

Senate Subcommittee Report

Agency: Kansas Department of Health and Environment – Division of Health **Bill No.** SB 267

Bill Sec. 73

Analyst: Leopold

Analysis Pg. No. Vol. 1, p. 23

Budget Page No. 282

Expenditure Summary	Agency Estimate FY 2021	Governor Recommendation FY 2021*	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 847,638,233	\$ 583,699,258	\$ 0
Other Funds	2,634,816,353	2,619,950,242	0
<i>Subtotal</i>	\$ 3,482,454,586	\$ 3,203,649,500	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
<i>Subtotal</i>	\$ 0	\$ 0	\$ 0
TOTAL	\$ 3,482,454,586	\$ 3,203,649,500	\$ 0

FTE positions	1,138.8	1,138.8	0.0
---------------	---------	---------	-----

*The Governor's recommendation includes GBA No. 3, item 1, to delete \$230.0 million, including \$139.0 million SGF to adopt the Spring 2021 Human Services Consensus Caseload estimate for FY 2021. Changes are reflected in the table only.

Agency Estimate

The **agency** requests a revised estimate of \$3.5 billion, including \$847.6 million from the State General Fund (SGF), for operating expenditures in FY 2021. This is an all funds decrease of \$493.9 million, or 12.4 percent, and an SGF increase of \$21.7 million, or 2.6 percent, from the amount approved by the 2020 Legislature. The request includes \$24.9 million for the Administration function, \$229.9 million for the Division of Public Health, \$3.2 billion for the Division of Health Care Finance. The all funds decrease is primarily attributable to adjustments to the human services caseloads and decreased expenditures for contractual services in the division of Health Care Finance. This decrease was partially offset by \$75.6 million in federal grants for COVID-19 prevention and treatment in the Division of Public Health. The SGF increase is largely due to the agency's nine supplemental requests, totaling \$22.0 million, partially offset by adjustments to SGF expenditures for human services caseloads.

The revised estimate includes 1,138.8 FTE positions, which is an increase of 80.3 FTE positions above the number approved by the 2020 Legislature. The increase is due to several positions being added to support the state's COVID-19 response. These include additional epidemiologic and information system surveillance staff in the Division of Public Health, as well as auditors and Managed Care Organization analysts in the Division of Health Care Finance.

Governor's Recommendation

The **Governor** recommends expenditures of \$3.4 billion, including \$722.7 million SGF, in FY 2021. This is an all funds decrease of \$48.8 million, or 1.4 percent, and an SGF decrease of \$124.9 million, or 14.7 percent, below the agency's FY 2021 revised estimate. The Governor's recommendation includes fully funding the Fall 2020 Human Services Consensus Caseload estimates, which includes a decrease of \$111.0 million, including \$99.8 million SGF, and a lapse of \$3.6 million dollars in reappropriations from FY 2020. The Governor also recommends \$150,000 to fund half of the agency's supplemental request for the Kansas Trauma Program. The Governor's recommendation includes 1,138.8 FTE positions, which is the same number as the agency's FY 2021 revised estimate.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's Recommendation in FY 2021.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's Recommendation in FY 2021 with the following adjustments:

1. Add language requiring hospitals and physicians be paid at the Medicaid rate established in FY 2021 until the first calendar quarter following approval by the federal Centers for Medicare and Medicaid Services (CMS) of the Health Care Access Improvement Program hospital provider assessment rate adjustment as passed and amended by the 2020 Legislature.
2. Add language requiring Kansas Department of Health and Environment to reimburse entities that have entered into an agreement with the above agency and are providing community testing to the general public with special revenue funds in FY 2021.

Senate Committee of the Whole Recommendation (Sub. for SB 267)

The **Committee of the Whole** concurs with the Committee's recommendation in FY 2021.

House Budget Committee Report

Agency: Kansas Department of Health and Environment – Division of Health

Bill No. HB 2397

Bill Sec. 77

Analyst: Leopold

Analysis Pg. No. Vol. 1, p. 23

Budget Page No. 282

Expenditure Summary	Agency Estimate FY 2021	Governor Recommendation FY 2021	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 847,638,233	\$ 583,699,258	\$ 0
Other Funds	2,634,816,353	2,619,950,242	0
<i>Subtotal</i>	<u>\$ 3,482,454,586</u>	<u>\$ 3,203,649,500</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u>\$ 3,482,454,586</u>	<u>\$ 3,203,649,500</u>	<u>\$ 0</u>

FTE positions 1,138.8 1,138.8 0.0

*The Governor's recommendation includes GBA No. 3, item 1, to delete \$230.0 million, including \$139.0 million SGF to adopt the Spring 2021 Human Services Consensus Caseload estimate for FY 2021. Changes are reflected in the table only.

Agency Estimate

The **agency** requests a revised estimate of \$3.5 billion, including \$847.6 million from the State General Fund (SGF), for operating expenditures in FY 2021. This is an all funds decrease of \$493.9 million, or 12.4 percent, and an SGF increase of \$21.7 million, or 2.6 percent, from the amount approved by the 2020 Legislature. The request includes \$24.9 million for the Administration function, \$229.9 million for the Division of Public Health, \$3.2 billion for the Division of Health Care Finance. The all funds decrease is primarily attributable to adjustments to the human services caseloads and decreased expenditures for contractual services in the division of Health Care Finance. This decrease was partially offset by \$75.6 million in federal grants for COVID-19 prevention and treatment in the division of Public Health. The SGF increase is largely due to the agency's supplemental requests, totaling \$22.0 million, partially offset by adjustments to SGF expenditures for human services caseloads.

The revised estimate includes 1,138.8 FTE positions, which is an increase of 80.3 FTE positions above the number approved by the 2020 Legislature. The increase is due to several positions being added to support the state's COVID-19 response. These include additional epidemiologic and information system surveillance staff in the Division of Public Health, as well as auditors and Managed Care Organization analysts in the Division of Health Care Finance.

Governor's Recommendation

The **Governor** recommends expenditures of \$3.4 billion, including \$722.7 million SGF, in FY 2021. This is an all funds decrease of \$48.8 million, or 1.4 percent, and an SGF decrease of \$124.9 million, or 14.7 percent, below the agency's FY 2021 revised estimate. The Governor's recommendation includes fully funding the Fall 2020 Human Services Consensus Caseload estimates, which includes a decrease of \$111.0 million, including \$99.8 million SGF, and a lapse of \$3.6 million dollars in reappropriations from FY 2020. The Governor also recommends \$150,000 to fund half of the agency's supplemental request for the Kansas Trauma Program. The Governor's recommendation includes 1,138.8 FTE positions, which is the same number as the agency's FY 2021 revised estimate.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation in FY 2021.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation in FY 2021 with the following adjustments:

1. Review at Omnibus adding language that prevents Prescription Benefit Managers (PBMs) from discriminating against or providing differential treatment to pharmacies or providers that purchase or dispense drugs purchased under the Federal 340B program in FY 2021.
2. The Committee recommends that the agency, in conjunction with the Kansas Department for Aging and Disability Services, review the policies regarding the Medicaid Home and Community Based Services Brain Injury (HCBS/BI) waiver in FY 2021 and implement the following policies:
 - Ensure that the HCBS/BI waiver serves as a rehabilitation waiver;
 - Prioritize Kansans with recent brain injuries; and
 - Implement a two-year review on services, with limited exceptions for continuing waiver services beyond two years.

Add language that the agency report the following information to the Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services on a quarterly basis beginning in FY 2021:

- Number of enrolled members in the HCBS/BI waiver program at the end of the month prior to the committee meeting;
- Number of enrolled members in the HCBS/BI waiver program over the course of the calendar year (unduplicated count);
- Number of BI Waiver enrollees receiving HCBS/BI waiver services:
 - Longer than 2 years; and
 - Longer than 4 years;
- Number of BI Waiver enrollees who did not receive HCBS/BI waiver services within
 - 60 days after being enrolled;
 - 90 days after being enrolled; and
 - 120 or more days after being enrolled;

- Number of BI Waiver enrollees who did not receive a specific HCBS/BI waiver service for the following periods prior to the date they were officially unenrolled from the BI waiver:
 - 30 days prior to the date they were unenrolled;
 - 60 days prior to the date they were unenrolled;
 - 90 days prior to the date they were unenrolled; and
 - 120 or more days prior to the date they were unenrolled;
- The amount of the per member per month enhanced dollar rate provided to a managed care organization (MCO) for each member enrolled in the HCBS/BI waiver;
- Total number enrolled in the HCBS/BI waiver by county and the per capita enrollment in the HCBS/BI waiver by county; and
- Progress toward new policy implementation.

The Budget Committee notes its concern that the number of individuals receiving long-term services on the HCBS/BI waiver may hinder its goal of rehabilitating individuals with recent brain injuries.

House Committee of the Whole Recommendation (Sub. for HB 2397)

The **Committee of the Whole** concurs with the House Committee recommendation in FY 2021.

Conference Committee Recommendation (HB 2007)

The **Conference Committee** concurs with the Governor's recommendation for FY 2021 with the following adjustments:

1. Add language requiring Kansas Department of Health and Environment to reimburse entities that have entered into an agreement with the above agency and are providing community testing to the general public with special revenue funds in FY 2021.
2. Add language requiring the agency, in conjunction with the Kansas Department for Aging and Disability Services, to review the policies regarding the Medicaid Home and Community Based Services Brain Injury (HCBS/BI) waiver in FY 2021 and implement the following policies:
 - Ensure that the HCBS/BI waiver serves as a rehabilitation waiver;
 - Prioritize Kansans with recent brain injuries; and
 - Implement a two-year review on services, with limited exceptions for continuing waiver services beyond two years.

Add language that the agency report the following information to the Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services on a quarterly basis beginning in FY 2021:

- Number of enrolled members in the HCBS/BI waiver program at the end of the month prior to the committee meeting;
- Number of enrolled members in the HCBS/BI waiver program over the course of the calendar year (unduplicated count);
- Number of BI Waiver enrollees receiving HCBS/BI waiver services:
 - Longer than 2 years; and
 - Longer than 4 years;
- Number of BI Waiver enrollees who did not receive HCBS/BI waiver services within

- 60 days after being enrolled;
- 90 days after being enrolled; and
- 120 or more days after being enrolled;
- Number of BI Waiver enrollees who did not receive a specific HCBS/BI waiver service for the following periods prior to the date they were officially unenrolled from the BI waiver:
 - 30 days prior to the date they were unenrolled;
 - 60 days prior to the date they were unenrolled;
 - 90 days prior to the date they were unenrolled; and
 - 120 or more days prior to the date they were unenrolled;
- The amount of the per member per month enhanced dollar rate provided to a managed care organization (MCO) for each member enrolled in the HCBS/BI waiver;
- Total number enrolled in the HCBS/BI waiver by county and the per capita enrollment in the HCBS/BI waiver by county; and
- Progress toward new policy implementation.

The Budget Committee notes its concern that the number of individuals receiving long-term services on the HCBS/BI waiver may hinder its goal of rehabilitating individuals with recent brain injuries.

Omnibus Activity (SB 159)

1. Adopt the Governor's Budget Amendment (GBA) No. 3, Item 1, to delete \$230.0 million, including \$139.0 million SGF, from the Governor's recommendation to adopt the Spring Human Services Consensus estimate in FY 2021.
2. Add language guiding and directing the agency on how to proceed with contact tracing to slow the spread of COVID-19 in FY 2021.
3. Pay \$16,426, all from existing resources in the agency's SGF Operating account - Health, for claims against the state for expenses related to efforts to become licensed as a home health agency in FY 2021.

	Governor's Recommendation FY 2021	Legislative Action	Legislative Approved FY 2021	Governor's Vetoed FY 2021	Veto Override	Final Legislative Approved FY 2021
All Funds						
State Operations	\$ 471,546,447	\$ 0	\$ 471,546,447	\$ 0	\$ 0	\$ 471,546,447
Aid to Local Units	57,293,025	0	57,293,025	0	0	57,293,025
Other Assistance	2,674,810,028	0	2,674,810,028	0	0	2,674,810,028
<i>Subtotal - Operating</i>	<i>\$ 3,203,649,500</i>	<i>\$ 0</i>	<i>\$ 3,203,649,500</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 3,203,649,500</i>
Capital Improvements	0	0	0	0	0	0
TOTAL	\$ 3,203,649,500	\$ 0	\$ 3,203,649,500	\$ 0	\$ 0	\$ 3,203,649,500

State General Fund

State Operations	\$ 28,285,626	\$ 0	\$ 28,285,626	\$ 0	\$ 0	\$ 28,285,626
Aid to Local Units	6,774,868	0	6,774,868	0	0	6,774,868
Other Assistance	548,638,764	0	548,638,764	0	0	548,638,764
<i>Subtotal - Operating</i>	<i>\$ 583,699,258</i>	<i>\$ 0</i>	<i>\$ 583,699,258</i>	<i>\$ 0</i>	<i>\$ 0</i>	<i>\$ 583,699,258</i>
Capital Improvements	0	0	0	0	0	0
TOTAL	\$ 583,699,258	\$ 0	\$ 583,699,258	\$ 0	\$ 0	\$ 583,699,258

FTE Positions	1,138.8	0.0	1,138.8	0.0	0.0	1,138.8
---------------	---------	-----	---------	-----	-----	---------