

Governor Sam Brownback takes action to balance the Kansas budget

Summary of change: Kansas Governor Sam Brownback took action to balance the budget for fiscal years (FY) 2017 and 2018 by signing Senate bill 249, referred to as the Budget Bill.

✦ **What this means to you:** Senate bill 249, which was signed by the Governor to balance the budget for FY 2017 and 2018, will impact the KanCare program. Therefore, Amerigroup Kansas, Inc. wants to share the attached state-issued news release with you. At this time, specific details are unknown.

What is the impact of this change?

Amerigroup is committed to meeting the health care needs of our members in Kansas. Therefore, we are working with the state of Kansas and the Kansas Department of Health and Environment to understand the intent and timing of the changes. We will relay information to our provider network as soon as it is available.

What if I need assistance?

If you have questions, please contact your local Provider Relations representative or call our Provider Services team at 1-800-454-3730.

Kansas press release issued May 18, 2016:

Governor Sam Brownback takes action to balance Kansas budget Vetoes two provisions; signs Senate bill 249

Topeka – Governor Sam Brownback today took action to balance the budget for Fiscal Years 2017 and 2018, subsequently signing Senate Bill 249 – the budget bill.

The Governor announced allotments of \$97 million creating a projected ending balance in FY 2017 of \$87.5 million. The actions taken by the Governor today continue to slow the growth of government spending while protecting public safety and providing support to state hospitals.

The Governor further cautioned that if the Kansas Supreme Court orders an additional \$40 million – or more – in funding for schools, it could result in additional cuts to Medicaid and higher education.

“Our economy continues to face challenges with declines in oil and gas production, agriculture and aviation, our three major industries,” said Governor Brownback. “This budget recognizes those challenges while protecting K-12 education and public safety and finding government efficiencies that put more money back in the hands of working Kansans.”

The Governor’s budget also supports key administration priorities including:

- An additional \$11.4 million in funding to Osawatomie and Larned State Hospitals in Fiscal Year 2016.
- An increase of \$5.6 million in Fiscal Year 2017 to Osawatomie and Larned State Hospital, including direct care pay increases to registered nurses at Osawatomie and mental health technicians at both hospitals.
- An increase of \$1.1 million to the Department for Children and Families to fund pay increases for social workers.
- Realizes \$6.5 million in reduced State General Fund expenditures in order to pay for the salary increases that will be realized through Alvarez and Marsal efficiency recommendations.

The allotments represent a 4 percent reduction to most state agencies with exemptions for the Department of Corrections, Kansas Bureau of Investigation, Kansas Highway Patrol and state hospitals. The Governor also excluded any reductions to K-12 education as directed by the budget passed by the Legislature.

Reductions made to the Medicaid program through 4 percent provider rate reductions to the Kansas Department for Aging and Disability Services and the Kansas Department of Health and Environment will exempt Home and Community Based Services (HCBS) providers and almost 100 hospitals defined as rural, densely settled rural, frontier and Critical Access Hospitals.

Pursuant to Article 2, Section 14 of the Constitution of the state of Kansas, the Governor returned SB 249 with the following line item vetoes:

- Department for Aging and Disability Services – Mental Health Screenings. Section 20(b) is vetoed in its entirety. Approving this provision could jeopardize substantial federal funding of inpatient Medicaid services given current federal guidance on mental health screenings.
- Transfer of Tobacco Litigation Settlement revenue. Section 50(c) is vetoed in its entirety. To increase the State General Fund ending balance by \$16 million and guard against further reductions to Medicaid and higher education, the proviso prescribing excess master tobacco settlement litigation revenue be used to repay the KPERS amount lapsed or transferred in FY 2016 is vetoed. The remaining four provisions relating to the repayment of KPERS employer contributions lapsed or transferred in FY 2016 will remain.

The budget passed by the Legislature assumed actions to be taken by the Governor to balance the Fiscal Year 2017 budget.

“The three main drivers of budget growth continue to be education, Medicaid and KPERS,” said Governor Brownback. “We are working to slow the growth of government spending and our projected FY 2017 expenditures are less than FY 2015 actuals. Kansans cannot afford the explosive growth of state government spending that occurred in the past.”

The average state general fund adjusted growth rate from Fiscal Year 1966 to Fiscal Year 2011 was 9.3 percent. The Governor’s plan puts money in the hands of hard-working Kansans rather than in the state coffers.

For more information:

- On the state’s press release, contact Eileen Hawley at 785-368-7138 or media@ks.gov.
- On the budget, visit budget.ks.gov.