



KHA's Capitol Comments
April 3, 2024

Budget Conference Finishes Work

Today, the Budget Conference Committee, made up of House and Senate members, continued to work through the list of items with differences in the budget bill.

The committee agreed to the following items:

- Added \$50 million all funds to increase Medicaid outpatient hospital reimbursement rates in fiscal year 2025
- Added \$30 million all funds to increase Medicaid physician provider codes
- Moved the discussion around dental coverage for Medicaid to an Omnibus/veto session
- Added language to increase the hospital provider assessment from 3 percent to 5-6 percent
- Added language requiring nurse staffing agencies to register with the Kansas Department for Aging and Disability Services and requiring such agencies to submit a quarterly report to KDADS on the rates charged by the agencies to facilities in Kansas
- Added \$3 million State General Funds for primary health projects for community-based primary care grants to federally qualified health centers
- Added \$5 million to support hospitals providing adult behavioral health services
- Added \$3.8 million increasing Medicaid reimbursement for applied behavioral analysis to \$65 per hour
- Added \$2.0 million for rural emergency hospitals that could not previously qualify for REH
- Added language requiring the Kansas Department of Health and Environment to study the required billing codes and costs of providing remote non-stress tests and ultrasounds to pregnant women on Medicaid
- Added language for \$2.5 million to supplement federal grants for substance use disorder treatment for uninsured individuals in fiscal year 2024, and added language requiring an agency report on the usage of funds
- Added \$18 million SGF to continue the Medicaid add-on payment for nursing facilities in FY 2025
- Added \$5.0 million SGF to provide grants for organizations utilizing 14 (c) labor to increase wages in 14 (c)
- Added \$5.8 million to add 250 individuals from the waitlist to the Physical Disability waiver

- Added \$17.3 million to add 250 individuals to the Intellectual/Developmental Disability waiver
- Added \$48.3 million to increase the average reimbursement rate for agency-directed personal care services on the Frail Elderly waiver to \$30 per hour
- Added \$5 million from the Kansas Fights Addiction Fund to provide support to substance use disorder providers who provide services to indigent individuals in FY 2025
- Added language requiring KDADS to submit a report to the 2025 legislature on the provision of non-Medicaid reimbursable services by Community Developmental Disability Organizations
- Added \$3.4 million to increase the specialized medical care rate from \$47 per hour to \$50 per hour
- Added \$10.2 million to increase supported employment rate for I/DD waiver employment rates from \$28 per hour to \$40 per hour
- Added \$2.5 million in FY 2025 to supplement federal funding for substance use disorder treatment for non-Medicaid eligible populations
- Added \$13 million for Brain Injury, Physically Disabled, Autism, Frail Elderly and Technology Assisted waivers to match rates offered on I/DD waivers
- Added language directing a report to study capacity issues for home and community-based services
- Added \$47,000 in FY 2024 and \$185,000 in FY 2025 from the Kansas Fights Addiction Fund, for the Kansas City Full Circle Program to provide drug abuse prevention services to youth pending presentation and review of the Kansas Fights Addiction Council
- Added \$5.0 million from the Kansas Fights Addiction Fund for KDADS for substance use disorder treatment among uninsured individuals for FY 2025, pending presentation and review of the Kansas Fights Addiction Council
- Added \$2.5 million from the Kansas Fights Addiction Fund, to make funding available to KDADS to expand Valley Hope in Atchinson, pending presentation and review of the Kansas Fights Addiction Council
- Deleted one full-time employee from the Kansas State Board of Healing Arts licensing program
- Added \$500,000 for the Kansas Department of Commerce for HirePaths
- Added language stating the expenditures from the Kansas Comprehensive Grant be distributed 50 percent to regents and the rest to not-for-profit independent institutions for FY 2025
- Added \$2.2 million SGF for the Kansas Osteopathic Scholarship for FY 2025
- Moved \$75 million SGF for the University of Kansas Medical Center Cancer Research Facility enhancement request to K.U.
- Added \$750,000 SGF for the Professional Workforce Development Program at Fort Hays State University
- Added \$5 million for the Kansas Comprehensive Grant for FY 2026
- Added \$750,000 SGF for the Family Residency programs, which include the Smoky Hill Family Residency, Ascension Via Christi and Wesley Family Medicine Residency programs, for FY 2025

- Added \$16.9 million (\$7,250,000 from the Housing Revolving Loan and the rest from the American Rescue Plan Act funds) for housing and retail development in NW Kansas for FY 2025
- Added \$500,000 SGF for a pilot program to recruit new home-based childcare providers for FY 2025
- Added language directing KDADS to study capacity issues for HCBS services for the Frail Elderly waiver and to make recommendations to the 2025 legislature
- Added language prohibiting the agency from making changes to the targeted case management program for individuals on the I/DD waiver without express legislative approval
- Added language to convene a workgroup to study rehabilitation codes for certain provider types providing mental health services
- Added language directing KDADS to study and report to the 2025 legislature the involuntary discharges and transfers from state-licensed adult care homes

The committee had previously agreed to the following:

- Added funding and credit monitoring, as well as information technology security upgrades, related to the Kansas Judicial Branch security breach
- Added funding for a joint House and Senate bus tour to provide a better understanding of state mental health hospitals
- Added language stating federally qualified health care centers cannot use patient information for purposes other than direct mental, medical or behavioral health services, transit services or billing
- Added funding to increase operational support for the Self Advocate Coalition of Kansas for FY 2025
- Removed funds for contract nursing expenditures for state hospitals and added language stating this is something legislators will continue to discuss at Omnibus

The committee did not recommend the following items previously discussed:

- Did not add \$600,000 for a Maternal-Fetal Medicine Grant Program in Johnson County
- Moved discussion around \$5.4 million SGF to develop behavioral health workforce programs at the University of Kansas School of Medicine Wichita and Wichita State University for FY 2025
- Did not add \$4.2 million to increase Medicaid reimbursement rates for pediatric primary care
- Did not add \$2.5 million for Medicaid obstetricians and gynecologists codes
- Did not include bonding authority for the Department of Nursing at Emporia State University

Other items included in the budget include:

- A cost adjustment factor investment for Critical Access Hospitals of \$5.6 million
- Language stating drug manufacturers must honor the 340B Discount Drug Program in Kansas

The final bill will go to each chamber floor for a final up-and-down vote before going to Governor Laura Kelly, who has the authority to line-item veto any provisions of the budget bill.

Contract Nursing Sub Committee Meets Again

Today, the subcommittee of the Appropriations Committee met again. The committee heard from Scott Brunner, Kansas Department for Aging and Disability Services. The committee asked about a Nebraska program specific to recruiting behavioral health programs. The committee discussed funding for a Behavioral Health Center of Excellence. It was decided they would discuss it further during the Omnibus/veto session.

Blake Flanders, Kansas Board of Regents, testified regarding nursing program capacity, the National Council Licensure Examination, the Western Kansas nursing workforce, Kansas Nursing Initiative. He discussed headwinds related to the nursing shortage, citing long-term student demand uncertainty, college readiness, public perception of the value of a college degree, effect of COVID on nursing as a career. It was suggested there is a need to take a comprehensive approach to reform. Flanders highlighted shortages have been ongoing, and college ACT benchmarks have dropped in math, science, English and reading. Flanders emphasized the need to recruit out-of-state students and additional service scholarships. He emphasized the need for community colleges to connect with other nursing programs, as well as collaboration among institutions. Flanders said the requirements for nursing instructors should be questioned.

Heather Morgan, Kansas Community College Association, testified they train a significant amount of those who enter this workforce. She emphasized the need is no longer financial. Morgan emphasized more remedial courses are needed in math, and highlighted the contrast in geographic area for the number of students and instructors. Morgan made note of the work that has been done for specialty programs and how we can grow the number of students and retain them through further training. She suggested the Promise Scholarship be expanded to include out-of-state students, highlighting the need for specialized certification for mental health specialty certification and increased pay for nursing educators.

Jim Genandtt, Kansas Association for Career and Technical Education, testified technical college growth and applications for nursing students have been on the rise since post-COVID. He highlighted the need for additional instructors to teach CNA courses. Genandtt suggested simulation lab hours be increased when clinical settings are unavailable, noting they have trouble finding clinical sites.

Carol Moreland, Kansas Board of Nursing, discussed licensure requirements for nursing. She updated the committee on the reinstatement process for licensure and discussed the Nurse

Licensure Compact. She shared that KSBN approves an increase in nursing students for programs, as long as they have resources and stated they have never turned away a request. They allowed simulation experience for 50 percent of their clinical time. Added the use of preceptors in practical nurse programs. Revised IV therapy regulations for licensed practical nurses to now be taught in a practical nursing curriculum. Supported the apprenticeship model allowing students to get paid for their clinicals. LMHT programs are lacking because of no college credit related to licensure. She highlighted the need to allow more nurses to practice at the top scope of their licensure and the need to go hybrid. Moreland shared the average passing rates for NCLEX have gone up significantly since 2022 and talked about testing and curriculum changes. She suggested the number of licenses is up by more than 800, and they still have one more quarter remaining in the year. She suggested state funds for a professional media campaign for nursing. She emphasized salary, staffing ratios and safety.

Kyle Kessler, Association of Community Mental Health Centers, shared that they recommend \$2.4 million for increases in salaries for nursing faculty at community and technical colleges and \$2,500 for recruiting and retention bonuses. He suggested the Center for Excellence could distribute the funds.

[Jaron Caffrey, Kansas Hospital Association](#), shared work done to overcome workforce challenges including preceptor training and the Happy in Health Care website. Caffrey noted a comprehensive approach is needed to make Kansas more competitive in recruitment. He suggested more investments in apprenticeships, an agency staffing proviso, nursing service scholarship program increases, the need for pay increases and tax credits for nursing instructors, creating an allied health scholarship program, more funding in general medical education, and looking at the rural opportunity zone program.

Kylee Childs, LeadingAge Kansas, suggested investments in career ladders and suggested HOSA chapter investments. She suggested proviso language and pricing transparency would be helpful and recommended a health care workforce roundtable on a comprehensive workforce bill for 2025.

Amy Garcia, Kansas Nursing Workforce Center, shared they are working on a statewide nursing workforce report.

The committee meets again tomorrow to formulate further recommendations.