



## ***KHA's Capitol Comments***

**August 26, 2025**

### **Legislative Budget Committee Meets**

Today, the Legislative Budget Committee, chaired by Representative Troy Waymaster (R-Bunker Hill), heard an overview of state impacts of the One Big Beautiful Bill Act. Staff reviewed Supplemental Nutrition Assistance Program program cuts related to the current error rate and health care program impacts, including:

- Eligibility Rules Changes: requirements to verify addresses and contact information, prevention of duplicative enrollment and death master file comparisons that may increase state costs administratively
- Medicaid Recoupment for Erroneous Payments in the future
- Medicaid Limitation on Retroactive Coverage
- Medicaid Revised Payment Limitations for State-Directed Payments that may reduce the federal funding provided for state-directed payments
- Medicaid Adjustments for Coverage Criteria for Home and Community-Based Services Waivers would allow the opportunity for increased federal funding for HCBS services in Kansas
- The Rural Health Transformation Program would receive additional funding through the Kansas Department of Aging and Disability Services, including grants and formula funding, to support opioid treatment and rural behavioral health services

Committee members requested additional information about the losses that would have been incurred if Medicaid Expansion were in place, as well as the potential economic benefits that would've resulted if Kansas had expanded Medicaid. Other changes in agriculture and conservation programs were discussed by Legislative Research staff.

The committee also heard from Kansas Department of Health and Environment Secretary Janet Stanek on federal clawbacks to the school-based Medicaid services. Stanek covered the error incident related to the number of students with an Individualized Education Program, which led to a review of seven years and will require a recoupment of just over \$11 million across 53 school districts. The agency described the recoupment payments process based on school district size.

Next, the committee heard an update on the World Cup efforts from KC 2026 Chief Operating Officer Lindsey Douglas.

KDHE Deputy Secretary Ashley Goss also appeared to discuss courier services for water testing, and Wilson State Park Manager Willis Ohl presented updates on changes to the camping policy made by the U.S. Army Corps of Engineers.

Contract nursing was another topic discussed by the committee. Scott Brunner, deputy secretary of the Kansas Department of Aging and Disability Services, presented to the committee. Highlights of the presentation include:

- Larned State Hospital budget adjustments for contract staffing, \$5.0 million for FY 2022, \$10.4 million for FY 2023, \$15.7 million for FY 2024, and \$30.0 million for FY 2025. Total expenditures for contract staffing: Larned \$46.0 million total in FY 2025, Osawatomie \$15.4 million for FY 2025.
- Osawatomie State Hospital budget adjustments for contract staffing, \$5.0 million in FY 2024, and \$8.0 million in FY 2025.
- Vacancy and Turnover rates: Larned: 9.8 percent turnover, 33.5 percent vacancy and Osawatomie: 15.1 percent turnover, 35.5 percent vacancy, and the history of those trends.
- He reviewed staffing shortages in each unit in different nursing roles.
- He discussed the bonus payments paid out during FY 2025 for each state hospital and highlighted examples of recruitment and retention efforts.
- AARPA Funds that will help were highlighted, including the Kansas Health Science University to train future Doctors of Osteopathy in rural areas that will have first-class graduates next spring, and the Biomedical Campus in Wichita, KVC Camber and Children's Mercy beds, Ascension Via Christi ER expansion, and South Central Regional Mental Health Hospital to open in Jan. 2027.
- Partnerships to build the workforce were highlighted by Brunner, including Larned and Barton Community College, the Kansas Behavioral Health Center of Excellence, and Kansas' selection to participate in the Behavioral Health Workforce Policy Academy.
- The agency emphasized the effects of eliminating contract staffing that would include: longer wait times, less safe environments, increased incarceration, greater strain on other care settings and economic impacts.
- Recommendations made by KDADS to the committee included passing the increase to the bonus program contained in HB 2237, implementing cost-of-living and market adjustments and creating a nursing education incentive program.

Committee members asked about demand and the agency highlighted that 35 percent of the catchment area will also be from the Larned catchment area. The committee also asked for estimates on contract labor needs at the south central hospital that is not yet online, how salaries compare to market rates, what percentage of all state contract staffing is nursing, what if all of those contract staff members were in-house employees would we be spending, and how much we spend on all nursing scholarships in the state. House Health Chairman Representative Will Carpenter (R-El Dorado) asked that the legislature consider how much investment would be needed in community hospitals to take on some of the population from Larned.

The Kansas Legislative Research staff provided an overview of the 1.5 percent reduction in agency operations budgets, as well as the final expenditures and revenue estimates for fiscal year 2025. Committee members stated that in the future, they may consider using directive language to ensure that items specifically added by the legislature are not subject to line-item cuts.

### **Put Me in Coach – Nominate Your Hospital's Advocacy All-Star!**

The Kansas Hospital Association is gearing up for its next [Advocacy All-Star Training](#), designed for hospital champions who want to sharpen their advocacy skills and help protect access to health care in Kansas communities.

This year's training will take place Oct. 20-22 in Topeka, kicking off with an evening session and followed by two days of engaging activities. It's the perfect opportunity to empower your staff, deepen their understanding of advocacy and prepare them to speak up for Kansas hospitals.

Learn more, and [nominate](#) your hospital's next Advocacy All-Star today, and invest in your team's voice for health care! [Online registration](#) is available.

Please contact the KHA Education Department at [mwilley@kha-net.org](mailto:mwilley@kha-net.org) or (785) 233-7436 if you have any questions.