

Senate Subcommittee Report

Agency: Kansas Department of Health and Environment - **Bill No.** SB 422 **Bill Sec.** 31
 Division of Health

Analyst: Leopold

Analysis Pg. No. Vol. 2, p. 1010

Budget Page No. 264

Expenditure Summary	Agency Request FY 2023	Governor Recommendation FY 2023	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 810,762,477	\$ 743,146,178	\$ 4,450,000
Federal Funds	2,090,892,392	2,713,889,560	2,100,000
Other Funds	480,491,349	525,761,012	0
<i>Subtotal</i>	<u>\$ 3,382,146,218</u>	<u>\$ 3,982,796,750</u>	<u>\$ 6,550,000</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u>\$ 3,382,146,218</u>	<u>\$ 3,982,796,750</u>	<u>\$ 6,550,000</u>
FTE positions	1,219.2	1,219.2	0.0

Agency Request

The **agency** requests \$3.4 billion, including \$810.8 million SGF, for operating expenditures for FY 2023. This is an all funds decrease of \$106.4 million, or 3.1 percent, and an SGF decrease of \$6.9 million, below the FY 2022 revised estimate. The request includes \$35.0 million for the Administration function, \$215.1 million for the Division of Public Health, and \$3.1 billion for the Division of Health Care Finance. 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 decrease is largely due to funds that were reappropriated in FY 2022 and not budgeted for FY 2023. This decrease was partially offset by the agency's enhancement requests totaling \$22.0 million, including \$15.0 million SGF. The revised estimate includes 1,219.2 FTE positions, which is the same number as the FY 2022 revised estimate.

Governor's Recommendation

The **Governor** recommends expenditures of \$4.0 billion, including \$743.1 million SGF, for FY 2023. This is an all funds increase of \$600.7 million, or 17.8 percent, and an SGF decrease of \$67.6 million, from the agency's FY 2023 request. The all funds increase is largely due to the Governor's addition of funds to expand eligibility for Medicaid assistance. This increase was partially offset by fewer COVID-19 pandemic relief funds anticipated to be available in FY 2023. The SGF decrease is largely due to SGF savings associated with Medicaid expansion.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's Recommendation in FY 2023 with the following adjustments and notation:

1. Add \$250,000, all SGF, to fund the agency's supplemental request for school-based oral health services for FY 2023.
2. Add \$800,000, all SGF, to increase funds available to local health departments using the statutory distribution formula contained in KSA 65-242, for FY 2023. This increase will bring the total amount available for distribution to the 100 local health departments in Kansas for funds distributed using the formula to \$4.0 million.
3. Add \$3.5 million all funds, including \$1.4 million SGF, to increase the availability of adult dental services provided through the State Medicaid program for FY 2023.
4. Add \$2.0 million, all SGF, to increase the availability of early intervention services provided through the Infant and Toddler Program (tiny-k) for FY 2023. Tiny-K provides early intervention services to families of children ages birth to three who have a developmental delay.
5. The Committee notes their support for HB 2250 and SB 155. This legislation would update statutes related to newborn screening, including raising 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 in any fiscal year.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's recommendation for FY 2023 with the following adjustments:

1. Delete \$596.0 million, including the addition of \$68.5 million SGF, to remove funding for Medicaid Expansion. The all funds deletion includes \$629.0 million from federal funds and \$35.5 million from special revenue funds. In addition, add language to lapse the SGF funding if Medicaid Expansion is passed during the 2022 Legislative Session. The Budget Committee notes that KSA 39-709(e)(2) requires Medicaid Expansion to be approved by the Legislature.
2. Add \$10.0 million, including \$4.5 million SGF, to raise all Emergency Medical Services provider codes for FY 2023.

Senate Committee of the Whole Recommendation (Sub. for SB 444)

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2023.

House Budget Committee Report

Agency: Kansas Department of Health and Environment - Division of Health **Bill No.** HB 2588

Bill Sec. 31

Analyst: Leopold

Analysis Pg. No. Vol. 2, p.1010

Budget Page No. 264

Expenditure Summary	Agency Request FY 2023	Governor Recommendation FY 2023	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 810,762,477	\$ 743,146,178	\$ 78,784,289
Federal Funds	2,090,892,392	2,713,889,560	(619,688,646)
Other Funds	480,491,349	525,761,012	(35,500,000)
<i>Subtotal</i>	\$ 3,382,146,218	\$ 3,982,796,750	\$ (576,404,357)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	\$ 0	\$ 0	\$ 0
TOTAL	\$ 3,382,146,218	\$ 3,982,796,750	\$ (576,404,357)

FTE positions	1,219.2	1,219.2	0.0
---------------	---------	---------	-----

Agency Request

The **agency** requests \$3.4 billion, including \$810.8 million SGF, for operating expenditures for FY 2023. This is an all funds decrease of \$106.4 million, or 3.1 percent, and an SGF decrease of \$6.9 million, below the FY 2022 revised estimate. The request includes \$35.0 million for the Administration function, \$215.1 million for the Division of Public Health, and \$3.1 billion for the Division of Health Care Finance. 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 decrease is largely due to funds that were reappropriated in FY 2022 and not budgeted for FY 2023. This decrease was partially offset by the agency's enhancement requests totaling \$22.0 million, including \$15.0 million SGF. The revised estimate includes 1,219.2 FTE positions, which is the same number as the FY 2022 revised estimate.

Governor's Recommendation

The **Governor** recommends expenditures of \$4.0 billion, including \$743.1 million SGF, for FY 2023. This is an all funds increase of \$600.7 million, or 17.8 percent, and an SGF decrease of \$67.6 million, from the agency's FY 2023 request. The all funds increase is largely due to the

Governor's addition of funds to expand eligibility for Medicaid assistance. This increase was partially offset by fewer COVID-19 pandemic relief funds anticipated to be available in FY 2023. The SGF decrease is largely due to SGF savings associated with Medicaid expansion.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments:

1. Delete \$596.0 million, including the addition of \$68.5 million SGF, to remove funding for Medicaid Expansion. The all funds deletion includes \$629.0 million from federal funds and \$35.5 million from special revenue funds. In addition, add language to lapse the SGF funding if Medicaid Expansion is passed during the 2022 Legislative Session. The Budget Committee notes that KSA 39-709(e)(2) requires Medicaid Expansion to be approved by the Legislature.
2. Add \$3.5 million all funds, including \$1.4 million SGF, to increase the availability of adult dental services provided through the State Medicaid program for FY 2023.
3. Add \$2.0 million, all SGF, to increase the availability of early intervention services provided through the Infant and Toddler Program (tiny-k) for FY 2023. Tiny-K provides early intervention services to families of children ages birth to three who have a developmental delay.
4. Add \$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.
5. Add \$9.4 million, including \$4.2 million SGF, to raise all Emergency Medical Services provider codes to 65.0 percent of the 2021 rural Medicare rates and raise ground ambulance mileage to 100.0 percent of the rural Medicare rate for FY 2023.
6. Add \$1.0 million, all SGF, to the Breast and Cervical Cancer Early Detection Program, Early Detection Works, to increase access to cancer screening and early detection services for uninsured and underinsured women.
7. Add \$800,000, all SGF, to increase funds available to local health departments using the statutory distribution formula contained in KSA 65-242, for FY 2023. This increase will bring the total amount available for distribution to the 100 local health departments in Kansas for funds distributed using the formula to \$4.0 million.
8. Add language to raise 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.
9. Add 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.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation for FY 2023 with the following adjustments:

1. Add \$1.4 million all funds, including \$393,764 SGF for the Kansas Department of Health and Environment to provide coverage for children residing in a household having a gross household income at or under 250.0 percent of the federal poverty income guidelines.
2. Add language requiring KDHE to extend the Kansas Medicaid program (KanCare) and the current managed care contracts, as existing on the effective date of the act, through December 31, 2024. In addition, add language that, in order to make any change to the program KDHE must submit a request to and receive approval from the Legislative Coordinating Council.

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

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2023.

Conference Committee Recommendation (H Sub. for Sub. for SB 267)

The **Conference Committee** concurs with the Governor's recommendation for FY 2023 with the following adjustments:

1. Add \$800,000 SGF to increase funds available to local health departments using the statutory distribution formula contained in KSA 65-242 for FY 2023.
2. Add \$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.
3. Add \$2.0 million SGF to increase the availability of early intervention services provided through the Infant and Toddler Program (tiny-k) for FY 2023.
4. Delete \$596.0 million, 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. Add language to lapse the SGF funding if Medicaid Expansion is passed during the 2022 Session.
5. Add \$250,000 SGF for school-based oral health services for FY 2023.
6. Add \$10.0 million, including \$4.5 million SGF, to increase reimbursement rates for Emergency Medical Services provider codes for FY 2023.
7. Add \$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.
8. Add \$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.
9. Add \$1.0 million SGF to the Breast and Cervical Cancer Early Detection Program, Early Detection Works, for FY 2023.

10. Add 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.
11. Add 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.

Omnibus Action (HB 2510)

1. Adopt GBA No. 2, Item 1, to add \$110.6 million all funds, including \$34.2 million SGF, to adopt the Spring Human Services Consensus Caseload estimate for FY 2023.
2. Adopt GBA No. 2, Item 13, to add \$750,000 SGF to fund specialty health care access programs for FY 2023.
3. Add \$757,000 SGF for a program to train health care providers in recognizing then signs of child abuse for FY 2023 and provide a report to the Legislature on the program's progress.
4. Add 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.
5. Add language prohibiting KDHE from placing any limitation on funding for Certified Community Behavioral Health Centers for FY 2023.

	Governor's Recommendation FY 2023	Legislative Action	Legislative Approved FY 2023	Governor's Veto FY 2023	Final Legislative Approved FY 2023
All Funds					
State Operations	\$ 410,447,990	\$ (13,793,000)	\$ 396,654,990	\$ 0	\$ 396,654,990
Aid to Local Units	64,870,062	800,000	65,670,062	0	65,670,062
Other Assistance	3,618,861,473	(560,364,849)	3,058,496,624	0	3,058,496,624
<i>Subtotal - Operations</i>	<i>\$ 4,094,179,525</i>	<i>\$ (573,357,849)</i>	<i>\$ 3,520,821,676</i>	<i>\$ 0</i>	<i>\$ 3,520,821,676</i>
Capital Improvements	0	0	0	0	0
TOTAL	\$ 4,094,179,525	\$ (573,357,849)	\$ 3,520,821,676	\$ 0	\$ 3,520,821,676

State General Fund

State Operations	\$ 49,361,575	\$ (5,893,000)	\$ 43,468,575	\$ 0	\$ 43,468,575
Aid to Local Units	7,387,967	800,000	8,187,967	0	8,187,967
Other Assistance	721,395,764	85,532,126	806,927,890	0	806,927,890
<i>Subtotal - Operating</i>	<i>\$ 778,145,306</i>	<i>\$ 80,439,126</i>	<i>\$ 858,584,432</i>	<i>\$ 0</i>	<i>\$ 858,584,432</i>
Capital Improvements	0	0	0	0	0
TOTAL	\$ 778,145,306	\$ 80,439,126	\$ 858,584,432	\$ 0	\$ 858,584,432

FTE Positions	1,219.2	0.0	1,219.2	0.0	1,219.2
---------------	---------	-----	---------	-----	---------