Social Services Budget Committee

January 27, 2010

Martin Kennedy, Secretary, KDOA

FY 2010 AND FY 2011 BUDGET ADJUSTMENTS

FY 2010 PROPOSED EXPENDITURES ADJUSTED FOR CASELOAD

Nursing Facility **$ 370.0**

Home and Community Based Services for Frail Elderly (HCBS/FE) **$ 71.6**

Program of All-inclusive Care for the Elderly (PACE) **$ 4.9**

Targeted Case Management (TCM) **$ 5.2**

Community & Nutrition **$ 22.6**

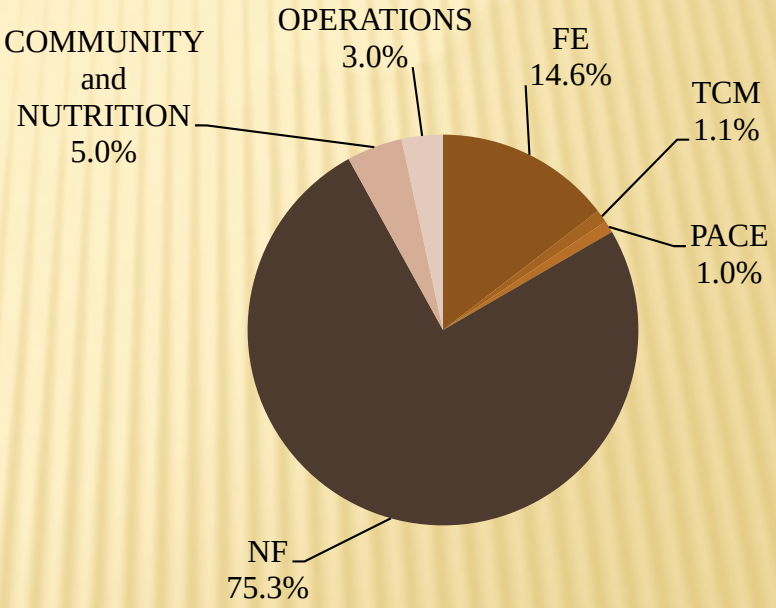
- Congregate Meals
- Home Delivered Meals
- Older Americans Act (OAA)
- Senior Care Act (SCA)

Operations **$ 16.8**

- Licensure, Certification and Evaluation (LCE)
- Client, Assessment, Referral and Evaluation (CARE)
- SHICK & ADRC
- Administration

TOTAL **$ 491.1**

(Totals in millions)



KANSAS NURSING FACILITIES

$2,838	•Average cost/month /customer
316	• Number of certified Nursing Facilities
21,379	• Number of Nursing Facility beds in Kansas
10,817	• Average monthly caseload
83.73%	• Average per day occupancy
$366.8 million	• Total expenditures

HOME & COMMUNITY-BASED/FRAIL ELDERLY

$1,049	• Average cost/month/customer
5,706	• Average monthly caseload
$72.1 million	• Total expenditures

NUTRITION (HOME & CONGREGATE)

3.4 million	• Total number of meals served
$5.40	• Cost per meal
$18.5 million	• Total funding
$5.3 million	• Federal funds
$2.4 million	• State funding
$10.8 million	• Program income, local resources, NSIP & commodities

SENIOR CARE ACT

2,896	• Average monthly caseload
$1,288	• Average cost/customer/year
$3.1 million	•State General Fund

SFY 2010 BUDGET ADJUSTMENTS

- Current state support for nutrition programs was not cut because ARRA funds provided $865,164 for nutrition programs over 2 years.
- The HCBS-FE waiver was funded at the 2009 level, which did not provide for case load growth. Some services have been suspended.
- Nursing home rates were held flat.
- Senior Care Act funding was reduced $1.3 million ($829,048 for services; $484,110 for admin.)
- AAA core funding was suspended. ($750,000)
- Allotments reduced Medicaid reimbursements by 10% and required administrative cuts of $333,000 from SGF, along with a corresponding loss of federal matching funds.

SFY2010 10% MEDICAID PAYMENT REDUCTION

Medicaid Program-Total Funds	**Pre-Allot. Caseload Budget**	**10% Reduction**	**Post Allot. Budget**
Nursing Facility	$370,000,000	$9,250,000	$360,750,000
Home and Community Based Services-Frail Eldery (HCBS-FE)	71,561,929	1,789,048	69,772,881
Targeted Case Management-HCBS-FE	5,200,000	130,000	5,070,000
Program for All-Inclusive Care for the Elderly (PACE)	4,864,081	121,602	4,742,479
Total Medicaid Budget	**$451,626,010**	**$11,290,650**	**$440,335,360**
Medicaid Program-State General	**Pre-Allot. Caseload Budget**	**10% Reduction**	**Post Allot. Budget**
Nursing Facility	$112,424,500	$2,810,150	$109,614,350
Home and Community Based Services-Frail Eldery (HCBS-FE)	21,758,332	543,513	21,214,819
Targeted Case Management-HCBS-FE	1,580,020	39,494	1,540,526
Program for All-Inclusive Care for the Elderly (PACE)	1,477,951	36,943	1,441,008
Total Medicaid State General Fund	**$137,240,803**	**$3,430,100**	**$133,810,703**

FY 2011 BUDGET PLANNING

- The uncertainty of State revenues requires close scrutiny of programs on a month-by-month basis.
- HCBS-FE expenditures will be tracked carefully to avoid a waiting list.
- Operating costs will continue to be constrained, including holding vacant positions open. The first priority in operations is to maintain health and safety through adult care home surveys.

FY 2011 BUDGET ADJUSTMENTS

The Governor's Budget Recommendation includes several additional reductions. The following reduced resources items were included in FY 2011:

Senior Care Act (SCA)

-- Reduce SGF for SCA direct services by $315,484. This represents a 15% reduction in the total SGF budget for direct services. It does not include a reduction in the federal Social Service Block Grant (SSBG) funds. The reduction will result in approximately 245 seniors no longer receiving SCA services during the year.

Agency Operations

-- Reduce its SGF operations $130,400 ($335,832 all funds)**.**

-- Professional fees reduced $18,412 through negotiation with contractors to reduce fees and cutbacks on deliverables.

-- 6.75% across the board reduction in travel.

-- Delay lifecycle capital information technology equipment replacement for another year.

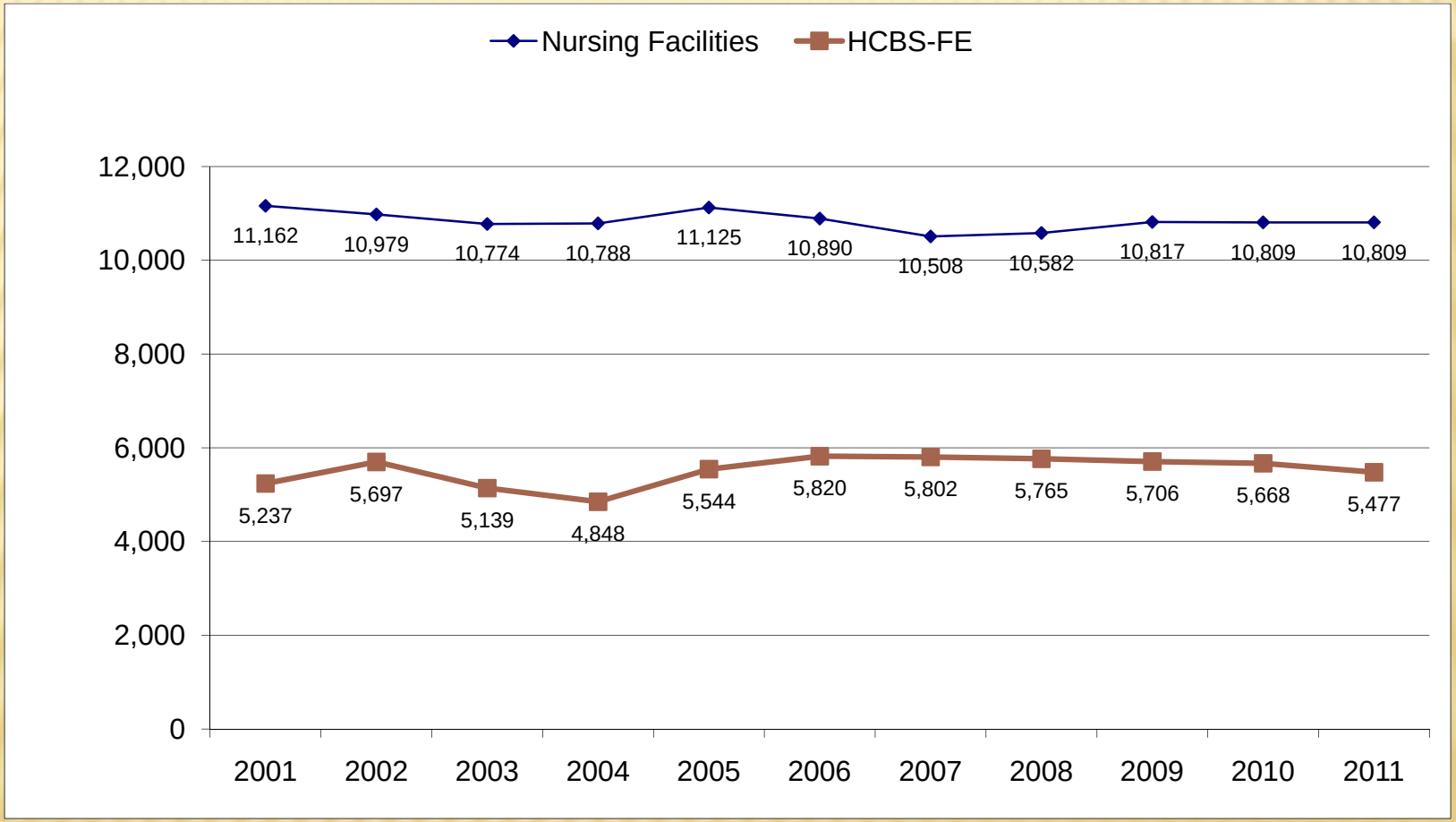
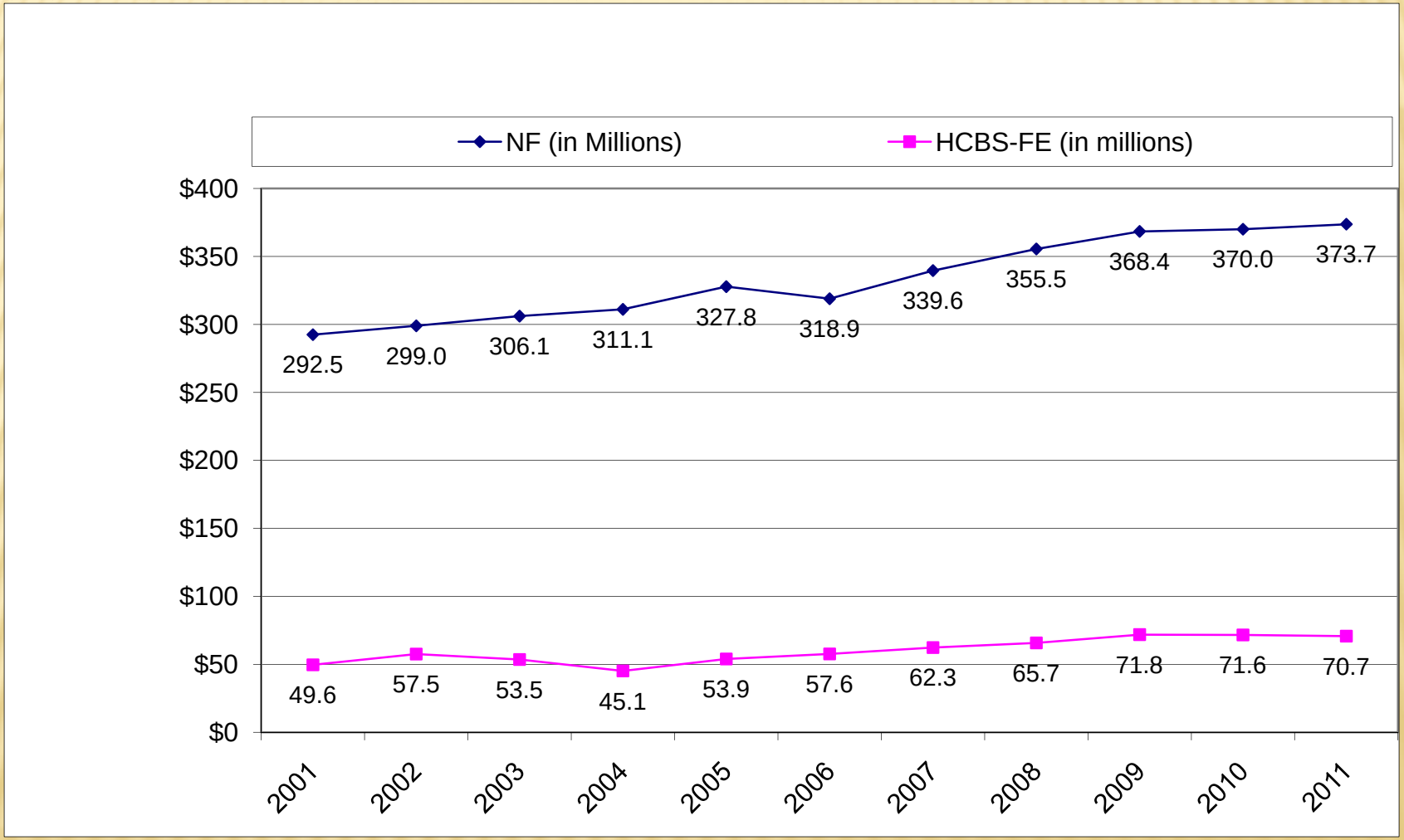
SFY2011 10% MEDICAID PAYMENT REDUCTION

Medicaid Program-Total Funds (Millions)	**Pre-Allot. Budget**	**10% Reduction**	**Post Allot. Budget**	**Caseload Adj.**	**Adj. Budget**
Nursing Facility	$368,091,544	$37,370,000	$330,721,544	$5,608,456	$336,330,000
Home and Community Based Services-Frail Eldery (HCBS-FE)	70,657,621	7,065,762	63,591,859	-1,293	63,590,566
Targeted Case Management-HCBS-FE	5,201,293	520,000	4,681,293		4,681,293
Program for All-Inclusive Care for the Elderly (PACE)	5,743,526	574,353	5,169,173		5,169,173
Total Medicaid Budget	**$449,693,984**	**$45,530,115**	**$404,163,869**	**$5,607,163**	**$409,771,032**
Medicaid Program-SGF (Millions)	**Pre-Allot. Budget**	**10% Reduction**	**Post Allot. Budget**	**Caseload/FMAP Adjustment**	**Adj. Budget**
Nursing Facility	$128,714,251	$13,314,931	$115,399,320	$4,435,073	$119,834,393
Home and Community Based Services-Frail Eldery (HCBS-FE)	24,707,557	2,517,531	22,190,026	467,754	22,657,780
Targeted Case Management-HCBS-FE	1,818,788	185,276	1,633,512	33,972	1,667,484
Program for All-Inclusive Care for the Elderly (PACE)	2,008,396	204,642	1,803,754	38,022	1,841,776
Total Medicaid SGF	**$157,248,992**	**$16,222,380**	**$141,026,612**	**$4,974,821**	**$146,001,433**

HCBS-FE STATE FY 2010 SERVICE REDUCTIONS

HCBS-FE Service	Customers	Projected Savings State General Fund	Projected Savings Total Funds
Assistive Technology	66	$86,543	$288,477
Sleep Cycle Support	275	216,563	721,876
Oral Health Services	113	113,310	377,700
Comprehensive Supports	110	208,946	696,488
Total Projected Savings		**$625,362**	**$2,084,541**

KANSAS LTC MEDICAID AVERAGE CASELOAD



KANSAS LTC MEDICAID EXPENDITURES