

Kansas Department of

# **Social and Rehabilitation Services**

Gary Daniels, Secretary

## **Senate Ways and Means**

January 19, 2006

### **Update on Medicaid Transfer**

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**Medicaid Transfer**

Good morning, Chairman Umbarger and members of the Senate Ways and Means Committee. I am Laura Howard, the Assistant Secretary for the Kansas Department of Social and Rehabilitation Services (SRS). Thank you for the opportunity to provide an update today on the transfer of programs between the Kansas Department of Social and Rehabilitation Services and the Division of Health Policy and Finance (DHPF) in the Kansas Department of Administration.

With the passage of 2005 House Sub. For S.B. 272, the Medicaid, MediKan and State Children's Health Insurance programs were shifted from SRS to the DHPF within the Department of Administration. That Division became the single state Medicaid agency, responsible for drawing down all federal Medicaid funds for state agencies and all federal reporting requirements. Planning for a possible transition began in early 2005 after the Governor's *Healthy Kansas* initiative was announced. Actual transition planning began in earnest after the passage of 2005 H.Sub. For S.B. 272 in May, 2005 to meet the July 1 statutory transfer time line.

The transition involved the shift of \$1.46 billion dollars and 137 FTE from SRS to DHPF in the Department of Administration. This included all staff from what had been the medical policy section of SRS, along with staff from other parts of SRS who supported the Medicaid program. The actual transition has been quite smooth. Leadership from both agencies has been committed to ensuring continuity for consumers and providers and assuring an uninterrupted flow of federal Medicaid funding to Kansas. Today, the relationship between SRS and DHPF is governed by an interagency agreement which details the ongoing responsibilities of both agencies in assuring the provision of health care services to eligible Kansans.

SRS continues to manage a number of programs that are financed in part or in whole through Medicaid funds. In total, these programs amount to \$611.6 million in federal Medicaid and state matching funds in FY 06. The largest amounts of Medicaid funding that remain with SRS support long-term care programs for persons with disabilities. SRS also continues to manage Medicaid funding associated with behavioral health and substance abuse services. The primary Medicaid-funded programs that remain with SRS are the following:

- State hospitals
- ICFs/MR (Intermediate Care Facilities for persons with mental retardation)
- Nursing Facilities for Mental Health
- Traumatic Brain Injury Rehabilitation Facilities
- Residential facilities for children
- Five home and community-based services (HCBS) waivers
- ▶ Waiver for persons with mental retardation or other developmental disabilities (DD waiver)
- ▶ Waiver for persons with physical disabilities (PD waiver)
- ▶ Waiver for persons with traumatic brain injury (TBI waiver)
- ▶ Waiver for technology dependent children (TA waiver)
- ▶ Waiver for children with serious emotional disturbance (SED waiver)
- Attendant Care for Independent Living (ACIL) program
- Substance Abuse Treatment
- Mental Health Services including community mental health center, private psychologist, private psychiatrist, and behavior management services
- Targeted Case Management for specific populations

In addition to managing these Medicaid-funded programs, SRS continues to be responsible for the initial financial eligibility determination for Medicaid, MediKan and SCHIP applications filed through any SRS service center. SRS performs this eligibility work in accordance with eligibility requirements and related policy established by the Division of Health Policy and Finance.

This transfer has also afforded SRS the opportunity to refocus our efforts on what we do best -- supporting people. Today, more than 90 percent of all funds in SRS go either to direct assistance to beneficiaries or direct service delivery by our hospitals and regional service centers. A key focus moving forward as an agency is an increased emphasis on prevention and a focus on collaborations to build community capacity.

I would be happy to answer any questions.