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House Committee on Health and Human Services

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Testimony provided by:
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Kansas Adult Care Executives Association

Representative Landwehr, Representative Eplee, Representative Ruiz, Members of the Committee:

Thank you for the opportunity to share input regarding House Bill 2784.

The Kansas Adult Care Executives (KACE) is a non-partisan, not for profit professional association serving nursing home administrators and assisted living operators in Kansas. Our membership includes individual administrators and operators from both the not for profit and for-profit adult care sectors. KACE members are located throughout the state of Kansas and represent state licensed only and CMS licensed adult care homes.

The purpose of my written testimony is to voice opposition to House Bill 2784 as it is currently written.

HB 2784 adds “continuing care retirement community” to the definition of adult care home in KSA-923. This will result in independent living communities being subject to the same statutes and regulations that adult care homes are subjected to. People living in independent living settings do not want and cannot afford the burden these regulations would impose. For many Kansas seniors, it would put independent senior living communities out of reach. My question for the members of this committee is how many of you would invite these regulations into your independent living home?

As it’s currently written HB 2784 creates changes for the provider tax program, currently referred to the nursing home bed tax, that will very likely not be approved by CMS. If the current provider bed tax program is eliminated, the result will be a revenue shortfall of over \$50 million dollars in the nursing home reimbursement operating budget. If the proposed changes are enacted and approved by CMS, the provider bed tax will increase by over 144% for continuing care retirement communities. For nursing homes with extremely high Medicaid volume, it will increase the provider bed tax on the smallest homes in Kansas by 389%. The very likely result will be that small nursing homes are forced into receivership.

HB 2784 changes the definition of a “small skilled nursing facilities” (under 46 beds). Small skilled nursing facilities are currently required to pay 16.7% of the full nursing home provider bed tax rate. HB 2784 will require nursing homes with 39 or fewer beds to pay the full provider bed tax rate resulting in an 389% per bed for our smallest skilled nursing homes.

Conclusion

Passage of this bill as it’s currently written will result in Kansas seniors who are already woefully underserved in the most rural parts of Kansas being forced to leave their lifelong homes because small nursing homes in Kansas will be unable to continue operating. However, that will only happen after the State of Kansas is obligated to pay for the operation costs of all those communities that have been forced into receivership.