

SESSION OF 2021

SUPPLEMENTAL NOTE ON SENATE BILL NO. 154

As Amended by Senate Committee on Ways
and Means

Brief*

SB 154, as amended, would direct the Secretary for Aging and Disability Services (Secretary) to increase the reimbursement rates for providers of services under the Medicaid Home and Community Based Services (HCBS) waiver for individuals with an intellectual or developmental disability (I/DD). The bill would appropriate from the State General Fund (SGF) amounts for a 5.0 percent rate increase in State Fiscal Year (FY) 2021 and FY 2022, and for an additional 2.0 percent rate increase for FY 2022. This funding would be used to draw down additional federal revenue through the Federal Medical Assistance Percentage (FMAP). The totals in the bill are only reflective of the SGF amount appropriated to the agency and not any potential federal revenue.

The bill would also direct the Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services and KanCare Oversight (Bethell Committee) to review the number of individuals on the waiting list for the Medicaid HCBS I/DD waiver at its quarterly meetings in FY 2022 and make findings and recommendations to be included in its written reports to the 2022 Legislature and the 2023 Legislature.

The bill would be in effect upon publication in the *Kansas Register*.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Background

The bill was introduced in the Senate Committee on Ways and Means at the request of Senator Billinger.

Senate Committee on Ways and Means

In the Senate Committee hearing, **proponent** testimony was provided by representatives of COF Training Services, Inc., Developmental Services of Northwest Kansas, Inc., Interhab, ResCare Community Living, and private citizens. Proponents testified that provider reimbursement rates for Medicaid HCBS I/DD waiver services have been historically underfunded, which has led to difficulty recruiting and retaining staff due to low wages and competition from other employers. The proponents also testified that the COVID-19 pandemic has created further difficulty in retaining staff due to the risk of exposure and increased costs associated with providing Personal Protective Equipment to employees.

Written-only **proponent** testimony was provided by a representative of Big Lakes Developmental Center, Inc. and a private citizen.

There was no other testimony.

The Senate Committee amended the bill by removing provisions directing the Secretary to provide for a 7.0 percent rate increase for FY 2022, a 6.0 percent rate increase for FY 2023, a 5.0 percent rate increase for FY 2024, and annual increases starting in FY 2025; and replacing those provisions with increased rates in FY 2021 and for FY 2022. The Senate Committee also amended the bill to make it effective upon publication in the *Kansas Register*.

Fiscal Information

No fiscal note was prepared by the Division of the Budget on the bill (this is an appropriations bill). The funds appropriated will be used to draw down additional federal revenue through the Federal Medical Assistance Percentage (FMAP), which is not reflected in the bill. Additionally, the increase in reimbursement rates for HCBS I/DD waiver services would increase the Kansas Department for Aging and Disability Services' base budget; therefore the increase would continue into further fiscal years. Any fiscal effect associated with the enactment of the bill is not reflected in *The FY 2022 Governor's Budget Report*.

State Finances; Home and Community Based Services; Intellectual/Developmental disabilities; reimbursement rates; Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services and KanCare Oversight