

**EXPENDITURE JUSTIFICATION** - Nursing Facilities for Mental Health – 32700 (STARS 32500)

**Program Overview:** Nursing Facilities for Mental Health (NFs/MH) provide out-of-home residential care and treatment for persons experiencing severe symptoms of mental illness. Persons seeking placement in NFs/MH are screened to determine whether or not their needs can be met with community-based services before their admission to the NFs/MH is authorized. Currently, persons needing these services are required to travel long distances from their homes due to the limited number of facilities in the state. NFs/MH are classified by the Centers for Medicare and Medicaid Services (CMS) as Institutions for Mental Disease (IMDs). CMS does not allow payment of Federal Financial Participation (FFP) to IMDs for persons between 22 and 64 years of age. Public payment for persons in this age range is funded entirely through the State General Fund. NFs/MH have experienced an increase in the number of people not eligible for FFP, creating a need for additional State funds. In addition, by state statute, NFs/MH reimbursement rates are reviewed each year. This results in annual rate increases.

The Division of Disabilities and Behavioral Health Services established the Hospital and Home Initiative to engage providers, advocates, consumers, and family members in developing a strategic plan that focuses on the necessary components of a comprehensive array of mental health services. The Hospital and Home Initiative strategic plan recommends developing a new vision for NFs/MH. SRS has been working with a team of stakeholders to accomplish this recommendation this year. The new vision defines the role of NFs/MH as mental health rehabilitation facilities. The draft vision also enhances the role of the local community mental health centers (CMHCs) in assisting NFs/MH in transitioning residents to community placement. Finally, alternative models of small Medicaid funded residential treatment facilities for adults are being explored that could provide these needed services in more Kansas communities.

**Object Code 5500: Grants and Assistance**

The following table details the Nursing Facilities for Mental Health Caseload:

How Funds Are Distributed– CG = Competitive Grants; EN = Entitlement; ER = Eligibility Requirements  
 What Population is Served – C = Children; A = Adults; F = Families

<b>Item</b>	<b>Dis</b>	<b>Pop</b>	<b>FY 2010 Actual</b>	<b>FY 2011 Current Year</b>	<b>FY 2012 Allocated Budget</b>
Average Monthly Persons			602	588	588
Monthly Cost Per Person			\$2,189	\$2,304	\$2,304
<b>Total Expenditures</b>	<b>EN</b>	<b>A</b>	<b>\$15,814,601</b>	<b>\$16,258,274</b>	<b>\$16,258,724</b>
<b><i>Financing</i></b>					
State Funds			\$13,378,786	\$14,000,000	\$14,362,011
Federal Funds - Medicaid			\$2,110,324	\$1,924,540	\$1,896,263
Federal Funds - Medicaid - ARRA			\$325,491	\$333,734	
<b>Total</b>			<b>\$15,814,601</b>	<b>\$16,258,274</b>	<b>\$16,258,274</b>

**NARRATIVE INFORMATION – DA 400**  
**Division of the Budget**  
**State of Kansas**

**AGENCY NAME:** Social and Rehabilitation Services  
**PROGRAM TITLE:** Disability and Behavioral Health Services  
**SUBPROGRAM TITLE:** Nursing Facilities for Mental Health

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**Current Year FY 2011:** \$16,258,274 - Awarded in the Spring 2010 consensus caseload. For NFs/MH, no adjustment was made for the extension of the ARRA funds like all other Medicaid caseloads; it will be addressed in the consensus caseload process.

**Allocated Budget FY 2012:** \$16,258,274 - The allocated budget maintains the current level of services.