

**EXPENDITURE JUSTIFICATION** - Nursing Facilities for Mental Health – 32700

**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. 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.

NFs/MH are also participating in the nursing facility provider assessment program.

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

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

**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 2011 Actual</b>	<b>FY 2012 Request</b>	<b>FMAP Adjustment</b>	<b>FY 2013 Allocated Budget</b>
Average Monthly Persons			629	607		607
Average Monthly Cost Per Person			\$2,438	\$2,573		\$2,573
<b>Total Expenditures</b>	<b>EN</b>	<b>A</b>	<b>\$18,398,889</b>	<b>\$18,742,269</b>	<b>(\$0)</b>	<b>\$18,742,269</b>
<b><i>Financing</i></b>						
State Funds			\$14,099,645	\$14,500,000	\$20,418	\$14,520,418
State Funds Provider Assessments			\$1,500,746	\$1,983,825		\$1,983,825
Federal Funds - Medicaid			\$2,454,804	\$2,258,444	(\$20,418)	\$2,238,026
Federal Funds - Medicaid - ARRA			\$343,694			
<b>Total</b>			<b>\$18,398,889</b>	<b>\$18,742,269</b>	<b>(\$0)</b>	<b>\$18,742,269</b>

Note: Mass adjustments due to rate changes have artificially inflated the average monthly persons in some

**FY 2012:** \$18,742,269 – Approved in the Fall 2010 consensus caseload. A portion of the \$17 million budgeted savings for Medicaid funded mental health services may be achieved through lower utilization of NFs/MH than forecasted in the fall of 2010.

**FY 2013:** \$18,742,269 – This is flat funding that will be re-evaluated in the consensus caseload estimating process. The allocated budget maintains the current level of services.