

Kansas Department of Health and Environment – Division of Health

Expenditure	Actual FY 2021	Approved FY 2022	Approved FY 2023
All Funds:			
State Operations	\$ 366,998,612	\$ 404,475,649	\$ 399,492,609
Aid to Local Units	100,673,368	145,137,858	65,670,062
Other Assistance	2,646,195,151	3,082,244,961	3,058,496,624
<i>Subtotal - Operating</i>	<u>\$ 3,113,867,131</u>	<u>\$ 3,631,858,468</u>	<u>\$ 3,523,659,295</u>
Capital Improvements	-	-	-
TOTAL	<u>\$ 3,113,867,131</u>	<u>\$ 3,631,858,468</u>	<u>\$ 3,523,659,295</u>
State General Fund:			
State Operations	\$ 22,898,958	\$ 36,795,151	\$ 43,992,838
Aid to Local Units	6,414,160	8,413,771	8,187,967
Other Assistance	534,957,612	684,012,894	806,927,890
<i>Subtotal - Operating</i>	<u>\$ 564,270,730</u>	<u>\$ 729,221,816</u>	<u>\$ 859,108,695</u>
Capital Improvements	-	-	-
TOTAL	<u>\$ 564,270,730</u>	<u>\$ 729,221,816</u>	<u>\$ 859,108,695</u>
Percent Change:			
Operating Expenditures			
All Funds	8.4 %	16.6 %	(3.0)%
State General Fund	(9.9)	29.2	17.8
FTE Positions	1,138.8	1,219.2	1,219.2

The approved budget for the Kansas Department of Health and Environment – Divisions of Health and Health Care Finance in FY 2022 totals \$3.6 billion, including \$729.2 million SGF. This is an all funds increase of \$518.0 million, or 16.6 percent, and an SGF increase of \$165.0 million, or 29.2 percent, above FY 2021 actual expenditures. The all funds increase is primarily attributable to adjustments for human services caseloads due to an increasing number of Medicaid beneficiaries associated with the continuing COVID-19 public health emergency and \$50.0 million for the Front Line Hospital Employee Retention Plan in FY 2022, as approved by the SPARK Executive Committee and the State Finance Council. Also contributing to the increase in SGF moneys is the increase in the state share of the Children's Health Insurance Program (CHIP).

The FY 2022 approved budget includes 1,219.2 FTE positions, which reflects an increase of 80.5 FTE positions above the actual FY 2021 number. This includes an additional 12.0 FTE positions in the Administration Function, 69.4 FTE positions in the Division of Public Health, and a decrease of 3.0 FTE positions in the Division of Health Care Finance. Of these new positions, 48.0 FTE positions are funded with federal awards received in conjunction with COVID-19 relief legislation and are expected to be reduced when federal funds are no longer available. Positions include case managers, contact tracers, and nurses for vaccine distribution.

The approved budget for the Kansas Department of Health and Environment – Divisions of Health and Health Care Finance for FY 2023 totals \$3.5 billion, including \$859.1 million SGF. This is an all funds decrease of \$108.2 million, or 3.0 percent, and an SGF increase of \$129.9 million, or 17.8 percent, from the FY 2022 approved budget. The all funds decrease is primarily attributable to decreased federal funds for COVID-19 prevention and treatment, including a \$104.6 million reduction in federal aid within the Division of Public Health. The SGF increase is mainly attributable to the adoption of the spring human services consensus caseload estimates. The 6.2 percent Federal Medical Assistance Percentage (FMAP) increase associated with the COVID-19 public health emergency was in effect for all four quarters of FY 2022. The FMAP budgeted increase continued into only one quarter of FY 2023, however, causing the SGF expenditures for Medicaid to be higher for FY 2023.

The FY 2023 approved budget includes 1,219.2 FTE positions, which is the same as the FY 2022 approved number.

Kansas Department of Health and Environment – Division of Health

	FY 2022			FY 2023		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Agency Estimate	\$ 817,632,224	\$ 3,488,565,100	1,219.2	\$ 810,762,477	\$ 3,382,146,218	1,219.2
Governor's Changes:						
1. Non-recommended Supplemental and Enhancement Requests for School Based Oral Health	\$ (250,000)	\$ (250,000)	-	\$ (250,000)	\$ (250,000)	-
2. Non-recommended Half of the Supplemental Request for the Medicaid Program	(50,131)	(200,526)	-	-	-	-
3. Front Line Hospital Employee Retention Plan	-	50,000,000	-	-	-	-
4. Consolidated Health Centers Fund	-	618,239	-	-	766,831	-
5. Fall Consensus Caseloads Estimate	(66,733,466)	59,066,534	-	1,000,000	4,000,000	-
6. Nurse Pay Adjustment	-	-	-	133,701	133,701	-
7. Medicaid Expansion Assistance	-	-	-	19,000,000	596,000,000	-
8. Medicaid Expansion Savings	-	-	-	(87,500,000)	-	-
9. GBA No. 2, Item 1 - Spring Caseloads	(21,989,024)	23,446,908	-	34,249,128	110,632,775	-
10. GBA No. 2, Item 13 - Specialty Health Care Access Programs	-	-	-	750,000	750,000	-
Subtotal - Governor's Recommendation	<u>\$ 728,609,603</u>	<u>\$ 3,621,246,255</u>	<u>1,219.2</u>	<u>\$ 778,145,306</u>	<u>\$ 4,094,179,525</u>	<u>1,219.2</u>
Change from Agency Est.	\$ (89,022,621)	\$ 132,681,155	-	\$ (32,617,171)	\$ 712,033,307	-
Percent Change from Agency Est.	(10.9)%	3.8 %	0.0 %	(4.0)%	21.1 %	0.0 %
Legislative Action:						
11. GBA No. 2, Item 1 - Spring Caseloads	\$ -	\$ -	-	\$ -	\$ -	-
12. GBA No. 2, Item 13 - Specialty Health Care Access Programs	-	-	-	-	-	-
13. School-based Oral Health	250,000	250,000	-	250,000	250,000	-
14. Early Detection Works	362,213	362,213	-	1,000,000	1,000,000	-
15. Transfer to the Rural Hospital Innovation Grant Fund	-	10,000,000	-	-	-	-
16. Certified Community Behavioral Health Centers Language	-	-	-	-	-	-
17. Local Health Department Funding	-	-	-	800,000	800,000	-
18. Adult Dental Services	-	-	-	1,400,000	3,500,000	-
19. Infant Toddler (Tiny-k) Program	-	-	-	2,000,000	2,000,000	-
20. Medicaid Expansion	-	-	-	68,500,000	(596,000,000)	-
21. Medicaid Expansion Language	-	-	-	-	-	-
22. Emergency Medical Services Reimbursement Rates	-	-	-	4,452,162	9,990,160	-
23. Children's Health Insurance Program	-	-	-	393,764	1401294	-
24. Pediatric Primary Care Reimbursement Rates	-	-	-	886,200	2,943,697	-
25. Newborn Screening Language	-	-	-	-	-	-
26. Human Services Consensus Caseload Language	-	-	-	-	-	-
27. Health Care Provider Training Program for Child Abuse Detection	-	-	-	757,000	757,000	-
28. Infant Toddler Language	-	-	-	-	-	-
29. Salary Increase	-	-	-	524,263	2,837,619	-
TOTAL APPROVED	<u>\$ 729,221,816</u>	<u>\$ 3,631,858,468</u>	<u>1,219.2</u>	<u>\$ 859,108,695</u>	<u>\$ 3,523,659,295</u>	<u>1,219.2</u>
Change from Gov. Rec.	\$ 612,213	\$ 10,612,213	-	\$ 80,963,389	\$ (570,520,230)	-
Percent Change from Gov. Rec.	0.1 %	0.3 %	0.0 %	10.4 %	(13.9)%	0.0 %
Change from Agency Est.	\$ (88,410,408)	\$ 143,293,368	-	\$ 48,346,218	\$ 141,513,077	-
Percent Change from Agency Est.	(10.8)%	4.1 %	0.0 %	6.0 %	4.2 %	0.0 %

1. The Governor deleted \$250,000 SGF to not recommend funding the agency's supplemental and enhancement requests for school-based oral health in FY 2022 and FY 2023.
2. The Governor deleted \$200,562 from all funds, including \$50,131 SGF, to recommend funding only half of the agency's supplemental request for 3.0 FTE positions for the Medicaid Eligibility Program and 2.0 FTE positions for the Medicaid Pharmacy Program in FY 2022.
3. The Governor added \$50.0 million, all federal funds, for the Front Line Hospital Employee Retention Plan, as approved by the SPARK Executive Committee and the State Finance Council in FY 2022.
4. The Governor added \$618,239, all federal funds, in FY 2022 and \$766,831, all federal funds, for FY 2023 to the Consolidated Health Centers Fund for COVID-19 pandemic relief.
5. The Governor deleted \$59.1 million from all funds, including the deletion of \$66.7 million SGF, in FY 2022, and added \$4.0 million from all funds, including \$1.0 million SGF, for FY 2023 to fully fund the fall 2021 human services consensus caseloads estimate.
6. The Governor added \$133,701 SGF for FY 2023 to fund the 24/7 pay initiative recommended by the SPARK Taskforce and approved by the State Finance Council. The plan increased the pay grade for several categories of state employees, including Registered Nurses and Advanced Practice Registered Nurses, effective November 28, 2021.
7. The Governor added \$596.0 million from all funds, including \$19.0 million SGF, to fund Medicaid expansion for FY 2023.
8. The Governor deleted \$87.5 million SGF to account for savings associated with Medicaid expansion for FY 2023.
9. In Governor's Budget Amendment (GBA) No. 2, Item 1 the Governor added \$23.4 million from all funds, including the deletion of \$22.0 million SGF, in FY 2022, and added \$110.6 million from all funds, including \$34.2 million SGF, for FY 2023, to fund spring human services consensus caseload estimates.
10. In GBA No. 2, Item 13 the Governor added \$750,000 SGF for FY 2023 for Specialty Health Care Access Programs, including Project Access of Wichita, HealthAccess of Shawnee County, and Wy Jo Care of Wyandotte and Johnson counties.
11. The Legislature concurred with GBA No. 2, Item 3, to add \$23.4 million from all funds, including the deletion of \$22.0 million SGF, in FY 2022, and add \$110.6 million from all funds, including \$34.2 million SGF, for FY 2023, to fund spring human services consensus caseload estimates.
12. The Legislature concurred with GBA No. 2, Item 13, to add \$750,000 SGF to fund specialty health care access programs for FY 2023.
13. The Legislature added \$250,000 SGF for school-based oral health services in FY 2022 and for FY 2023.
14. The Legislature added \$362,213 SGF in FY 2022 and \$1.0 million SGF for FY 2023 to fund the Breast and Cervical Cancer Early Detection Program, Early Detection Works.
15. The Legislature transferred \$10.0 million in federal American Rescue Plan Act (ARPA) funds to the Rural Hospital Innovation Grant Fund to fund HB 2208, passed by 2021 Legislature, concerning the Rural Hospital Innovation Grant Program in FY 2022.
16. The Legislature added language prohibiting the agency from placing any limitation on funding for Certified Community Behavioral Health Centers in FY 2022 and FY 2023.
17. The Legislature added \$800,000 SGF to increase funds available to local health departments using the statutory distribution formula contained in KSA 65-242 for FY 2023.
18. The Legislature added \$3.5 million, including \$1.4 million SGF, to increase the availability of adult dental services provided through the state Medicaid program for FY 2023.
19. The Legislature added \$2.0 million SGF to increase the availability of early intervention services provided through the Infant and Toddler Program (tiny-k) for FY 2023.

20. The Legislature deleted \$596.0 million from all funds, including the addition of \$68.5 million SGF, to remove funding for Medicaid Expansion for FY 2023. The all funds deletion includes \$629.0 million from federal funds and \$35.5 million from special revenue funds.
21. The Legislature added language to lapse \$68.5 million SGF for FY 2023 if Medicaid Expansion is passed during the 2022 Session.
22. The Legislature added \$10.0 million, including \$4.5 million SGF, to increase reimbursement rates for Emergency Medical Services provider codes for FY 2023.
23. The Legislature added \$1.4 million, including \$393,764 SGF, to provide coverage through the Children's Health Insurance Program for children residing in a household having a gross household income at or under 250.0 percent of the federal poverty income guidelines for FY 2023.
24. The Legislature added \$2.9 million, including \$886,200 SGF, to raise provider reimbursement rates for pediatric primary care services to 100.0 percent of the Medicare reimbursement rate for FY 2023.
25. The Legislature added language to increase the amount available for transfer from the Medical Assistance Fee Fund to the Kansas Newborn Screening Fund from a maximum of \$2.5 million to a maximum of \$5.0 million for FY 2023.
26. The Legislature added language to instruct the agencies involved to advise and consult with the Chairperson and ranking minority member of the House Social Service Budget Committee and the Senate Human Services Subcommittee on the development and adjustment of the human services consensus caseload estimates for FY 2023.
27. The Legislature added \$757,000 SGF for a program to train health care providers in recognizing the signs of child abuse for FY 2023 and provide a report to the Legislature on the program's progress.
28. The Legislature added language requiring KDHE to spend the amount of \$6.0 million SGF for the purposes of aid to local units and other assistance for the Tiny-K program for FY 2023.
29. The Legislature added \$2,837,619, including \$524,263 SGF, for a 5.0 percent salary increase for most state employees for FY 2023. This adjustment excludes statewide elected officials, current beneficiaries of the 24/7 pay plan, with other specific limitations for employees who receive salary adjustments in other portions of the appropriations bill.