

Senate Subcommittee Report

Agency: Kansas Department of Health and Environment - Division of Health **Bill No.** SB 153

Bill Sec. 21

Analyst: Leopold

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Budget Page No. 264

| Expenditure Summary | Agency Estimate FY 2023 | Governor Recommendation FY 2023 | Senate Subcommittee Adjustments |
|--------------------------------|-------------------------------|---------------------------------------|---------------------------------------|
| <i>Operating Expenditures:</i> | | | |
| State General Fund | \$ 924,329,421 | \$ 765,022,849 | \$ 0 |
| Federal Funds | 2,246,616,957 | 2,525,280,700 | 0 |
| Other Funds | 456,095,781 | 601,836,388 | 0 |
| <i>Subtotal</i> | \$ 3,627,042,159 | \$ 3,892,139,937 | \$ 0 |
| <i>Capital Improvements:</i> | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds | 0 | 0 | 0 |
| <i>Subtotal</i> | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | \$ 3,627,042,159 | \$ 3,892,139,937 | \$ 0 |
| FTE positions | 1,315.7 | 1,311.7 | 0.0 |

Agency Estimate

The agency submits a revised estimate of \$3.6 billion, including \$924.3 million SGF, in FY 2023. This is an all funds increase of \$38.9 million, or 1.1 percent, including an SGF increase of \$773,844, or 0.1 percent, above the amount approved by the 2022 Legislature.

The estimate includes \$36.8 million for the Administration function, \$273.9 million for the Division of Public Health, and \$3.3 billion for the Division of Health Care Finance. The all funds increase is primarily attributable to federal funds to provide bonuses to child care workers in FY 2023, partially offset by decreased federal grant expenditures in the Division of Public Health. The SGF increase is largely due to the agency's four supplemental requests totaling \$618,595.

The revised estimate includes 1,315.7 FTE positions, which reflects an increase of 96.5 FTE positions above the number approved by the 2022 Legislature. These include an additional 33.0 FTE positions in the Administration function, 46.5 FTE positions in the Division of Public Health, and 17.0 FTE positions in the Division of Health Care Finance. The agency reports that the additional FTE positions are largely attributable to the continued response to the COVID-19 public health emergency (PHE), as well as federally funded workforce development and infrastructure grants.

Governor's Recommendation

The **Governor** recommends expenditures of \$3.9 billion, including \$765.0 million SGF, in FY 2023. This is an all funds increase of \$265.1 million, or 7.3 percent, including an SGF decrease of \$159.3 million, or 17.2 percent, from the agency's FY 2023 revised estimate.

The all funds increase and SGF decrease are primarily due to the Governor adding \$265.8 million from all funds, including a reduction of \$158.8 million SGF, to fully fund the fall 2022 human services consensus caseload estimates.

The Governor's recommendation also includes 1311.7 FTE positions, which is a decrease of 4.0 FTE positions below the agency's FY 2023 revised estimate number. The decrease is due to the Governor not recommending the agency's supplemental requests for legal staffing for the regulation team (2.0 FTE positions) and local public health program (2.0 FTE positions).

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendations in FY 2023.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's recommendations in FY 2023.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the Senate Committee recommendation for FY 2023.

House Budget Committee Report

Agency: Kansas Department of Health and Environment - Division of Health **Bill No.** HB 2274

Bill Sec. 21

Analyst: Leopold

Analysis Pg. No. Vol. II, p. 1061

Budget Page No. 264

| Expenditure Summary | Agency Estimate FY 2023 | Governor Recommendation FY 2023 | House Budget Committee Adjustments |
|--------------------------------|----------------------------|------------------------------------|---------------------------------------|
| <i>Operating Expenditures:</i> | | | |
| State General Fund | \$ 924,329,421 | \$ 737,022,849 | \$ 0 |
| Federal Funds | 2,246,616,957 | 2,628,664,590 | 0 |
| Other Funds | 456,095,781 | 614,452,498 | 0 |
| <i>Subtotal</i> | \$ 3,627,042,159 | \$ 3,980,139,937 | \$ 0 |
| <i>Capital Improvements:</i> | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds | 0 | 0 | 0 |
| <i>Subtotal</i> | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | \$ 3,627,042,159 | \$ 3,980,139,937 | \$ 0 |
| FTE positions | 1,315.7 | 1,311.7 | 0.0 |

Agency Estimate

The agency submits a revised estimate of \$3.6 billion, including \$924.3 million SGF, in FY 2023. This is an all funds increase of \$38.9 million, or 1.1 percent, including an SGF increase of \$773,844, or 0.1 percent, above the amount approved by the 2022 Legislature.

The estimate includes \$36.8 million for the Administration function, \$273.9 million for the Division of Public Health, and \$3.3 billion for the Division of Health Care Finance. The all funds increase is primarily attributable to federal funds to provide bonuses to child care workers in FY 2023, partially offset by decreased federal grant expenditures in the Division of Public Health. The SGF increase is largely due to the agency's four supplemental requests totaling \$618,595.

The revised estimate includes 1,315.7 FTE positions, which reflects an increase of 96.5 FTE positions above the number approved by the 2022 Legislature. These include an additional 33.0 FTE positions in the Administration function, 46.5 FTE positions in the Division of Public Health, and 17.0 FTE positions in the Division of Health Care Finance. The agency reports that the additional FTE positions are largely attributable to the continued response to the COVID-19 public health emergency (PHE), as well as federally funded workforce development and infrastructure grants.

Governor's Recommendation

The **Governor** recommends expenditures of \$3.9 billion, including \$765.0 million SGF, in FY 2023. This is an all funds increase of \$265.1 million, or 7.3 percent, including an SGF decrease of \$159.3 million, or 17.2 percent, from the agency's FY 2023 revised estimate.

The all funds increase and SGF decrease are primarily due to the Governor adding \$265.8 million from all funds, including a reduction of \$158.8 million SGF, to fully fund the fall 2022 human services consensus caseload estimates.

The Governor's recommendation also includes 1311.7 FTE positions, which is a decrease of 4.0 FTE positions below the agency's FY 2023 revised estimate number. The decrease is due to the Governor not recommending the agency's supplemental requests for legal staffing for the regulation team (2.0 FTE positions) and local public health program (2.0 FTE positions).

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation in FY 2023.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendations with the following adjustments:

1. Review the increase of 92.5 FTE positions above the agency's FY 2023 approved budget that are included in the Governor's FY 2023 recommendation, at Omnibus. In addition, review any information provided by the agency on how the end of the PHE will impact the FTE count at the agency.
2. Add language requiring local health departments to provide anyone who is receiving a COVID-19 vaccine or medicine to treat COVID-19 with the following information in writing: the ingredients of the vaccine or medication, the known risks or side effects of the vaccine or medication, and the most recent information from the federal vaccine adverse event reporting system (VAERS) in FY 2023.
3. Add language exempting rural emergency hospitals from the health care access improvement program (HCAIP) assessment for FY 2023.
4. Add language requiring KDHE to prioritize new determinations of medicaid eligibility for admission to adult care homes before redeterminations of continued eligibility in FY 2023.

House Committee of the Whole Recommendation

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2023.

Conference Committee Recommendation (HB 2148)

The **Conference Committee** concurs with the Governor's recommendation for FY 2023.

Omnibus Action (SB 42)

1. Adopt GBA No. 1, Item 1, to add \$88.0 million all funds, including the deletion of \$28.0 million SGF to adopt the Spring Human Services Caseloads Estimates in FY 2023.
2. Delete 88.5 FTE positions in FY 2023.

| | Governor's Recommendation* FY 2023 | Legislative Action Mega Bill | Legislative Approved FY 2023 | Legislative Action Omnibus Bill | Final Legislative Approved FY 2023 |
|------------------------------|--|---------------------------------|------------------------------------|------------------------------------|---|
| All Funds | | | | | |
| State Operations | \$ 463,980,464 | \$ 0 | \$ 463,980,464 | \$ 0 | \$ 463,980,464 |
| Aid to Local Units | 67,827,876 | 0 | 67,827,876 | 0 | 67,827,876 |
| Other Assistance | 3,448,331,597 | 0 | 3,448,331,597 | 0 | 3,448,331,597 |
| <i>Subtotal - Operations</i> | <i>\$ 3,980,139,937</i> | <i>\$ 0</i> | <i>\$ 3,980,139,937</i> | <i>\$ 0</i> | <i>\$ 3,980,139,937</i> |
| Capital Improvements | 0 | 0 | 0 | 0 | 0 |
| TOTAL | \$ 3,980,139,937 | \$ 0 | \$ 3,980,139,937 | \$ 0 | \$ 3,980,139,937 |

State General Fund

| | | | | | |
|-----------------------------|-----------------------|-------------|-----------------------|-------------|-----------------------|
| State Operations | \$ 58,323,567 | \$ 0 | \$ 58,323,567 | \$ 0 | \$ 58,323,567 |
| Aid to Local Units | 9,039,429 | 0 | 9,039,429 | 0 | 9,039,429 |
| Other Assistance | 669,659,853 | 0 | 669,659,853 | 0 | 669,659,853 |
| <i>Subtotal - Operating</i> | <i>\$ 737,022,849</i> | <i>\$ 0</i> | <i>\$ 737,022,849</i> | <i>\$ 0</i> | <i>\$ 737,022,849</i> |
| Capital Improvements | 0 | 0 | 0 | 0 | 0 |
| TOTAL | \$ 737,022,849 | \$ 0 | \$ 737,022,849 | \$ 0 | \$ 737,022,849 |

| | | | | | |
|---------------|---------|--------|---------|-----|---------|
| FTE Positions | 1,311.7 | (88.5) | 1,223.2 | 0.0 | 1,223.2 |
|---------------|---------|--------|---------|-----|---------|

* Note: The Governor's recommendation includes GBA No. 1, Item 1, to add \$88.0 million all funds, including the deletion of \$28.0 million SGF to adopt the Spring Human Services Caseloads Estimates in FY 2023.