

**Kansas Department of Health and Environment – Divisions of Health
and Health Care Finance**

Expenditure	Actual FY 2020	Approved FY 2021	Approved FY 2022
All Funds:			
State Operations	\$ 308,450,039	\$ 471,546,447	\$ 373,584,149
Aid to Local Units	51,638,472	57,293,025	51,788,533
Other Assistance	2,512,611,578	2,674,810,028	2,903,784,179
<i>Subtotal - Operating</i>	<u>\$ 2,872,700,089</u>	<u>\$ 3,203,649,500</u>	<u>\$ 3,329,156,861</u>
Capital Improvements	-	-	-
TOTAL	<u>\$ 2,872,700,089</u>	<u>\$ 3,203,649,500</u>	<u>\$ 3,329,156,861</u>
State General Fund:			
State Operations	\$ 19,439,190	\$ 28,285,626	\$ 31,020,545
Aid to Local Units	5,764,321	6,774,868	7,749,150
Other Assistance	600,780,479	548,638,764	756,962,940
<i>Subtotal - Operating</i>	<u>\$ 625,983,990</u>	<u>\$ 583,699,258</u>	<u>\$ 795,732,635</u>
Capital Improvements	-	-	-
TOTAL	<u>\$ 625,983,990</u>	<u>\$ 583,699,258</u>	<u>\$ 795,732,635</u>
Percent Change:			
Operating Expenditures			
All Funds	5.0 %	11.5 %	3.9 %
State General Fund	(18.1)	(6.8)	36.3
FTE Positions	1,101.5	1,138.8	1,140.8

The approved budget for the Kansas Department of Health and Environment–Divisions of Health and Health Care Finance in FY 2021 totals \$3.2 billion, including \$583.7 million SGF. This is an all funds increase of \$330.9 million, or 11.5 percent, and an SGF decrease of \$42.3 million, or 6.8 percent, from FY 2020 actual expenditures. The all funds increase is primarily due to an increase in federal funds for the Kansas Medical Assistance Program (KMAP) in the Division of Health Care Finance due to the 6.2 percent increase to the Federal Medical Assistance Percentage (FMAP) associated with the COVID-19 public health emergency, as well as federal COVID-19 relief funds allocated to the Division of Public Health in FY 2021. The all funds increase can also be attributed to lower-than-anticipated contractual costs in the Division of Health Care Finance in FY 2020 and decreased operations in some public health programs due to the COVID-19 pandemic, both of which are anticipated to return to normal levels in FY 2021. The SGF decrease is largely due to decreased SGF expenditures for KMAP, due to the 6.2 percent increase to the FMAP. The FY 2021 approved budget includes 1,138.8 FTE positions, which is an increase of 37.3 FTE positions above the actual FY 2020 number. The increase is primarily due to positions being added to support the State's response to the COVID-19 pandemic.

The approved budget for the Kansas Department of Health and Environment–Divisions of Health and Health Care Finance for FY 2022 totals \$3.3 billion, including \$795.7 million SGF. This is an all funds increase of \$125.5 million, or 3.9 percent, and an SGF increase of \$212.0 million, or 36.3 percent, above the FY 2021 approved amount. The increase is mainly attributable to the adoption of the spring human services consensus caseload estimates. Because the 6.2 percent FMAP increase affects all four quarters of FY 2021, but only one quarter of FY 2022, SGF expenditures for KMAP are higher for FY 2022. The SGF increase can also be attributed to the addition of \$29.1 million due to the increased state share of the Children's Health Insurance Program (CHIP).

The FY 2022 approved budget includes 1,140.8 FTE positions, which is an increase of 2.0 FTE positions above the FY 2021 approved number. The increase is due to the addition of two positions to administer the Rural Emergency Hospital Act in the Division of Public Health.

Staff note: Because Medicaid expansion was not approved by the 2021 Legislature, \$19.0 million from the SGF appropriated for this purpose was transferred to fund the increased state share of the CHIP, and \$577.0 million, all from federal funds and special revenue funds, were deleted from the FY 2022 budget, pursuant to language included in the appropriations bill, 2021 HB 2007. These changes are reflected in the table above.

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	FY 2021			FY 2022		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Agency Estimate	\$ 847,638,233	\$ 3,482,454,586	1,138.8	\$ 841,590,667	\$ 3,437,304,827	1,138.8
Governor's Changes:						
1. Non-recommended Supplemental and Enhancement Requests	\$ (526,619)	\$ (526,619)	-	\$ (3,320,060)	\$ (3,320,060)	-
2. Non-recommended Half of the Supplemental/Enhancement Request for the Trauma Program	(150,000)	(150,000)	-	(150,000)	(150,000)	-
3. CHIP State Share Increase	(20,890,736)	(20,890,736)	-	(29,054,086)	(29,054,086)	-
4. Fall Consensus Caseload Estimate	(99,751,297)	(110,999,997)	-	10,800,000	(12,581,586)	-
5. SGF Reappropriation Lapse	(3,620,323)	(3,620,323)	-	-	-	-
6. Round 3 CRF Awards	-	89,940,602	-	-	-	-
7. Round 2 CRF Recoupment	-	(2,558,013)	-	-	-	-
8. GBA No. 3, Item 1 - Spring Caseloads	(139,000,000)	(230,000,000)	-	(56,000,000)	(96,000,000)	-
9. GBA No. 3, Item 6 - State Loan Repayment	-	-	-	180,000	180,000	-
10. GBA No. 3, Item 7 - CHIP	-	-	-	10,054,086	10,054,086	-
11. Reduced Resources - Admin	-	-	-	(1,091,652)	-	-
12. Medicaid Expansion	-	-	-	19,000,000	596,000,000	-
Subtotal - Governor's Recommendation	\$ 583,699,258	\$ 3,203,649,500	1,138.8	\$ 792,008,955	\$ 3,902,433,181	1,138.8
Change from Agency Est.	\$ (263,938,975)	\$ (278,805,086)	-	\$ (49,581,712)	\$ 465,128,354	-
Percent Change from Agency Est.	(31.1)%	(8.0)%	0.0 %	(5.9)%	13.5 %	0.0 %
Legislative Action:						
13. GBA No. 3, Item 1 - Spring Consensus Caseload Estimate	\$ -	\$ -	-	\$ -	\$ -	-
14. GBA No. 3, Item 6 - State Loan Repayment	-	-	-	-	-	-
15. GBA No. 3, Item 7 - CHIP	-	-	-	-	-	-
16. Testing Reimbursement Language	-	-	-	-	-	-
17. Contact Tracing Language	-	-	-	-	-	-
18. Local Health Department Minimum Distribution Language	-	-	-	-	-	-
19. Lyme Disease Research	-	-	-	140,000	140,000	-
20. School-Based Oral Health	-	-	-	150,000	150,000	-
21. Medicaid Reimbursement Rate Language (HCAIP)	-	-	-	-	-	-
22. Medicaid Expansion Funds Transfer	-	-	-	-	-	-
23. Aid to Local Health Departments	-	-	-	1,000,000	1,000,000	-
24. Community-Based Primary Care Grants	-	-	-	2,000,000	2,000,000	-
25. Kansas Trauma Program	-	-	-	150,000	150,000	-
26. Medicaid Expansion Non-SGF	-	-	-	-	(577,000,000)	-
27. CCBHC Payment Language	-	-	-	-	-	-
28. Newborn Screening Language	-	-	-	-	-	-
29. Rural Hospital Innovation Grant Program	-	-	-	100,000	100,000	-
30. Rural Emergency Hospital Act	-	-	-	183,680	183,680	2.0
31. Appropriate Rural Innovation Grant Fund	-	-	-	-	-	-
32. Claim Against the State	-	-	-	-	-	-
TOTAL APPROVED	\$ 583,699,258	\$ 3,203,649,500	1,138.8	\$ 795,732,635	\$ 3,329,156,861	1,140.8
Change from Gov. Rec.	\$ -	\$ -	-	\$ 3,723,680	\$ (573,276,320)	2.0
Percent Change from Gov. Rec.	-- %	-- %	0.0 %	0.5 %	(14.7)%	0.2 %
Change from Agency Est.	\$ (263,938,975)	\$ (278,805,086)	-	\$ (45,858,032)	\$ (108,147,966)	2.0
Percent Change from Agency Est.	(31.1)%	(8.0)%	0.0 %	(5.4)%	(3.1)%	0.2 %

1. The Governor deleted \$526,619, all SGF, in FY 2021 to not recommend the agency's supplemental requests for website redesign, mosquito surveillance, Lyme disease prevention and research, and school-based oral health preventative services. The Governor deleted \$3.3 million, all SGF, for FY 2022 to not recommend the agency's enhancement requests for website redesign, mosquito surveillance, Lyme disease prevention and research, school-based oral health preventative services, syphilis transmission prevention, the harm reduction advisory council, and aid for local health departments.
2. The Governor deleted \$150,000, all SGF, to recommend funding only half of the agency's supplemental and enhancement requests for the Kansas Trauma Program in FY 2021 and FY 2022.
3. The Governor deleted \$20.9 million in FY 2021, and \$29.1 million for FY 2022, all SGF, to not recommend the agency's supplemental and enhancement requests to fund the increased state share of CHIP with SGF moneys and deleted \$20.9 million in FY 2021, and \$29.1 million for FY 2022, all special revenue funds, to remove the increased state share of CHIP from special revenue funds from the agency's budget.
4. The Governor deleted \$111.0 million, including \$99.8 million SGF, in FY 2021, and deleted \$12.6 million from all funds, including the addition of \$10.8 million SGF, for FY 2022, for fall 2020 human services consensus caseload estimates.
5. The Governor deleted \$3.6 million, all SGF, to lapse reappropriated SGF expenditures from FY 2020 to FY 2021.
6. The Governor added \$89.9 million, all from the federal Coronavirus Relief Fund (CRF), for COVID-19 relief projects, including testing and vaccine distribution in FY 2021.
7. The Governor deleted \$2.6 million, all federal CRF, to recoup funds distributed to the agency in round 2 of the CRF distributions in FY 2021.
8. The Governor deleted \$230.0 million all funds, including \$139.0 million SGF, in FY 2021, and deleted \$96.0 million all funds, including \$56.0 million SGF, for FY 2022, for spring human services consensus caseload estimates.
9. The Governor added \$180,000, all SGF, for the state loan repayment program for FY 2022.
10. The Governor added \$10.1 million, all SGF, to fund the increased state share of CHIP for FY 2022.
11. The Governor deleted \$1.1 million, all SGF, from the Administration Program and offset this reduction with the addition of special revenue fund expenditures of \$524,936 from the Sponsored Project Overhead Fund and \$566,716 from the Civil Registration/Health Statistics Fee Fund for FY 2022.
12. The Governor added \$596.0 million all funds, including \$19.0 million SGF, to fund Medicaid expansion for FY 2022.
13. The Legislature concurred with GBA No. 3, Item 1 to delete \$230.0 million all funds, including \$139.0 million SGF, in FY 2021, and delete \$96.0 million all funds, including \$56.0 million SGF, for FY 2022, for spring human services consensus caseload estimates.
14. The Legislature concurred with GBA No. 3, Item 6 to add \$180,000, all SGF, for the state loan repayment program for health care professionals who serve in rural areas for FY 2022.
15. The Legislature concurred with GBA No. 3, Item 7 to add \$10.1 million, all SGF, to fund the increased state share of CHIP for FY 2022.
16. The Legislature added language requiring the agency to reimburse with special revenue funds in FY 2021 and FY 2022 entities that have entered into an agreement with KDHE and are providing community COVID-19 testing to the general public.
17. The Legislature added language guiding and directing the agency on how to proceed with contact tracing to slow the spread of COVID-19 in FY 2021 and FY 2022.
18. The Legislature added language to raise the minimum provided to each of the 100 local health departments under the statutory formula distribution contained in KSA 65-242 from \$7,000 to \$12,000 for FY 2022.
19. The Legislature added \$140,000, all SGF, for the agency to collaborate with state and local health officials to more effectively and efficiently recognize and test for Lyme disease in individuals across Kansas for FY 2022.

20. The Legislature added \$150,000, all SGF, to fund the agency's enhancement request for school-based oral health preventative services for FY 2022.
21. The Legislature added language requiring hospitals and physicians be paid at the Medicaid rate established in FY 2021 until the first calendar quarter following approval by the federal Centers for Medicare and Medicaid Services (CMS) of the Health Care Access Improvement Program hospital provider assessment rate adjustment as passed and amended by the 2020 Legislature for FY 2022.
22. The Legislature added language to transfer \$19.0 million, all SGF, which was included in the Governor's recommendation for Medicaid expansion, to partially fund the agency's enhancement request for the increased state share of CHIP for FY 2022 if Medicaid expansion is not approved by the 2021 Legislature. (Staff note: Medicaid expansion was not approved by the 2021 Legislature and this transfer has occurred.)
23. The Legislature added \$1.0 million, all SGF, to increase funds available to local health departments using the statutory formula distribution contained in KSA 65-242, for FY 2022.
24. The Legislature added \$2.0 million, all SGF, for primary health projects from the community based primary care grants for FY 2022. In addition, the Legislature added language specifying that this amount is to be directed for community-based primary care grants and services provided by the Community Care Network of Kansas.
25. The Legislature added \$150,000, all SGF, to fully fund the agency's enhancement request for the Kansas Trauma Program, for FY 2022.
26. The Legislature added language to delete \$577.0 million, all special revenue funds, for Medicaid expansion for FY 2022, if Medicaid expansion does not pass during the 2021 Legislative Session. (Staff note: Medicaid expansion was not approved by the 2021 Legislature, and these funds have been deleted.)
27. The Legislature added language requiring the agency to establish a prospective payment system under the medical assistance program for funding certified community behavioral health clinics (CCBHCs) and submit to the federal CMS any request necessary to implement this system.
28. The Legislature added language to increase the total amount permitted to be transferred from the Medical Assistance Fee Fund to the Newborn Screening Fund from \$2.5 million to \$5.0 million for FY 2022.
29. The Legislature added \$100,000, all SGF, to implement the Rural Hospital Innovation Grant Program, contained in 2021 Senate Sub. for HB 2208, for FY 2022.
30. The Legislature added \$183,680, all SGF, and 2.0 FTE positions, to implement the Rural Emergency Hospital Act, contained in 2021 Senate Sub. for HB 2208, for FY 2022.
31. The Legislature appropriated a no-limit Rural Innovation Grant Fund, contained in 2021 Senate Sub. for HB 2208, for FY 2022.
32. The Legislature added language requiring the agency to pay \$16,426, all from existing resources within the SGF public health operating account, in FY 2021 for a claim against the state.