

SESSION OF 2013

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2160**

As Recommended by House Committee on  
Social Services Budget

**Brief\***

HB 2160 would amend the statute that created a provider assessment on licensed beds in skilled nursing care facilities in 2010 to eliminate a sunset provision in the law and extend the assessment program for an additional two years. The bill also would make technical changes to update agency references to the Kansas Department for Aging and Disability Services.

The bill would eliminate the provision directing that after the first three years the assessment amount was to be adjusted to no more than 60.0 percent of the assessment collected in previous years. In addition, the bill would extend the expiration of assessment program for two additional years, or until July 1, 2016.

Current law authorizes the Secretary of the Kansas Department of Health and Environment (KDHE) to impose a quality care assessment on each licensed bed at a maximum annual rate of \$1,950. The assessment is uniform on skilled nursing facilities, which includes nursing facilities, nursing facilities for mental health and hospital long-term care units, except certain facilities for less than the full rate. The Kansas Soldiers' Home and Kansas Veterans' Home are excluded from the assessment.

The payment of the quality care assessment is an allowable cost for medicaid reimbursement purposes and can be matched with federal Medicaid funds to be used to

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\*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>

increase nursing facility reimbursement rates. (The program was intended to minimize negative fiscal impact on certain classes of nursing facilities.) The Secretary of the Kansas Department for Aging and Disability Services (KDADS) is designated as the agent who manages the program.

## **Background**

At the House Committee hearing on the bill, a representative of KDADS spoke in support of the legislation and discussed the impact on the nursing facility rates if the bill is not passed. Other proponents of the bill included representatives of the AARP-Kansas, Kansas Advocates for Better Care, Kansas Health Care Association, Kansas Hospital Association, and Leading Edge. A representative from the Kansas Health Care Association spoke in support of the bill, but also noted the state should work to restore their statutory responsibility of full funding to the providers without the need of the provider assessment. In addition, a representative of AARP spoke in favor of the bill, but requested that dedicated quality care assessment be set aside to increase the required minimum staffing hours from the current 2.0 hour level to 4 hours and 26 minutes per day.

The Division of the Budget fiscal note indicated passage of the bill will restore \$7.5 million in assessment revenue in FY 2014. The revenue is used to draw federal Medicaid funding totaling \$9.2 million and the full \$16.7 million then is used for nursing facilities expenditures. The loss of funding under current law would most likely lead to a nursing facility reimbursement reduction of 3.7 percent.