

Executive Director Report May 21, 2024

Organizational Updates

- Our audit and tax provider, SSC Advisors, Inc/SSC CPA's P.A, filed a tax extension for KALHD as the filing deadline for non-profit businesses was May 15, 2024. This is consistent with prior year practices to allow for the completion of the annual audit before filing the tax returns on or before November 15th of each year.
- KALHD Dues. All 100 Local Health Departments elected to continue membership in KALHD for 2024. The final two payments were received the week of May 6-10th and have been deposited.
- NACCHO Dues. With all payments received, we have 63 Local Health Departments who exercised the option to pay dues to NACCHO.
- In obtaining the Kansas Tax Clearance (KTC) form that is required of any business when bidding on a Request for Proposal (RFP) with the State of Kansas, errors in reporting of KALHD payroll taxes were discovered. Beginning in the 2024 tax year, KALHD has been changed from the previous monthly submission of tax forms and deposit of funds to a semi-monthly process, which was not implemented.

The Kansas Department of Revenue (KDOR) indicated that the change notice would have been received at KALHD in September of 2023. A similar IRS change notice was received and provided to our payroll processing services, Paychex, in November of 2023. Paychex implemented the federal change, but not the state tax change due to apparently not receiving the state notice from KALHD.

KALHD has submitted the missing tax forms for Jan-Mar 2024, notified Paychex who changed their reporting for April, KALHD confirmed the April vendor change with KDOR, and paid \$110.72 in late fees to KDOR. This allowed us to obtain the required KTC for to submit with our bid for the PHEP RFP. A request has also been submitted to Paychex to reimburse KALHD for these expenses on the premise that the federal change could have triggered a question from Paychex to KALHD about parallel state changes. As KALHD should have provided the state notice, I am not optimistic we will be reimbursed for any of this unplanned expense.

- Transferred \$40,000 on May 10th from our INTRUST checking to Bank of America savings account to make us eligible for a one-year promotional interest rate of 4.4% on all funds (\$190,000) at that institution and to reduce the balance in our INTRUST accounts below the FDIC maximum insurance amount.

- Completed the Secretary of State's required lobbyist expenditure report for the month of April.

Project Updates

- Formation of the ad hoc sub-committee on Workforce Investment Grants. As requested at the April Board meeting, a process has been developed and LHD members recruited to review applications and recommendations from KDHE each month. The subcommittee will then make recommendations to the Board for the new consent agenda item on the Board agenda. A copy of the process is included with the materials for this meeting for the knowledge of all members.
 - Sub-committee members:
 - Robin Hull – Haskell
 - Amelia Marchant – Coffey
 - Jennifer Cure – Sherman
 - Karla Nichols – Reno
 - Adrienne Byrne – Sedgwick

Twenty-one applications were received from KDHE and the following were recommended on the Consent portion of the May KALHD Board Agenda.

Approval

- Sedgwick County – reaccreditation for one year in amount of \$11,200
- Reno County – reaccreditation for four years in the amount of \$23,200
- Wyandotte County – reaccreditation for one year in the amount of \$8,400

Denial

- Reno County – self-care \$44,120 - only serves 1 LHD
- WSU – reaccredited for one year in the amount of \$5,000 – not an LHD
- Wyandotte County – training/professional development \$5,500 – serves 1 LHD
- Wyandotte County - training/professional development \$1,250 – serves 1 LHD
- Wyandotte County - training/professional development \$12,000 – serves 1 LHD
- KU School of Medicine – self-care \$50,425 (1 yr.) or \$151,275 (3 yr.) – serves only 10 LHD per year
- KU School of Medicine – training/professional development \$58,525 (1 yr.) or \$175,575 (3 yr.) – serves only 10 LHD per year
- KU School of Medicine – training/professional development \$54,000 – serve 2 LHD

Request more Information.

- Four applications, the subcommittee requested KDHE to provide additional information before a recommendation can be made to the Board. If that is received by June 1st, the committee will re-review these applications prior to considering new applications received in May.
- Six applications were not grant requests, only suggestions for training topics and no action could be taken by the sub-committee.

- PHEP: The current contract for services between KDHE and KALHD expires on June 30, 2024. The Kansas Department of Administration, Office of Contracts and Procurements, released a Request for Proposal (RFP) for open competition on behalf of KDHE on April 11, 2024.

The current contract in the amount of \$56,000 represents 17% of the total \$338,157 KALHD budget for 2024, or 30% of total revenue when the expiring KIP revenue source is excluded.

A bid was submitted on behalf of KALHD on May 8, 2024 that proposes to continue the existing services provided for KDHE over the next two years and for the additional three-year option specified in the bid documents. Bidding will close on May 16, 2024 at 2:00 p.m. and decisions on awarding a contract often take the state at least a few weeks.

- Annual Audit for KALHD business year 2023. SSC Advisors, Inc./SSC CPA's P.A notified KALHD of records they request for completion of this audit and on-site work was scheduled for May 16, 2024. Executive Director pulled together electronic copies of requested records and submitted those to the secure portal provided by the auditors. Hard copies of those same records were made and organized in an audit book for auditor purposes during the site visit.

Auditors will be completing their work over the next few weeks. I anticipate them presenting their results to the Board at the July 2024 meeting.

- Follow up on the Board discussion in April on communication with KDHE. I've had one to one communications with both KDHE Local Public Health and Executive level leadership in which I've conveyed the concerns discussed by our members. The ideas discussed in our meeting on how to improve the quality of communication, while maintaining the quantity that many have worked to address due to past deficiencies in the amount of communication from KDHE, have also been presented to the KDHE Public Health team in the weekly General LHD Support Team meeting. The feedback provided seems to have been received positively. If individual members continue to have ideas or concerns, please let me know so I can continue to keep the feedback loop open.
- KALHD Mid-year-meeting (MYM): Planning continued with the MYM Planning Team finalizing their recommended topics and WSU/KALHD working to secure speakers and finalize content for those topics. Menu selections made and finalized by WSU with the hotel. Website updated to support both sponsor and participant registration. Notifications of those opportunities sent to last years sponsors only, and to all LHD Administrators respectively. Finalizing the speakers is the largest remaining task over the next few weeks.
- Continued participating with the Kansas Association of Counties, Wichita State, Kansas Health Institute and KDHE staff on a group convened by KDHE to plan the "road show". KDHE staff have identified a series of dates and will be coordinating with individual LHDs to affirm availability and identify any matters that need to be considered for each specific site. New last week, is a question about proceeding this summer/fall vs. waiting until after the 2024 election cycle. I am not aware of any final decision yet, but do see the merit in waiting, as expending resources on commissioners who may not be reelected will not advance public health efforts.

- The new KIPHS group was created on the list serve and communicated to LHD Administrators. As of this report we have 32 subscribers. If you would like to subscribe, please send me an email at your convenience and I'll get you added.
- On May 10th, attended the Public Health and Medicaid Advisory Workgroup, which was expertly facilitated by the team at WSU. The participants representing LHDs, KDHE, Managed Care Organizations, Community Care Network of Kansas, and KALHD discussed the many ideas WSU solicited from LHDs in recent months on improving the Medicaid program. This process is generating many ideas, the summary of which we will discuss and prioritize as an item at the June KALHD Board meeting. We envision the end result being a list of KALHD priorities, much like our annual legislative policy statement, which can be shared with stakeholders to help advance the identified items.
- Received a couple of member requests for the development of a guidance document to assist with local implementation of HB2754. This bill takes effect after July 1, 2024 allowing County Commissioners on behalf of the county to opt out of conducting school sanitary inspections pursuant to home rule powers granted to counties under the County Home Rule Act. This project will commence in late May and the guidance shared with all LHD Administrators when it is completed.

Legislative Updates

- Medicaid Rates: The Kansas Legislature invested 10's of millions this session to increase some Medicaid reimbursement rates beginning in FY2025. This was mostly targeted at Hospitals and Physicians, but as this is implemented if there are any commonly used codes between the target groups and LHD's you may see some revenue increases.

Recognizing this Legislative action, in a April stakeholders meeting, KDHE shared that they have initiated a study of all Medicaid rates. They anticipate having that study completed sometime this fall, at which time they plan to report the results to the Governor and Legislature, most likely through the interim Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services and KanCare Oversight for consideration of additional rate increases in the 2025 Legislative Session. They plan to post it on their website as well for all stakeholders to view.

As I've asked around, Medicaid revenue may not be the largest portion of total revenue for LHD's. But rate increases could have a positive impact on both LHD revenue and in access to health care, if more medical providers will accept Medicaid patients due to the increased rates. All of which is positive for improving public health.

- As of the writing of this report, there are five bills that have been passed by the Legislature that are pending action from the Governor to sign them, allow them to become law without a signature or a veto. This is the final appropriations bill of the year (HB2551), an education bill providing funding for the next year (SB387), and three tax cut bills (SB37, HB2096, HB2097) which will be decided in the next few days (by May 17th). The decision on those tax cut bill will likely determine if the Governor follows through on prior comments to veto one or more of those bills and call a special legislative session. There may be more information before our meeting.

- As of the publication of this report, an end of session summary of legislative activities is still being compiled. That report will be sent out to LHD Administrators via email in the same manner as weekly updates were provided during the session and will represent the final update on the 2024 session. If a special session is held, a special session report will be created if policies other than changes to tax rates are enacted.

Important Dates to Remember

- Data Day: June 24, 2024, at the Rolling Hills Zoo at 625 N Hedville Rd, Salina, Ks 67401. Registration information is projected to be available in mid-May.
- KALHD MYM: June 25-26, 2024, at the Salina Holiday Inn, 3145 South 9th, Salina, Ks 67401. Registration information is projected to be available in mid-May.