

February 23, 2016

The Honorable Ty Masterson, Chairperson
Senate Committee on Ways and Means
Statehouse, Room 545-S
Topeka, Kansas 66612

Dear Senator Masterson:

SUBJECT: Fiscal Note for SB 457 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 457 is respectfully submitted to your committee.

The current nursing facility provider assessment statute provides for a maximum assessment of \$1,950 per licensed bed in skilled nursing care facilities and is scheduled to sunset on July 1, 2016. SB 457 would provide a four-year extension of the statutory sunset, to July 1, 2020. In addition, the bill would increase the maximum assessment to \$4,908 per licensed bed in skilled nursing facilities. SB 457 would require the rebasing of nursing facility reimbursement rates to utilize the additional bed assessment revenues.

Estimated State Fiscal Effect				
	FY 2016 SGF	FY 2016 All Funds	FY 2017 SGF	FY 2017 All Funds
Revenue	--	--	--	\$126,214,205
Expenditure	--	--	--	\$126,214,205
FTE Pos.	--	--	--	--

The passage of SB 457 would increase revenues and expenditures for the Kansas Department for Aging and Disability Services (KDADS). Provider assessment revenues deposited in the KDADS Quality Care Fund are estimated to be \$55,584,736 in FY 2017. The provider assessment revenue would then be used as a match for federal Medicaid funds of \$70,629,469, allowing for an increase in nursing facility reimbursement rates up to \$126,214,205 from all funding sources. Any fiscal effect associated with SB 457 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Brad Ridley, Aging & Disability Services
Aaron Dunkel, Health & Environment