects:					
Remodeling	\$ -	\$ 1,157,757	\$ 1,157,757	\$ 2,780,400	\$ -
Razing Buildings	-	457,000	457,000	556,800	-
Rehabilitation and Repair	1,125,798	23,391,742	23,391,742	7,866,150	3,200,000
Miscellaneous	57,380	57,390	57,390	57,390	57,390
<i>Subtotal–Projects</i>	<i>\$ 1,183,178</i>	<i>\$ 25,063,889</i>	<i>\$ 25,063,889</i>	<i>\$ 11,260,740</i>	<i>\$ 3,257,390</i>
Debt Service Principal:					
State Rehab and Repair Debt Service	\$ 2,340,000	\$ 2,455,000	\$ 2,455,000	\$ 260,000	\$ 260,000
<i>Subtotal–Debt</i>	<i>\$ 2,340,000</i>	<i>\$ 2,455,000</i>	<i>\$ 2,455,000</i>	<i>\$ 260,000</i>	<i>\$ 260,000</i>
TOTAL	\$ 3,523,178	\$ 27,518,889	\$ 27,518,889	\$ 11,520,740	\$ 3,517,390
Financing:					
SGF	\$ 59,318	\$ 55,360	\$ 55,360	\$ 55,360	\$ 55,360
State Institutional Building Fund	3,461,838	27,461,499	27,461,499	11,463,350	3,460,000
All Other Funds	2,022	2,030	2,030	2,030	2,030
TOTAL	\$ 3,523,178	\$ 27,518,889	\$ 27,518,889	\$ 11,520,740	\$ 3,517,390

FY 2023 CAPITAL IMPROVEMENTS

The **agency** requests \$27.5 million, all from the State Institutions Building Fund, in FY 2023. Projects in FY 2023 include all priority 1 and priority 2 projects in the FY 2023 5-year capital

improvement plan. The funding is used to enhance security at LSH, including repairing and extending fences, updating fire alarms and video monitoring systems, and installing duress

systems (silent alarms). Additionally, the funds are utilized for the Biddle Building remodeling project and to raze buildings on the OSH and PSH campuses.

The **Governor** concurs with the agency's revised estimate in FY 2023.

FY 2024 CAPITAL IMPROVEMENTS

The **agency** requests \$11.5 million, all from the State Institutions Building Fund (SIBF), for FY 2024. Projects in FY 2024 include the four enhancement requests discussed in the FY 2024 Analysis section and the Enhancements section, above. These include:

- \$2.8 million SIBF for renovation projects on the OSH campus. Of the total, \$1.9 million would be used to remodel the Cottonwood Resource Center, including sealing, new windows, ADA-compliant modifications, a new HVAC system, restroom upgrades, and repairing moisture-damaged walls. The remainder, \$873,600 SIBF, would be used to remodel the Special Services building and the office area in the MICO House reintegration facility, including asbestos abatement, installing new flooring, repairing walls, repairing the heating system, and improving site drainage.
- \$556,800 to raze abandoned buildings on the OSH and Parsons State Hospital and Training Center (PSH) campuses. The FY 2023 budget includes \$457,000 to demolish three of seven abandoned buildings on the campus. The requested funds for FY 2024 would allow the agency to demolish the next oldest buildings. The agency states these buildings contain asbestos insulation,

asbestos flooring and ceiling tile, lead based paint, rats, and are susceptible to collapse and arson.

- \$4.6 million SIBF to fund the second priority Rehabilitation and Repair projects included in the five-year capital improvement plan. At LSH, this includes \$1.0 million to maintain the roof of the food production building and redo the parking area at the Jung Building. At OSH, this includes \$1.2 million to replace deteriorated water mains across the campus. At PSH, this includes \$845,000 to replace plumbing in the laundry building and to replace fan coil units in the art building. At KNI, this includes \$1.6 million to upgrade campus sewer mains and to upgrade exterior lighting across campus.

Other adjustments include \$3.2 million SIBF to fund priority 1 rehabilitation and repair projects on all four campuses.

The **Governor** recommends expenditures of \$3.2 million SIBF for FY 2024. This is a decrease of \$8.0 million SIBF below the agency's request for FY 2024. This decrease is due to the Governor not recommending adoption of the agency's enhancement requests. The enhancement requests are detailed in the Enhancements Section, Figure 15.