1100 SW Gage
Topeka, Kansas 66604-1761
(785) 267-6003 Phone
(785) 267-0833 Fax
khca.org
khca@khca.org

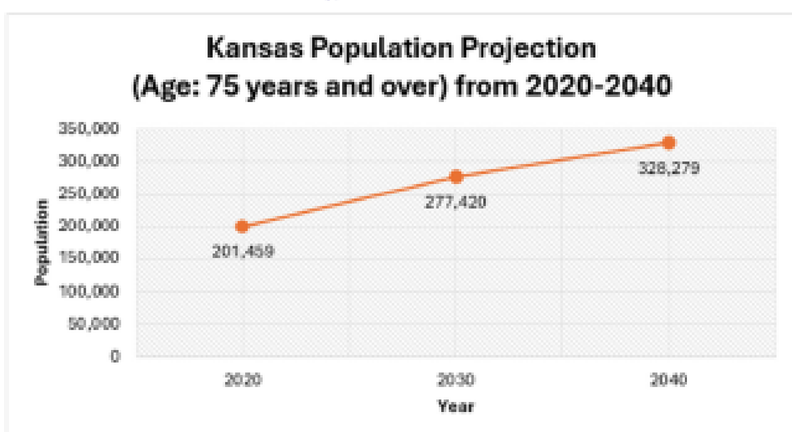
House Social Services Budget Committee
Chairman Buehler and Committee Members
January 30, 2025

Comments on the Kansas Department for Aging and Disability Services
State Fiscal Year 2026 Long-Term Care Budget

Good afternoon, Mr. Chairman and Committee Members. I am Linda MowBray, President/CEO of the Kansas Health Care Association and Kansas Center for Assisted Living. We are a trade Association representing for-profit and not-for-profit nursing home, assisted living, residential health care, home plus, and nursing facilities for mental health communities across the state. We are the oldest nursing home trade association in Kansas and have over 260 member communities. Our members care for nearly 20,000 elders across the state 24 hours a day with an employee team of over 20,000 workers.

We appreciate the opportunities to present testimony, comments and recommendations regarding the Kansas Department for Aging and Disability Services State Fiscal Year 2026 Long-Term Care Budget.

The aging population in Kansas is growing faster than the workforce can accommodate, exceeding the availability of quality care facilities and straining the financial sustainability of existing settings due to rising costs and stagnant state and federal reimbursement rates.



Year	2020	2030	2040
Kansas Population Projection (75+)	201,459	277,420	328,279

2020 Decennial Census Count data from the US Census Bureau

During the height of the pandemic, 26 nursing homes closed leaving entire counties without a long-term care option. By January 2023 Kansas lost nearly 1040 nursing home beds due to facility closures.

Legislative budget enhancements for FY24 helped to stabilize the industry. While at a reduced amount, enhancements for FY25 were necessary and appreciated, but they weren't enough to counterbalance rising labor, food and utility costs. Homes are beginning to collapse again.

When a home closes in a community, not only is it devastating for the residents, staff and family members, the economic impact is enormous.

Economic Impact of Long Term Care Facilities

Kansas

January 2025

Long Term Care (LTC) facilities* support an estimated $5.45 Billion of the state's economic activity

Jobs		
Direct	**Indirect and Induced**	**Total**
31,655	13,674	45,329

Labor Income		
Direct	**Indirect and Induced**	**Total**
$1.54 Billion	$774 Million	$2.31 Billion

Economic Activity		
Direct	**Indirect and Induced**	**Total**
$3.00 Billion	$2.45 Billion	$5.45 Billion

Tax Revenue		
State/Local	**Federal**	**Total**
$224 Million	$507 Million	$731 Million

Sources: IMPLAN Group LLC, IMPLAN System (Data and Software, 2025); 2022 County Business Patterns, United States Census Bureau

While most businesses can adjust their prices in response to the market, our rates are fixed. The grocery store can raise the price of eggs. Restaurants can add additional fees to your morning breakfast. Nursing homes cannot. Nursing home rates are based on costs (subject to a limit) and are always behind. The FY26 rates will be calculated based on calendar years 2022, 2023 and 2024. Even with an inflation factor, the rates are not keeping up with actual costs.

Our request from the Legislature is this:

- Add an additional $4.8 M State General Funds (SGF) which is $12.3 M All Funds (AF) to the Governor's Budget Recommendations in HB2007 to fully fund the statutorily required rebase of costs.
- Continue the Medicaid add-on at $30 per Medicaid Resident per day to ensure stabilization of nursing facility rates for a total cost of $40.9 M SGF ($102 M AF).
    - In total, this request is 18.4 M (SGF) which is 41.6 M (AF) over last years' allocation.
- Add 6.3 M (SGF) which is 16.1 M (AF) to the Home and Community Based Services Frail Elder waiver (FE) to avoid a predicted waiting list and to continue to allow those eligible to avoid nursing home placement.

Thank you for this opportunity and I will stand for questions at the appropriate time.

Linda MowBray
President/CEO
KHCA/KCAL