



Kansas Legislative Research Department

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68-West-Statehouse | 300 SW 10th Ave. | Topeka, Kansas 66612-1504
(785) 296-3181

kslegres@klrd.ks.gov

kslegislature.org/klrd

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To: Special Committee on Home and Community Based Services Intellectual and Developmental Disability Waiver

From: Connor Stangler, Research Analyst; Matthew Moore, Fiscal Analyst

Re: Overview of the Intellectual and Developmental Disability Waiver

This memorandum provides an overview of the Medicaid Home and Community Based (HCBS) Intellectual and Developmental Disability (I/DD) waiver and reviews recent legislative changes to I/DD reimbursement rates.

HCBS Waivers

The HCBS waiver program is authorized under Section 1915(c) of the Social Security Act. Through the HCBS waiver program, a Medicaid beneficiary can receive a wide range of services designed to allow the individual to live in their home or community rather than receive institutionalized care. In Kansas, individuals receive services through individual providers, contracted through Managed Care Organizations (MCOs). Providers are reimbursed through KanCare for their services.

History of I/DD Services in Kansas

For the first half of the 20th century, individuals with I/DD received treatment mostly in large institutionalized settings, such as state hospitals. In Kansas, there were four state hospitals for individuals with I/DD:

- Winfield State Hospital and Training Center (Opened in 1881);
- Parsons State Hospital and Training Center (Opened in 1903);
- Kansas Neurological Institute (Opened in 1960); and
- Norton State Hospital (Converted in 1963).

In the 1960s and 1970s, mental health treatment began to “deinstitutionalize,” and as a result, more community treatment services supplanted institutionalized services in Kansas and nationally. In 1963, the federal Community Mental Health Act led to the establishment of Community Mental Health Centers across the nation. As mental health treatment experienced

deinstitutionalization, a similar push occurred with I/DD care. In 1971, Congress created the Intermediate Care Facilities for Mental Retardation program as an optional long-term support benefit under Medicaid for people with I/DD. In 1981, Congress authorized HCBS programs to support more I/DD treatment in community settings outside of institutions. In 1990, Kansas received approval for the I/DD waiver, and in 1995, the Legislature passed the Developmental Disability Reform Act. Congress enacted the Developmental Disabilities Assistance and Bill of Rights Act in 2000, which mandated that individuals with I/DD have access to community services and individualized support services and provided funding for State Councils on Developmental Disabilities.

Due to the shift in focus towards community services, the state hospitals saw a decline in their censuses. In 1974, state hospitals served approximately 1,959 individuals with I/DD and by 1991, they served approximately 990 individuals with I/DD. As censuses began to decline, the Legislature examined the possibility of closing state hospitals. As a result, Norton State Hospital was closed in 1988 and Winfield State Hospital and Training Center was closed in 1998. Today, only Parsons State Hospital and Training Center and Kansas Neurological Institute remain, and in fiscal year (FY) 2021 each hospital maintained an average daily census of approximately 277 individuals.

I/DD Waiver

The I/DD waiver is one of seven approved HCBS waivers in Kansas. The waiver provides services to individuals five years of age and older who meet the definition of intellectual disability, have a developmental disability, or are eligible for care in an intermediate care facility for individuals with intellectual disabilities. Those with a developmental disability may be eligible if their disability was present before age 22 and they have a substantial limitation in 3 areas of life functioning.

Services for the I/DD waiver are divided into approximately 14 service categories, which generally represent various personal care services and life management services. Services vary in reimbursement frequency and range from 15-minute increments for personal care services to once-a-month for more specialized services.

For more-frequent services, the rates range from \$3.34 to \$8.16 per 15-minute increment. Less-frequent services range from \$16.31 to \$125.04 per occurrence. These types of services range from medication reminders to financial management services.

Two common services are residential supports and day supports. Residential support rates are reimbursed per day. These rates range from \$46.14 to \$208.81. Day supports are reimbursed in 15-minute increments. These rates range from \$2.01 to \$6.47.

As of September 2021, a total of 9,107 individuals were eligible to receive services under the I/DD waiver, and 4,563 were on the waiver waitlist.

Recent Changes to I/DD Provider Reimbursement Rates

2020 Legislative Session

During the 2020 Legislative Session, the Legislature added \$22.1 million, including \$9.0 million from the State General Fund (SGF), for a 5.0 percent increase in I/DD waiver services in FY 2021. However, due to the COVID-19 pandemic that funding was subsequently allotted in the Governor's June 25, 2020, allotment plan.

2021 Legislative Session

During the 2021 Legislative Session, the Legislature:

- Added \$5.5 million, including \$2.0 million SGF, to provide a 5.0 percent increase in the provider reimbursement rates for the I/DD waiver for the last three months of FY 2021; and
- Added \$31.0 million, including \$12.4 million SGF, to continue the 5.0 percent increase in the provider reimbursement rates for the I/DD waiver from FY 2021 and provide an additional 2.0 percent increase for FY 2022.