

STATE OF KANSAS

**Kansas Department of Health and Environment
Division of Health Care Finance**

**Notice of Hearing on Proposed Administrative
Regulations to be effective 15 days after
publication in the Kansas Register**

A public hearing will be conducted at 9:00 a.m. on Thursday, November 21, 2013 in the Landon State Office Building, Room 900-N, 900 S.W. Jackson Street, Topeka, Kansas 66612-1220, to consider the adoption of amended changes to existing rules and regulations on a permanent basis effective 15 days after publication in the Kansas Register. Chapter 187, 2005 Session Laws of Kansas transferred specific powers, duties, and regulatory authority from the Department of Social and Rehabilitation Services to the Division of Health Policy and Finance (DHPF) within the Department of Administration, and then transferred those powers, duties and regulatory authority to the Kansas Health Policy Authority (KHPA), effective July 1, 2006. Executive Reorganization Order (ERO) #38 has transferred these powers, duties, and regulatory authority to the Kansas Department of Health and Environment, Division of Health Care Finance. The ERO provides that KDHE will be the single state agency for Medicaid, Medikan and HealthWave in Kansas effective July 1, 2011. Telephone conference is not available.

This 60-day notice of the public hearing shall constitute a public comment period for the proposed regulation as stated in K.S.A. 2007 Supp. 77-421(a)(3). All interested parties may submit written comments before the hearing to Rita Haverkamp, KDHE, Division of Health Care Finance, Landon State Office Building, 900 S.W. Jackson, Room 900-N, Topeka, Kansas 66612-1220, or by e-mail at RHaverkamp@kdheks.gov. At the hearing, the Division of Health Care Finance will give all interested parties a reasonable opportunity to present their views, but it may be necessary to request each participant to limit any oral presentation to five minutes. You may

obtain a copy of the regulation and the economic impact statement by contacting Rita Haverkamp at (785) 296-5107 or the DHCF Website at www.kdheks.gov.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulation and economic impact statement in an accessible format. Please make any request for accommodation to participate in the hearing at least five working days before the hearing by contacting Rita Haverkamp at (785) 296-5107 or by calling the Kansas Relay Center at 1-800-766-3777.

A summary of the regulation and the economic impact follows:

<p style="text-align: center;">Article 10.–ADULT CARE HOME PROGRAM</p>

129-10-31 – Responsibilities of, assessment of, and disbursements for the nursing facility quality care assessment program.

Summary of Proposed Changes: This change would increase the quality care assessment from \$1,500 per bed per year to the statutory limit of \$1,950 per bed per year effective January 1, 2014. K.S.A. 75-7435 pertains to quality care assessments in skilled nursing care facilities. The statute was amended in 2012 allowing a uniform assessment per licensed bed not to exceed \$1,950. Assessments must be made pursuant to rules and regulations adopted by the Secretary of the Kansas Department of Health and Environment. The annual amount of the assessment is to be paid quarterly, with one fourth due by the 30th day after the end of the month of each calendar quarter.

Federal Mandate: There is no federal mandate.

Economic Impact: It is estimated that the nursing facility quality care assessment will generate \$17,762,000 during state fiscal year (SFY) 2014 without the increased assessment rate. With the

increased assessment rate the assessment revenue is projected to be \$20,426,300. The additional \$2,664,300 in assessment revenue would allow for reimbursement system changes resulting in a total of \$5,924,617 of additional program expenditures, including \$3,260,317 in federal matching funds. With the increased assessment rate the assessment revenue in SFY 2015 is projected to be \$23,090,600. The additional \$5,328,600 in assessment revenue would allow for reimbursement system changes resulting in a total of \$11,849,233 of additional program expenditures, including \$6,520,633 in federal matching funds.

Bearer of Cost: Licensed nursing facilities (including long-term care units attached to hospitals).

Affected Parties: Licensed nursing facilities, nursing facility residents, KDHE, KDADS.

Other Methods: The agencies considered leaving the assessment rate at \$1,500 and also considered adjusting the thresholds for defining small nursing homes and high Medicaid nursing homes. The agencies believe this change will produce the most positive fiscal impact for all stakeholders.

Kari Bruffett, Director
KDHE; Division of Health Care Finance