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Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services and
KanCare Oversight

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Testimony provided by:
Mark Schulte, KACE Legislative Co-Chair
Kansas Adult Care Executives Association

Senator Gossage, Representative Landwehr, Members of the Committee:

Thank you for the opportunity to comment, share, and be part of today's committee hearing.

The Kansas Adult Care Executives (KACE) is a non-partisan, non-profit professional association serving nursing home administrators and assisted living operators in Kansas. Our membership includes individual administrators and operators from both the not for profit and for-profit adult care sectors. KACE members are located throughout the state of Kansas and represent state licensed only and CMS licensed adult care homes.

Medicaid Application Delays

KACE members are experiencing Medicaid determination applications for nursing facility and home and community-based waiver applications taking longer than 45 days. For nursing facilities, the amount of manpower hours needed follow up on pending applications can be excessive and costly. The absence of Medicaid approval also complicates collections for private obligations, which often results in lost payment for those. Delayed processing forces some providers to reevaluate accepting admissions who do not have an approved Medicaid application, which often means a resident is not able to live in the location they prefer. If a resident passes away during the approval process, providers have a difficult time securing reimbursement for incurred costs.

For assisted living and home plus adult care home residents the transition from private pay to waiver assistance can be more challenging for residents and their families. There can be confusion about the timeline for when Medicaid reimbursement of allowable services begins. HCBS waiver reimbursement is not retroactive to the application date, which oftentimes results in providers not being paid for some period during the transition.

KDHE Eligibility leadership staff continue to be good partners, and KACE is thankful for the opportunity to work with the agency towards lessening the number of applications over 45 days old.

Nursing Facility Reimbursement

KACE provided testimony on September 21st to the Special Committee on Nursing Facility Reimbursement Rate Methodology. The committee will share findings during the upcoming legislative session, and the opportunity to review the current state of the nursing facility reimbursement program will continue. KACE will continue to advocate that KDADS request funding sufficient for a full rebase of Medicaid provider rates for legislative approval each year, and for the lawmakers to include the Medicaid add-on funding approved in the FY24 budget again in FY25. The add-on has kept nursing facilities open over the last year. Residents who receive Medicaid represent a larger percentage of those being cared for than when the nursing facility reimbursement program was designed. Private pay and Medicaid reimbursement values cannot become drastically different for consumers, and providers cannot continue to lose money each day they provide care for residents who make up a large portion of the total number of Kansas elders being cared for in nursing facilities.

CMS Minimum Staffing Standards for Long-Term Care Facilities Proposed Rule

On September 1, 2023, the Centers for Medicare & Medicaid Services (CMS) issued the Minimum Staffing Standards for Long-Term Care (LTC) Facilities and Medicaid Institutional Payment Transparency Reporting proposed rule, which will require some Kansas CMS certified adult care homes to hire additional staff, and many Kansas adult care homes to find RN coverage 24 hours a day for 7 days a week. In rural areas, this will likely result in nursing homes closing because they are unable to meet this requirement. There just are not enough RN's in many areas to staff 24 hours per day. Staffing RNs for 24 hours per day would require 4.2 FTE's for every nursing home in Kansas, which would require over 1,300 RNs to fill those hours.

The proposed rule is currently open for public comment until November 6th, and the timeline for implementation is currently unknown to providers. KACE requests for the legislature to continue workforce development initiatives to assist with current staffing shortages, and future potential requirements.

Conclusion

Timely Medicaid application processing is critical for providers to ensure excellent quality of care is provided. Timely processing impacts reimbursement, which remains a paramount need for providers and KACE looks forward to future opportunities to improve the nursing facility reimbursement program. Healthcare workforce development a top priority to ensure Kansas citizens have access to the care they deserve in the community of their choice. KACE stands ready to assist on all issues impacting elder care in Kansas.