



To: Secretary Laura Howard

From: Kylee Childs, Director of Government Affairs

Date: August 14, 2023

**Comments on the Kansas Department for Aging and Disability Services
State Fiscal Year 2025 Budget**

LeadingAge Kansas is the state association for not-for-profit and faith-based aging services. We have 160 member organizations across Kansas, which include not-for-profit nursing homes, retirement communities, hospital long-term care units, assisted living, homes plus, senior housing, low-income housing, home health agencies, home and community-based service programs, PACE and Meals on Wheels. Our members serve more than 25,000 older Kansans each day and employ more than 20,000 people across the state.

LeadingAge Kansas supports reimbursement that is sufficient to assure quality care for low-income Kansans who rely on nursing home care, PACE, home and community-based services through the frail elderly waiver, and senior nutrition programs. Over many years, reimbursements have not kept pace with actual costs of care delivery.

Nursing Homes

We strongly support continued rebasing of Medicaid Nursing Facility rates as set forth in Kansas statute, especially in light of the extraordinary costs nursing homes will continue to carry related to economic inflation and workforce shortages in the coming fiscal year.

For the first time, the Kansas legislature voted in the 2023 legislative session to fully fund a cost rebase and Medicaid add-on to close the gap in costs for nursing home facilities. The COVID-19 crisis exacerbated longstanding issues in senior care linked to Medicaid funding and workforce, and we are grateful that the legislature was able to acknowledge how important full funding of nursing homes is to preserving access and quality for Kansas seniors in need of care.

It is our hope that KDADS will continue the work of supporting better access to quality care for seniors, and encourage compliance with state statutes, by including funding for a full cost rebase and inflation factor for Kansas nursing facilities in the State Fiscal Year 2025 budget. Further, we would support continuing the Medicaid add-on payment as costs continue to increase, and workforce shortages continue to endanger care for seniors. The Medicaid add-on payment assisted in closing the gap to offer 100% cost reimbursement to providers, allowing them to

competitively recruit qualified staff versus using costly staffing agencies. If we want to have any hope of supporting the growing number of seniors in our state, KDADS must advocate for full funding of nursing homes, and at the very least, request that our legislature follow state reimbursement laws.

Home and Community-Based Services/Frail Elderly Waiver (HCBS/FE)

We strongly support reimbursement for HCBS/FE providers that keeps pace with costs and supports more community-based options for seniors.

HCBS/FE reimbursement is a serious obstacle to community-based service access for seniors. While half of LeadingAge Kansas members are HCBS/FE providers, most limit the number of HCBS/FE clients they serve due to woefully inadequate HCBS/FE reimbursement. We are grateful to the Kansas legislature for the 10% increase in FE waiver funding, but our members report that reimbursement rates are still far below what is required to sustain current services, let alone encourage further expansion and investment in HCBS programs.

While Kansas ranked 27th overall on America's Health Rankings 2023 Senior Report, one of the challenges noted for the state was a "low geriatric provider rate." Despite additional compliance needs for the HCBS Final Settings Rule, our state continues to under-invest in long term supports and services for seniors. We strongly encourage the state to study the amount of financial investment that is truly needed to expand and strengthen FE waiver services in the community as well as adult care home settings that can serve low care seniors at a cost saving to the state.

Program of All-Inclusive Care for the Elderly (PACE)

We strongly support PACE expansion in Kansas and the state funding necessary to support such expansion.

PACE largely serves low-income seniors and has allowed many seniors at risk of institutionalized care to stay in their homes and age in place. This is of particular benefit to the Medicaid program because low-income seniors are at highest risk for premature nursing home placement. Providing services to allow seniors to live in the community with safety and dignity, while also saving the Medicaid program large amounts of money makes PACE the very embodiment of what policymakers seek to encourage and support in modern day senior care. Providing adequate funding and financial incentives for PACE expansion is an ideal marriage of fiscal responsibility and community services investment for seniors.

Senior Nutrition Programs

We support adequate funding to support current service capacity and allow expansion of senior nutrition programs in Kansas.

Good nutrition is the foundation for allowing seniors to remain at home for as long as possible. State funding for senior nutrition programs is essential to allowing thousands of seniors to remain in the community and avoid premature nursing home placements. If the state of Kansas is serious about care rebalancing for seniors, it is imperative that we provide enough funding to support current meal service capacity, eliminate wait lists and expand nutrition programs as far as possible in our communities.