

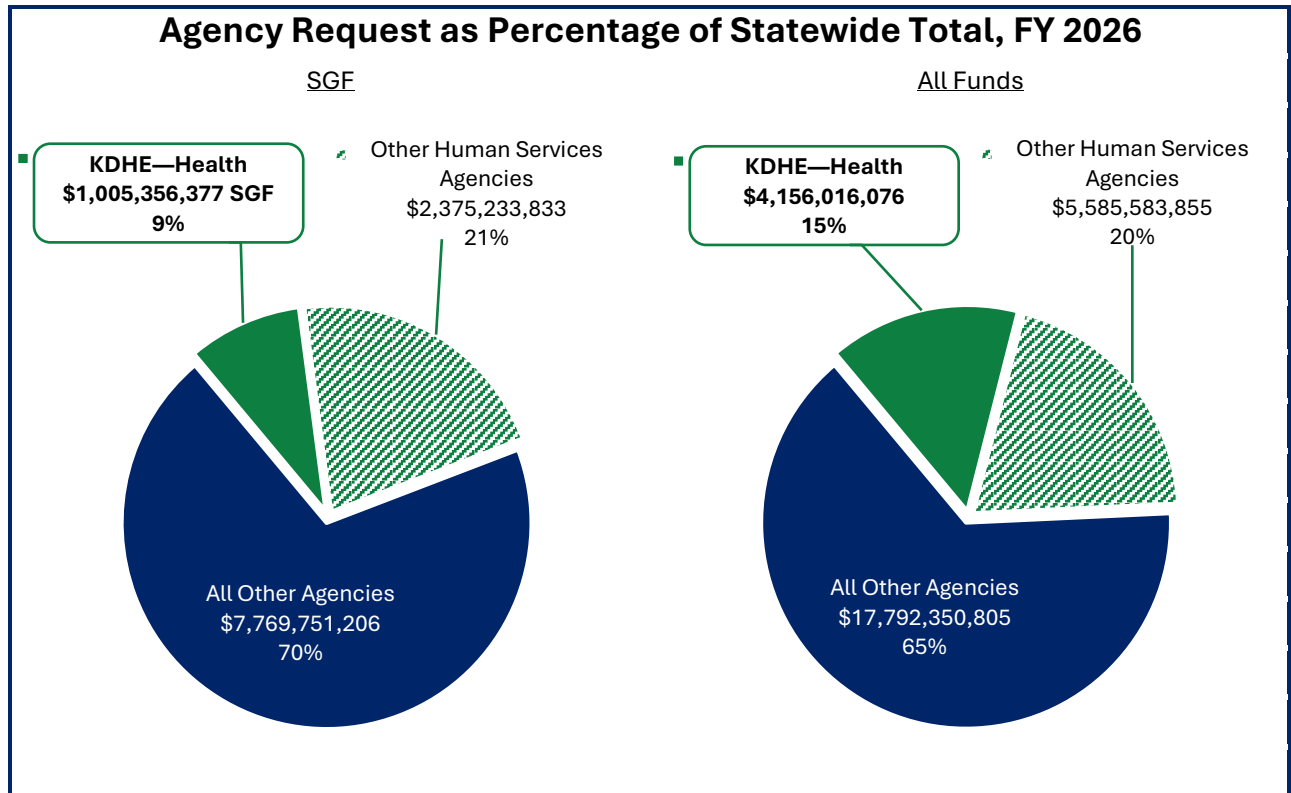
KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—HEALTH

Budget Summary – Agency Request

Executive Summary

The Kansas Department of Health and Environment – Health (KDHE–Health) is divided into two main divisions. The **Division of Public Health** includes the Office of the Director and the following eight bureaus: Disease Control and Prevention, Facilities Licensure, Health Promotion, Family Health, Community Health Systems, Oral Health, Epidemiology and Public Health Informatics and the state’s Health and Environment Laboratories. The **Division of Health Care Finance** oversees the State’s Medicaid and Children’s Health Insurance Program (CHIP).

Expenditures by Fiscal Year and Version			
	SGF	All Funds	Note
FY 2024 Actual	\$ 802,621,415	\$ 3,769,184,673	Actual expenditures
FY 2025 Actual	917,079,939	3,930,154,254	Actual expenditures
FY 2026 Approved	1,003,763,877	4,180,777,592	2025 SB 125
FY 2026 Agency	1,005,356,377	4,156,016,076	Revised estimate, submitted September 2025
FY 2027 Agency	1,005,715,539	4,162,749,014	Agency request, submitted September 2025



KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—HEALTH






Budget Summary – Agency Request

Budget and Policy Snapshot










The tables below provide a selection of items that inform the agency budget request. These items include **supplemental and enhancement requests** (NEW), adjustments related to **reappropriated funds** (E), **language-only policy changes** requested for inclusion in legislation, changes in **federal or state policy** that impact agency funding, and other budgetary items.

These tables are not intended to be a comprehensive list of changes in the agency budget request. For more detail on individual fiscal year requests, please refer to the [FY 2026 Analysis](#) and [FY 2027 Analysis](#) sections later in this document.

FY 2026

Item	Amount	Source	Note
 SGF Reappropriation	\$ 19,198,177	SGF	Includes lapses.
 Children’s Initiatives Fund Reappropriation	563	CIF	
 DCaaS Storage Charges	1,000,000	SGF	
 Office of Vital Statistics Relocation	580,000	SGF	
 Transfer into Women’s Wellness	2,000,000	SGF	

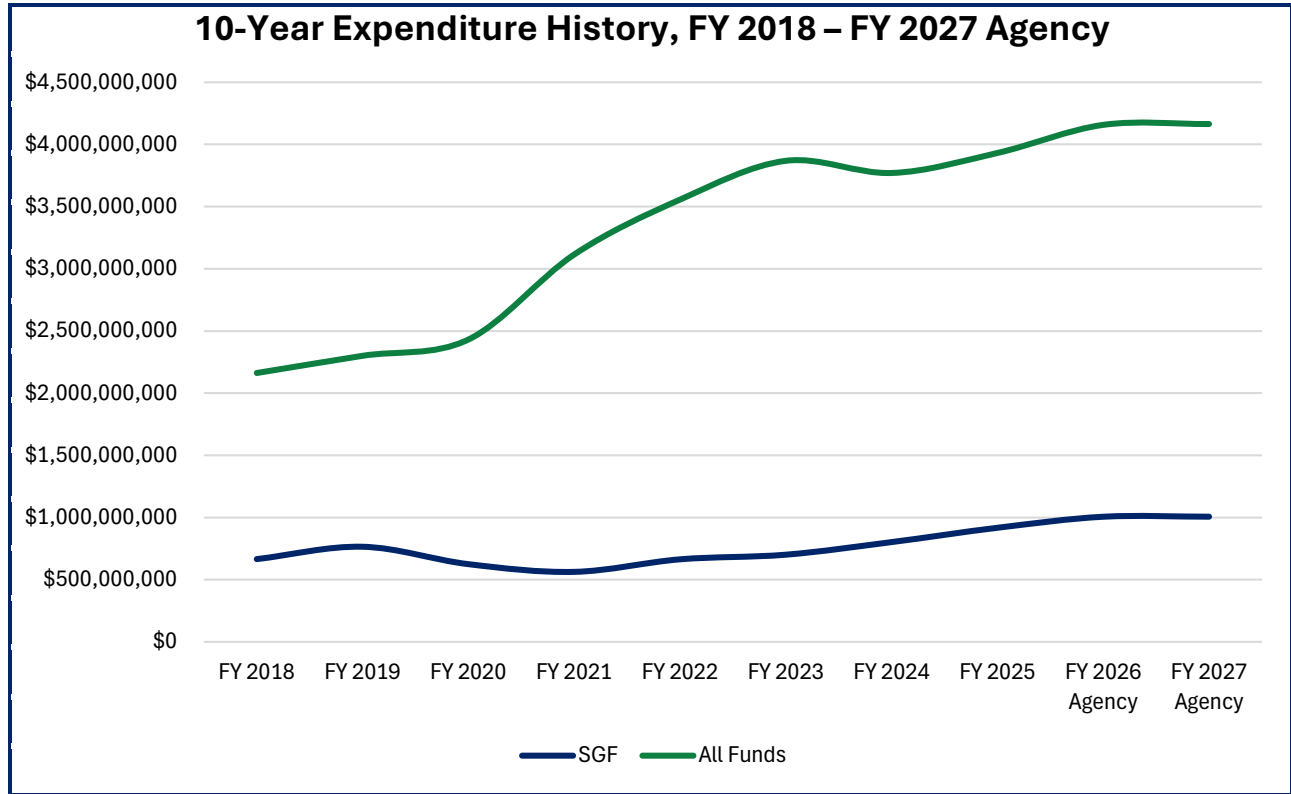
FY 2027

Item	Amount	Source	Note
 DCaaS Storage Charges	\$ 1,350,000	SGF	
 Disease Intervention Specialists	1,000,000	SGF	
 EQRO Procurement	1,000,000	SGF	\$4.0 million all funds
 NCPDP Changes	1,576,203	SGF	\$6.3 million all funds
 KHEL Staffing	285,000	SGF	
 Office of Vital Statistics Relocation	615,000	SGF	
 Interoperability Rule	850,000	SGF	\$3.4 million all funds
 Statewide Cardiac Arrest Registry	17,000	SGF	
 Children’s Health Insurance	26,000,000	SGF	

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—HEALTH

Budget Summary – Agency Request

Summary of Expenditures



Fiscal Year	SGF		All Funds		FTE	CPI-U* Change (%)
	Amount	Change (%)	Amount	Change (%)		
FY 2018	\$ 666,261,035	(1.3)	\$ 2,161,689,741	4.2	737.50	0.2
FY 2019	765,291,421	14.9	2,299,834,960	6.4	767.30	--
FY 2020	625,983,990	(18.2)	2,430,526,799	5.7	1,058.50	0.8
FY 2021	564,270,730	(9.9)	3,113,867,131	28.1	1,138.75	2.4
FY 2022	664,728,812	17.8	3,555,232,603	14.2	592.24	9.2
FY 2023	701,722,586	5.6	3,867,094,688	8.8	1,407.74	5.8
FY 2024	802,621,415	14.4	3,769,184,673	(2.5)	1,384.24	3.0
FY 2025	917,079,939	14.3	3,930,154,254	4.3	1,393.85	3.0
FY 2026 Agency	1,005,356,377	9.6	4,156,016,076	5.7	1,393.85	2.8
FY 2027 Agency	1,005,715,539	0.0	4,162,749,014	0.2	1,393.85	2.4

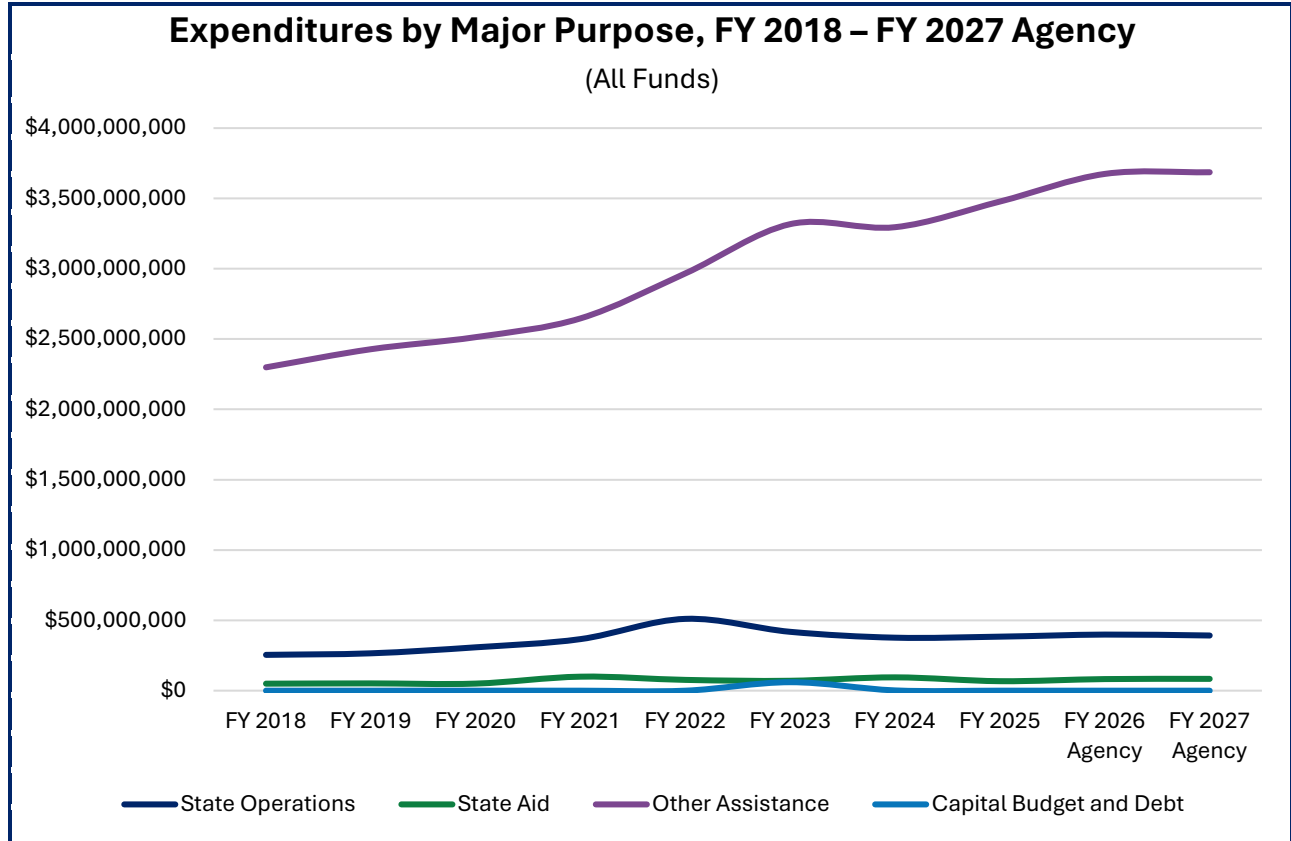
5-Year Change (FY 2023–2027)	\$ 303,992,953	43.3	\$ 295,654,326	7.6	(13.89)	11.6
10-Year Change (FY 2018–2027)	339,454,504	50.9	2,001,059,273	92.6	656.35	33.1
3-Year Average** (FY 2023–2025)	807,141,313	N/A	3,855,477,872	N/A	1,395.28	N/A

* Note : Consumer Price Index for All Urban Consumers estimate for FY 2026–2027 is from the Consensus Revenue Estimating Group.

** Note : Reflects the three most recent years of actuals data.

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—HEALTH

Budget Summary – Agency Request



Expenditures by Category, FY 2024 – FY 2027 Agency

(All Funds)

	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
State Operations						
Salaries and Wages	2.8 %	\$ 90,563,885	\$ 99,559,315	\$ 114,641,524	\$ 115,350,051	\$ 117,521,801
Contractual Services	6.7	269,017,394	263,980,093	265,331,523	276,667,671	268,293,912
Commodities	0.1	13,248,390	12,837,433	6,871,535	5,882,356	5,521,824
Capital Outlay	0.1	4,272,345	8,100,802	1,650,089	1,372,870	1,328,810
Operating Adjustments	--	-	-	(799,608)	-	-
Subtotal	9.6 %	\$ 377,102,014	\$ 384,477,643	\$ 387,695,063	\$ 399,272,948	\$ 392,666,347
State Aid and Assistance						
Aid to Locals	2.0 %	\$ 95,844,970	\$ 68,773,628	\$ 74,650,601	\$ 83,622,117	\$ 85,152,844
Other Assistance	88.4	3,294,330,260	3,476,818,267	3,699,233,278	3,673,121,011	3,684,929,823
Subtotal	90.4 %	\$ 3,294,330,260	\$ 3,476,818,267	\$ 3,699,233,278	\$ 3,673,121,011	\$ 3,684,929,823
Capital Budget and Debt						
Capital Improvements	-- %	\$ 1,907,429	\$ 84,716	\$ -	\$ -	\$ -
Debt Service Principal	--	-	-	-	-	-
Debt Service Interest	--	-	-	-	-	-
Subtotal	-- %	\$ 1,907,429	\$ 84,716	\$ -	\$ -	\$ -
Reappropriations	-- %	\$ -	\$ -	\$ 19,198,650	\$ -	\$ -
GRAND TOTAL	100.0 %	\$ 3,769,184,673	\$ 3,930,154,254	\$ 4,180,777,592	\$ 4,156,016,076	\$ 4,162,749,014

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—HEALTH

Budget Summary – Agency Request

State Operations

Expenditures by Classification, FY 2024 – FY 2027 Agency						
(State Operations, All Funds)						
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Salaries and Wages						
Employee Pay	2.0 %	\$ 65,112,819	\$ 72,357,982	\$ 85,024,772	\$ 83,323,992	\$ 84,584,225
Employee Benefits	0.8	25,451,066	27,201,333	34,048,703	32,642,998	33,614,393
Shrinkage	(0.0)	-	-	(4,431,951)	(616,939)	(676,817)
Subtotal	2.8 %	\$ 90,563,885	\$ 99,559,315	\$ 114,641,524	\$ 115,350,051	\$ 117,521,801
Contractual Services						
Communication	0.1 %	\$ 4,058,500	\$ 4,542,135	\$ 7,216,523	\$ 3,475,001	\$ 3,486,297
Fees (Professional)	5.7	218,339,464	211,571,708	225,635,870	236,671,636	229,429,196
Fees (Other Services)	0.2	14,210,851	11,595,947	9,104,995	8,753,493	8,273,003
Freight and Express	0.1	2,120,909	2,737,516	1,115,577	1,021,128	871,781
Printing and Advertising	0.1	1,235,055	1,600,541	1,131,942	950,340	947,859
Rent and Leases	0.4	18,210,399	20,882,339	13,228,369	17,745,375	17,684,287
Repair and Servicing	0.1	8,504,355	8,686,766	5,595,640	6,203,850	5,830,179
Travel and Subsistence	0.1	1,903,026	1,957,338	2,014,555	1,421,063	1,392,395
Utilities	0.1	11,865	11,217	9,046	7,366	7,366
Other	0.1	422,970	394,586	279,006	418,419	371,549
Subtotal	6.7 %	\$ 269,017,394	\$ 263,980,093	\$ 265,331,523	\$ 276,667,671	\$ 268,293,912
Commodities						
Clothing	0.1 %	\$ 6,631	\$ 18,530	\$ 4,336	\$ 6,275	\$ 4,275
Equipment and Parts	0.1	30,257	44,262	64,263	20,155	10,595
Food	0.1	9,321	7,579	12,125	6,700	6,700
Fuel	--	3,839	3,683	-	-	-
Motor Vehicle Parts	0.1	181,161	173,608	97,508	109,479	115,321
Supplies (Office)	0.1	217,707	274,955	233,418	199,305	207,325
Supplies (Professional)	0.1	11,787,573	11,844,020	6,097,328	5,250,039	4,959,921
Supplies (Research)	--	111	-	111	-	-
Other	0.1	1,011,790	470,796	362,446	290,403	217,687
Subtotal	0.1 %	\$ 13,248,390	\$ 12,837,433	\$ 6,871,535	\$ 5,882,356	\$ 5,521,824
Capital Outlay						
Books	0.1 %	\$ 42,556	\$ 31,613	\$ 41,925	\$ 13,771	\$ 10,621
Computer Hardware	0.1	450,993	277,854	115,138	175,026	173,391
Computer Software	0.1	35,848	571,074	58,029	23,724	23,724
Equipment, Furniture	0.1	3,547,119	7,139,286	1,430,562	1,156,777	1,117,502
Information Processing	0.1	164,360	78,123	4,160	3,347	3,347
Telecommunications	0.1	31,469	2,852	275	225	225
Other	--	-	-	-	-	-
Subtotal	0.1 %	\$ 4,272,345	\$ 8,100,802	\$ 1,650,089	\$ 1,372,870	\$ 1,328,810
Operating Adjustments	-- %	\$ -	\$ -	\$ (799,608)	\$ -	\$ -
TOTAL	9.6 %	\$ 377,102,014	\$ 384,477,643	\$ 387,695,063	\$ 399,272,948	\$ 392,666,347

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—HEALTH

Budget Summary – Agency Request

State Aid

Expenditures by Classification, FY 2024 – FY 2027 Agency							
(State Aid, All Funds, Dollars in Thousands)							
	FY 2026 Agency % of Total		FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
State Aid							
Federal Aid Payments	1.6 %	\$	82,423.6 \$	50,658.8 \$	57,432.1 \$	68,363.6 \$	71,513.6
State Aid Payments	0.4		13,421.3	18,114.8	17,218.5	15,258.5	13,639.2
TOTAL	-- %	\$	- \$	- \$	- \$	- \$	-

Other Assistance

Expenditures by Classification, FY 2024 – FY 2027 Agency							
(Other Assistance, All Funds, Dollars in Thousands)							
	FY 2026 Agency % of Total		FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Other Assistance							
Claims	-- %	\$	59.7 \$	403.0 \$	- \$	- \$	-
Employee Benefits	--		-	-	-	-	-
Federal Aid Payments	0.3		27,334.0	20,281.3	11,992.3	10,547.8	10,502.3
Scholarship Grants	--		-	-	-	-	-
State Aid Payments	1.1		34,459.1	46,921.0	47,336.9	46,904.5	34,462.9
State Special Grants	87.0		3,142,265.9	3,302,346.2	3,608,006.8	3,615,668.7	3,639,964.7
Training and Travel	--		-	-	-	-	-
Other	--		90,211.6	106,866.7	31,897.3	-	-
TOTAL	88.4 %	\$	3,294,330.3 \$	3,476,818.3 \$	3,699,233.3 \$	3,673,121.0 \$	3,684,929.8

Capital Budget and Debt

Expenditures by Classification, FY 2024 – FY 2027 Agency							
(Capital Budget and Debt, All Funds, Dollars in Thousands)							
	FY 2026 Agency % of Total		FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Capital Improvements							
Buildings	-- %	\$	1,907.4 \$	54.6 \$	- \$	- \$	-
Nonstructural	--		-	30.1	-	-	-
Subtotal	-- %	\$	1,907.4 \$	84.7 \$	- \$	- \$	-
Debt Service	-- %	\$	- \$	- \$	- \$	- \$	-
TOTAL	-- %	\$	1,907.4 \$	84.7 \$	- \$	- \$	-

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—HEALTH

Budget Summary – Agency Request

Expenditures by Program

Expenditures by Program, FY 2024 – FY 2027 Agency							
(All Funds, Dollars in Thousands)							
	FY 2026					FY 2026	
	Agency	FY 2024	FY 2025	FY 2026		FY 2026	FY 2027
	% of Total	Actual	Actual	Approved		Agency	Agency
Administration	0.9 %	\$ 28,924.2	\$ 34,620.9	\$ 40,191.0	\$	\$ 37,163.9	\$ 37,536.2
ARPA Project-Rural	--	6,818.3	(620.8)	-		-	-
Bureau of Community	1.2	61,214.9	52,056.7	55,897.3		51,754.3	40,284.6
Bureau of Oral Health	0.0	621.8	1,144.8	1,163.0		1,307.1	1,289.5
CHIP - Assistance	4.2	132,518.0	215,428.5	174,665.7		174,824.4	200,665.7
CHIP Program	0.9	12,641.8	14,651.9	10,351.9		35,620.6	35,666.0
COVID-19 Transactions	0.0	35,511.8	18,139.9	2,451.9		830.7	-
Disease Control	0.5	20,964.4	23,010.6	20,084.4		19,375.0	20,037.5
Early Childhood Data	--	4,316.4	683.6	-		-	-
Facilities & Licensing	0.1	5,122.8	5,434.5	3,751.9		4,748.5	4,782.1
Family Health	2.5	117,506.4	132,373.5	102,617.2		103,973.1	98,188.6
Federal Only - Assistance	--	25,290.9	29,305.1	-		-	-
Health & Env Laboratory	0.4	15,075.7	22,897.9	16,357.6		15,485.7	15,681.0
Health Administration	0.0	3.9	2,502.9	1,023.5		27.3	27.7
Health Promotions	0.5	21,056.2	19,159.8	17,210.8		19,719.8	15,392.3
Laboratory Building	--	1,373.5	505.4	-		-	-
Med Prog Admin	5.2	183,739.9	197,023.5	233,336.6		218,012.9	235,860.3
Medicaid Administration	0.6	35,994.1	23,183.7	27,590.4		26,650.5	26,889.9
Medicaid Assistance	81.9	2,948,655.0	3,016,847.1	3,404,201.6		3,405,705.9	3,404,201.6
Other Federal Grants	0.2	476.3	(446.1)	-		6,409.9	2,952.7
Public Health Informatics	0.4	22,037.9	15,475.8	18,786.9		16,667.4	17,340.9
Reappropriations	--	-	-	19,198.7		-	-
State Employee Health	--	0.1	-	-		-	-
State Only - Assistance	0.4	89,320.5	106,775.0	31,897.3		17,739.0	5,952.4
TOTAL	100.0 %	\$ 3,769,184.7	\$ 3,930,154.3	\$ 4,180,777.6	\$	\$ 4,156,016.1	\$ 4,162,749.0

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—HEALTH

Budget Summary – Agency Request

FTE Positions by Program, FY 2024 – FY 2027 Agency						
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
Administration	12.3 %	152.8	171.3	152.8	171.3	171.3
Bureau of Community	5.2	77.0	72.5	77.0	72.5	72.5
Bureau of Facilities and	2.5	32.5	35.0	32.5	35.0	35.0
Bureau of Oral Health	0.2	3.8	3.0	3.8	3.0	3.0
CHIP Program	0.3	--	3.5	4.8	4.1	4.1
Disease Control and	4.7	95.8	65.0	95.8	65.0	65.0
Family Health	8.6	106.7	119.5	106.7	119.5	119.5
Health & Env Laboratory	6.1	90.2	85.0	90.2	85.0	85.0
Health Administration	0.1	1.0	1.0	1.0	1.0	1.0
Health Promotions	4.9	61.0	68.0	61.0	68.0	68.0
Medicaid Administration	27.4	29.0	390.1	401.7	381.7	381.7
Medicaid Program	1.8	392.0	16.0	14.5	25.0	25.0
Medical Programs Administ	15.8	204.0	223.0	213.0	219.8	219.8
Other Federal Grants	0.4	--	3.0	--	5.0	5.0
Public Health Informatics	9.9	138.5	138.0	138.5	138.0	138.0
TOTAL	100.0 %	1,384.2	1,393.9	1,393.2	1,393.9	1,393.9

Expenditures by Fund

Expenditures by Fund, FY 2024 – FY 2027 Agency						
	FY 2026 Agency % of Total	FY 2024 Actual	FY 2025 Actual	FY 2026 Approved	FY 2026 Agency	FY 2027 Agency
State General Fund	24.4 %	\$ 809,777,566	\$ 923,186,451	\$ 1,009,953,555	\$ 1,012,558,555	\$ 1,013,196,031
State Water Plan Fund	0.1	63,409	52,068	32,000	32,000	32,000
Children's Initiatives Fund	0.2	8,730,946	10,015,048	8,589,875	8,589,875	8,589,312
Fee Funds	9.6	367,635,194	368,189,977	391,380,965	398,504,405	398,250,201
Federal Funds	60.3	2,386,035,330	2,447,421,918	2,512,150,703	2,505,627,250	2,513,429,321
All Other Funds	5.7	204,098,379	187,395,304	263,860,172	236,906,169	236,732,641
TOTAL	100.0 %	\$ 3,769,184,673	\$ 3,930,154,254	\$ 4,180,777,592	\$ 4,156,016,076	\$ 4,162,749,014

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT—HEALTH

Budget Summary – Agency Request

FY 2026 Analysis

Summary of Agency Budget Request, FY 2026						
	SGF	Federal Funds	All Other Funds	Total	FTE Positions	
Approved, FY 2026						
1. 2025 SB 125, without Reappropriations	\$ 984,565,790	\$ 2,512,150,703	\$ 664,862,449	\$ 4,161,578,942	1,393.0	
Reappropriations						
2. SGF and CIF Reappropriation	\$ 19,246,411	-	\$ 563	\$ 19,246,974	--	
3. SGF Reappropriation 1.5 Percent Lapse	(48,324)	-	-	(48,324)	--	
Subtotal – Approved, with Reappropriations	\$ 1,003,763,877	\$ 2,512,150,703	\$ 664,863,012	\$ 4,180,777,592	1,393.0	
Supplemental Requests						
4. DCaaS Storage Charges	\$ 1,012,500	-	-	\$ 1,012,500	--	
5. Office of Vital Statistics Relocation	580,000	-	-	580,000	--	
Subtotal – Supplementals	\$ 1,592,500	-	-	\$ 1,592,500	--	
Other Changes						
6. Federal Funds	-	\$ (6,523,453)	-	\$ (6,523,453)	--	
7. Special Revenue Funds	-	-	(20,300,711)	(20,300,711)	--	
8. Transfer to Women's Wellness	-	-	-	-	--	
9. All Other Adjustments	-	-	470,148	470,148	1.0	
Subtotal – Other Changes	-	\$ (6,523,453)	\$ (19,830,563)	\$ (26,354,016)	1.0	
TOTAL – Agency Revised Estimate	\$ 1,005,356,377	\$ 2,505,627,250	\$ 645,032,449	\$ 4,156,016,076	1,394.0	

Approved Budget

1. 2025 SB 125

The 2025 Legislature passed, and the Governor enacted, one bill appropriating and adjusting funding for state agencies. Select appropriations for this agency include:

- **Gainwell Contract Increase:** The Legislature approved increasing funding for the agency’s contract with Gainwell Technologies by adding \$16.7 million, including \$5.0 million SGF, in FY 2026;
- **Adult Inpatient Behavioral Health:** The Legislature approved increasing funding for inpatient behavioral health services for adults by adding \$5.0 million SGF, for a total of \$10.0 million SGF, in FY 2026;
- **Medicaid Dental Rates:** The Legislature approved adding \$10.0 million, including \$4.0 million SGF, to increase Medicaid dental rates in FY 2026;
- **Pediatric Rate Increase:** The Legislature approved adding \$2.7 million, including \$1.0 million SGF, to increase Medicaid reimbursement rates for sick and acute pediatric visits in FY 2026;
- **2025 Pay Plan:** The Legislature approved adding \$3.3 million, including \$820,105 SGF, to provide salary increases for more state employees based on the Department of Administration’s Market Survey in FY 2026; and
- **Statewide SGF Operations Lapse:** The Legislature deleted \$799,608 SGF for FY 2026 to lapse 1.5 percent of SGF operating expenditures for this agency.

Reappropriations

2. SGF & CIF Reappropriation

The agency reappropriated \$19.2 million in unspent SGF funds from FY 2025 to FY 2026. Additionally, the agency reappropriated \$563 in unspent Children’s Initiatives Fund (CIF) moneys.

The primary sources of the SGF reappropriated funds were:

- **HCBS FMAP Projects:** \$11.8 million SGF attributable to Federal Medical Assistance Percentage (FMAP) savings that must be spent on initiatives approved by the Centers for Medicare and Medicaid Services (CMS);
- **Public Health Operating Account:** \$2.3 million SGF associated with the development of the Early Childhood Data Management System, which spans multiple state fiscal years due to complexity. The Kansas Early Childhood Development Services (KECDS) data system will collect and manage comprehensive child and family information for infants and toddlers with developmental delays or disabilities. It integrates service provider data and program performance measures to support federal reporting and state oversight. The agency has indicated that these reappropriations will be spent in FY 2026;
- **Breast Cancer Screening:** \$2.1 million SGF associated with cancer prevention and control activities related to breast cancer. The agency states that IT-related contract delays and variance in the number of services provided each year contribute to the reason for reappropriation;
- **Medicaid Assistance:** \$1.5 million SGF associated with capitation payments and mass rate adjustment expenditures that came in less than the allocated budget amount for Medicaid caseloads. These reappropriated funds are included in the caseload process and would act as an offset in the estimate for Human Services Caseload expenditures; and
- **Other:** \$1.4 million SGF attributed to other smaller program adjustments, including;
 - Fewer than expected schools participating in the Youth Risk Behavior Survey (\$384,710);
 - Lower than anticipated utilization of the Kansas Special Health Care Needs Program for assisting families with a child diagnosed with phenylketonuria (PKU) (\$327,987);
 - Lower than anticipated participation in the Child Abuse Review and Evaluation (CARE) program (\$320,072);
 - Local grantees unable to provide match dollars for the Stan Clark Pregnancy Maintenance Initiative (\$234,184);
 - CHIP rate adjustments (\$158,689);
 - Underspending and delays within the statewide trauma system (\$78,809);
 - Fewer than expected applicants to the state loan repayment program (\$31,495);
 - Aid provided to local health departments for maternal and child health programs (\$10,428);
 - The pullback of National Institute of Health (NIH) grants for Lyme disease testing (\$4,894);
 - Funding not awarded to local health departments for their immunization programs (\$3,149); and
 - Reduced operating costs (\$1,032).

3. SGF Reappropriations 1.5 Percent Lapse

As part of the lapse identified in Item 1, the Legislature approved a lapse of 1.5 percent of SGF reappropriations supporting state operations in FY 2026. For KDHE–Health, this totals a decrease of \$48,324 SGF in FY 2026 and adjusts total SGF reappropriations to \$19.2 million.

Supplemental Requests

4. DCaaS Storage Charges

The agency's revised estimate includes an additional \$1.0 million SGF for a new Data Center as a Service (DCaaS) charge by the Office of Information Technology Services (OITS) for FY 2026. Based on the OITS rate of \$0.25 per gigabyte, KDHE estimates the cost to be about \$112,500 per month for their 419 terabytes of data. The cost estimate for FY 2026 covers three quarters of billing before the new charge was set to begin in October of 2025. The agency requests \$1.35 million SGF for a full year of this same item in FY 2027.

5. Office of Vital Statistics Relocation

The agency requests \$580,000 SGF for increased rent and associated moving costs with the relocation of the Office of Vital Statistics. The agency states that the requested funds for FY 2026 are to cover moving costs, establish state IT service, and cover approximately three months of rent. The agency requests \$615,000 SGF in FY 2027 to cover the ongoing increased rent and monumental surcharges associated with the new location.

Other Changes

6. Federal Funds

The agency anticipates spending approximately \$2.5 billion dollars in federal funds for FY 2026. This is \$6.5 million, or less than 1 percent, below the amount approved by the 2025 Legislature.

7. Special Revenue Funds

The agency anticipates spending \$634.6 million from various special revenue funds. This is \$20.3 million, or 3.1 percent, below the amount approved by the 2025 Legislature. This is primarily attributable to the agency budgeting fewer expenditures from the Association Assistance Plan Fund.

8. Transfer to Women's Wellness

The agency's revised estimate requests a transfer of \$2.0 million SGF from the Public Health Operating Account to the Women's Wellness Account as an Aid to Local expenditure. This account supports the agency's Early Detection Works (EDW) cancer-screening program for low-income women. Women who qualify for EDW may also qualify for WISEWOMAN services, which provide additional cardiovascular and chronic disease risk screening for EDW participants.

9. All Other Adjustments

The agency's revised estimate includes an increase of \$470,148 from various other sources and 1.0 FTE position.

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Budget Summary – Agency Request

FY 2027 Analysis

Summary of Agency Budget Request, FY 2027					
	SGF	Federal Funds	All Other Funds	Total	FTE Positions
Approved, FY 2026					
2025 SB 125, without Reappropriations	\$ 984,565,790	\$ 2,512,150,703	\$ 664,862,449	\$ 4,161,578,942	1,393.2
1. One-Time Adjustments	(11,813,000)	-	(1,000,000)	(12,813,000)	--
Subtotal – Approved with Adjustments	\$ 972,752,790	\$ 2,512,150,703	\$ 663,862,449	\$ 4,148,765,942	1,393.2
Enhancement Requests					
2. DCaaS Storage Charges	\$ 1,350,000	-	-	\$ 1,350,000	--
3. Disease Intervention Specialists	1,000,000	-	-	1,000,000	--
4. EQRO Procurement	1,000,000	3,000,000	-	4,000,000	--
5. NCPDP Charges	1,576,203	4,728,610	-	6,304,813	--
6. KHEL Staffing	285,000	-	-	285,000	--
7. Office of Vital Statistics Relocation	615,000	-	-	615,000	--
8. Interoperability Rule	850,000	2,550,000	-	3,400,000	--
9. Statewide Cardiac Arrest Registry	17,000	-	-	17,000	--
10. Children's Health Care Insurance	26,000,000	-	-	26,000,000	--
Subtotal – Enhancements	\$ 32,693,203	\$ 10,278,610	-	\$ 42,971,813	--
Other Changes					
11. FY 2027 Health Insurance Rate Change	\$ 278,349	-	-	\$ 278,349	--
12. FY 2027 KPERS Rate Change	(8,803)	-	-	(8,803)	--
13. All Other Adjustments	-	(8,999,992)	(20,258,295)	(29,258,287)	1.0
Subtotal – Other Changes	\$ 269,546	\$ (8,999,992)	\$ (20,258,295)	\$ (28,988,741)	1.0
TOTAL – Agency Request	\$ 1,005,715,539	\$ 2,513,429,321	\$ 643,604,154	\$ 4,162,749,014	1,394.2

Approved Budget

1. One-Time Adjustments

The approved budget includes expenditures in FY 2026 that are not included in the agency allocation for FY 2027. These expenditures are not included for FY 2027 as to better provide a point of comparison. For this agency, that includes the following one-time expenditures:

- **Adult Inpatient Behavioral Health:** The Legislature appropriated \$10.0 million SGF for hospitals providing inpatient behavioral health services for adults in FY 2026 and added language that all expenditures would be directed to AdventHealth Shawnee Mission, Ascension Via Christi St. Joseph campus, Hutchinson Regional Medical Center, Salina Regional Health Center, Stormont Vail Regional Medical Center, and the University of Kansas Health System. Language was also added that such expenditures would be based on the number of adult behavioral health beds available at each facility;
- **Rural Family Medicine Residency Sites:** The Legislature appropriated \$1.0 million SGF for residency sites at rural community health centers for FY 2026;
- **Healthcare Upskills Training Program:** The Legislature appropriated \$1.0 million from the Economic Development Initiatives Fund (EDIF) for a Healthcare Upskills Training Program for FY 2026;
- **Project Access, Health Access, and WyJO Care:** The Legislature appropriated \$550,000 SGF to fund Project Access, Health Access, and WyJO Care for FY 2026;

- **Cerebral Palsy Research Foundation of Kansas:** The Legislature appropriated \$263,000 SGF to support services provided by the Cerebral Palsy Research Foundation of Kansas in Wichita.

Enhancement Requests

2. DCaaS Storage

The agency requests \$1.4 million SGF for a new DCaaS charge by the OITS for FY 2027. Based on the OITS rate of \$0.25 per gigabyte, KDHE estimates the cost to be about \$112,500 per month for their 419 terabytes of data.

3. Disease Intervention Specialist Program

The agency requests \$1.0 million SGF to support the Disease Intervention Specialists (DIS) program within the Bureau of Disease Control and Prevention. The agency states that this program focuses on preventing and controlling sexually transmitted infections (STIs), including HIV. The individuals working for this program collaborate with local health departments, clinics, community organizations, and providers to provide a "boots on the ground" approach that includes implementing outbreak response protocols and interviewing people diagnosed with STIs (especially syphilis and HIV). All of this is done to help limit the spread of STIs by identifying and locating partners to help ensure they get tested and treated.

4. EQRO Procurement

The agency requests \$4.0 million, including \$1.0 million SGF, to address expected increased costs for the state's External Quality Review Organization (EQRO) contract. KanCare is required to contract with an EQRO to perform mandatory, external quality review of the care provided by the Managed Care Organizations (MCOs). The current contract with the program's EQRO vendor ends on June 30, 2026.

5. National Council for Prescription Drug Program

The agency requests \$6.3 million, including \$1.6 million SGF, to implement a CMS Final Rule that modernizes electronic pharmacy transactions. CMS Final Rule CMS-0056-F modifies the National Council for Prescription Drug Program's Retail Pharmacy Standards as well as modifies the Medicaid Pharmacy Subrogation Transaction standards. In essence, these changes will occur in the Kansas Modular Medicaid System managed by Gainwell Technologies and will modernize the computer system and communication technology between pharmacies and the state's Medicaid program.

6. KHEL Staffing

The agency requests \$285,000 SGF to support three additional laboratory scientists within the Kansas Health and Environmental Laboratories (KHEL).

7. Office of Vital Statistics Relocation

The agency requests \$615,000 SGF for FY 2027 to cover the ongoing increased rent and monumental surcharges associated with the new location of the Office of Vital Statistics.

8. Interoperability Rule

The agency requests \$3.4 million, including \$850,000 SGF, to complete system changes required by CMS Final Rule 0057-F pertaining to interoperability of Medicaid data. Gainwell Technologies would implement these changes.

9. Cardiac Arrest Registry for Enhanced Survival (CARES)

The agency requests the addition of \$17,000 SGF to continue providing communities access to the CARES program for FY 2027. CARES in Kansas is the state-level implementation of the national CARES program, which is a national registry that collects data on out-of-hospital cardiac arrests to allow for quality improvement and performance measurement of the state's emergency medical services (EMS)

system. The requested funding will allow Kansas EMS agencies and hospitals to maintain access to the CARES database and allow real-time report generation to assist in quality improvement. The agency lists the following counties as currently participating in the program: Butler, Douglas, Ellis, Finney, Geary, Harvey, Johnson, Linn, Pottawatomie, Pratt, Reno, Riley, Sedgwick, Seward, Shawnee, Wabaunsee, and Wyandotte.

10. Children’s Health Insurance Program (CHIP & MCHIP)

The agency requests \$26.0 million SGF for CHIP caseload for FY 2027. The program is seeing an increased caseload along with a decrease in federal matching funds as several services that had been fully covered with federal funds during the public health emergency have returned to the regular CHIP match rate.

Other Changes

11. FY 2027 Health Insurance Rate Change

The agency’s request includes \$278,349 SGF for a health insurance rate change for FY 2027. The increase is the result of changes made to budget cost indices produced each year by the Department of Administration. Those indices are used by all state agencies, and employer contribution rates are estimated to increase for all state agencies.

12. FY 2027 KPERS Rate Change

The agency’s request includes a reduction of \$8,803 SGF for a KPERS employer contribution rate change for FY 2027. The decrease is the result of changes made to budget cost indices produced each year by the Department of Administration. Those indices are used by all state agencies, and employer contribution rates are estimated to decrease for all state agencies.

13. All Other Adjustments

Apart from the changes made to the budget cost indices for group health insurance and KPERS, there is zero net change between the FY 2026 SGF approved and the FY 2027 agency request for SGF. This includes the transfer of \$2.0 million SGF from the Public Health Operating Account to the Women's Wellness Account as an Aid to Local expenditure, as described in the FY 2026 analysis.

Additionally, the agency’s request includes other SGF fluctuations across agency programs and includes a reduction of \$29.3 million in all other funds, including a reduction of \$9.0 million in federal funds and \$20.3 in other, special revenue funds, below the agency’s FY 2026 approved amount. These adjustments occur across the agency and include:

- **Administration:** The agency’s request includes a decrease of \$4.0 million, including a decrease of \$1.4 million SGF ,for the Administration Program, for a total of \$36.2 million for FY 2027. This represents an SGF decrease of 13.1percent below the FY 2026 approved amount;
- **Bureau of Community Health Systems:** The agency’s request includes a decrease of \$4.6 million, including an increase of \$802,775 SGF, for the Bureau of Community Health Systems, for a total of \$40.3 million for FY 2027. This represents an SGF increase of less than 1.0 percent above the FY 2026 approved amount. The Bureau of Community Health Systems provides programs related to emergency preparedness; radiation and chemical safety; health care access; trauma and minority health; and local public health coordination and education, including KS-Train. The deletion is predominately attributable to the agency providing less public health preparedness aid-to-local funding that is distributed to local health departments;
- **Bureau of Disease Control and Prevention:** The agency’s request includes a decrease of \$1.0 million, including an increase of \$3,124 SGF, for the Bureau of Disease Control and Prevention, for a total of \$19.0 million for FY 2027. This represents an SGF increase of less than 1.0 percent

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Budget Summary – Agency Request

above the FY 2026 approved amount. The Bureau of Disease Control and Prevention is the operating unit responsible for programs designed to prevent and control communicable diseases;

- **Bureau of Facilities and Licensing:** The agency’s request includes an increase of \$1.0 million, including an increase of \$18,365 SGF, for the Bureau of Facilities and Licensing, for a total of \$4.8 million for FY 2027. This represents an SGF increase of less than 1.0 percent above the FY 2026 approved amount. This funding supports Health Facility Surveyors who inspect and evaluate compliance with state regulations and federal certification standards among health facilities and providers, including acute and specialty hospitals, organ transplant centers, critical access hospitals, rural emergency hospitals, home health and hospice agencies, ambulatory surgical centers, rural health clinics, free-standing birth centers, Intermediate Care Facilities for Individuals with Intellectual Disabilities, End State Renal Disease facilities, outpatient physical therapy, comprehensive outpatient rehabilitation facilities and portable x-ray providers;
- **Bureau of Health Promotions:** The agency’s request includes a decrease of \$1.3 million, including a decrease of \$135,475 SGF, for the Bureau of Health Promotions, for a total of \$15.4 million for FY 2027. This represents an SGF decrease of 4.8 percent below the FY 2026 approved amount. The Bureau of health Promotion has seven sections that work collaboratively on programs to address chronic disease and injury prevention: Community Health Promotion, Cancer, Substance Use Disorder/Overdose Prevention, Community-Clinical Linkages, Injury and Violence Prevention, Community Health Workers, and Population Health Strategies;
- **Bureau of Family Health:** The agency’s request includes a decrease of \$4.2 million, including a decrease of \$235,294 SGF, for the Bureau of Family Health, for a total of \$98.2 million for FY 2027. This represents an SGF decrease of 1.2 percent below the FY 2026 approved amount. The Bureau of Family Health includes child care licensing, maternal and child health, newborn screening services, infant-toddler services, and WIC;
- **Bureau of Oral Health:** The agency’s request includes an increase of \$126,574, including a decrease of \$4,312 SGF, for the Bureau of Oral Health, for a total of \$1.3 million for FY 2027. This represents an SGF decrease of less than 1.0 percent below the FY 2026 approved amount. The Kansas Bureau of Oral Health (BOH) works to expand oral health awareness, promote integration across medical, dental, and mental health care, and support school- and community-based oral health programs. The BOH manages programs like the Kansas School Screening and Sealant Programs, which together serve hundreds of thousands of children statewide. It also updates the State Oral Health Plan, conducts oral health surveillance, and contributes Kansas data to national monitoring systems;
- **Bureau of Epidemiology and Public Health Informatics:** The agency’s request includes a decrease of \$2.1 million, including an increase of \$85,117 SGF, for the Bureau of Epidemiology and Public Health Informatics, for a total of \$16.7 million for FY 2027. This represents an SGF 40.5 percent above the FY 2026 approved amount. The Bureau of Epidemiology and Public Health Informatics is responsible for collecting, analyzing, and interpreting data that provide information on a variety of conditions of public health importance and on the health status of the population. The Bureau's epidemiologists provide data analysis and scientific expertise across the agency's programs. Additionally, among other things, the Bureau manages the state's reportable disease surveillance system, coordinating statewide prevention, surveillance, and response efforts to health care-associated infections and antimicrobial resistance, responding to outbreaks of disease related to infectious and environmental agents, and providing professional staffing for a 24-hour disease response hot line;

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- **Kansas Health and Environmental Laboratories:** The agency’s request includes a decrease of \$961,643, including an increase of \$13,068 SGF, for the Kansas Health and Environmental Laboratories (KHEL), for a total of \$15.4 million for FY 2027. This represents an SGF increase of less than 1.0 percent above the FY 2026 approved amount. KHEL conducts chemical, biological, and toxicological analyses of clinical specimens and environmental samples; and
- **Division of Health Care Finance:** The agency’s request includes a decrease of \$9.6 million, including an increase of \$1.1 million SGF, for the Division of Health Care Finance, for a total of \$3.9 billion for FY 2027. This represents an SGF increase of less than 1.0 percent above the FY 2026 approved amount. The Division oversees the state's medical assistance programs, including Medicaid, CHIP, MediKan, and medical assistance for the Early Detection Works Breast and Cervical Cancer program.

Rural Health Transformation Program

The Rural Health Transformation Program (RHTP) was authorized under Section 71401 of 2025 HR 1 (the “[One Big Beautiful Bill Act](#)”).¹ This legislation appropriated \$10 billion per year over five years (FY 2026–FY 2030) for states to apply for grants addressing large-scale rural health transformation initiatives. Half of the total (\$25 billion) will be allocated equally among approved states, and the remaining \$25 billion allocated based on metrics such as rural population, number of rural facilities, and state need.

CMS issued the [Notice of Funding Opportunity](#) mid-September of 2025. States were required to submit a one-time application by November 5, and awards are to be announced by December 31.

In [Kansas](#), Governor Kelly’s administration formed the Kansas Rural Health Innovation Alliance (KRHIA) in early October. She appointed 14 stakeholders representing rural hospitals, local health departments, behavioral-health organizations, and other rural health system partners. Kansas Department of Health and Environment, in collaboration with the University of Kansas Health System Care Collaborative and the Kansas Department for Aging and Disability Services, held multiple webinars and stakeholder meetings to solicit input and refine the state’s plan.

Kansas’ [draft plan](#) that was submitted to CMS is structured around goals, strategies, and objectives that provide the framework for five initiatives with estimated funding requirements and programs to accomplish defined outcomes by 2031. These initiatives include:

Initiative 1: Expand Primary and Secondary Prevention Programs

Estimated Funding Requirement

Approximately \$204 million (excluding administrative expenses) by investing in prevention and management of chronic diseases, consumer-facing technology, advancements in IT, assisting communities to right size their health care delivery system, and/or supporting access to opioid use disorder treatment services, other substance use disorder treatment services, and mental health services.

Outcomes Defining Success

By 2031, all rural Kansas counties will achieve statistically significant:

1. Reductions in the percentage of adults with fair or poor self-perceived health status;
2. Reductions in the percentage of adults reporting poor mental health;
3. Improvements in children’s performance on the Presidential Fitness Test;
4. Reductions in the percentage of residents reporting low health literacy;
5. Reductions in the incidence of diabetes, COPD, hypertension, heart failure, and dementia; and
6. Reductions in the rate of avoidable hospitalizations for diabetes, COPD, and heart failure.

To achieve the outcomes, the State will implement the following programs: Accountable Food is Medicine + Community Health Worker Deployment Program, Consumer-Facing Technologies Program, Behavioral Health Services Program, Integrated Care for Dual Eligible Beneficiaries Program, Mobile Cancer Screenings Program, and the Tribal Health Program. Additional details on the programs can be found in Kansas’ [draft plan](#) that was submitted to CMS.

¹ [One Big Beautiful Bill Act, H.R. 1, 119th Cong. \(2025\)](#)

Initiative 2: Secure Local Access to Primary Care

Estimated Funding Requirement

Approximately \$251 million (excluding administrative expenses) by investing in provider payments, assisting rural communities to right size their health care delivery system, capital expenditures and infrastructure, and fostering collaboration among stakeholders.

Outcomes Defining Success

By 2031, all rural Kansas hospitals will:

1. Achieve statistically significant improvements on key measures of revenue cycle efficiency;
2. Secure commercial payer rates sufficient to cover the costs of providing care in their communities;
3. Use data to evaluate and pursue opportunities for regional collaboration in delivery of clinical services and/or business operations;
4. Have resources available to support the transition to rural emergency hospital status, if such transition is determined appropriate for the community served; and
5. Work collaboratively with public health agencies to integrate public health with primary care.

To achieve the outcomes, the State will implement the following programs: Regional Partnerships Grant Program, REH Conversion/Transformative Capital Investment Grant Program, Revenue Improvement Program, Anchor Hospital Advancement Program, Mobile Integrated Health Pilot Program, and the Rural Primary Care – Public Health Integration Program. Additional details on the programs can be found in the Kansas’s [draft plan](#) that was submitted to CMS.

Initiative 3: Build a Sustainable Rural Health Workforce

Estimated Funding Requirement

Approximately \$133 million (excluding administrative expenses) by investing in recruiting and retaining clinical workforce talent to rural areas.

Outcomes Defining Success

By 2031, all rural Kansas communities will achieve:

1. Increases in the number of rural middle and high school students participating in health science CTE pathways or other health care career exploration activities;
2. Establishment of robust rural physician residency programs in primary care, general surgery, obstetrics, psychiatry, and orthopedics; and
3. Reductions in vacancy rates and turnover rates for nurses and allied health professionals.

To achieve the outcomes, the State will implement the following programs: Physician Pipeline Program, Education and Training Program, Recruitment and Retention Program, and the Career Exploration Program. Additional details on the programs can be found in Kansas’ [draft plan](#) that was submitted to CMS.

Initiative 4: Enable Value-Based Care

Estimated Funding Requirement

Approximately \$305 million (excluding administrative costs) by investing in prevention and management of chronic diseases, provider payments, innovative care models, and alternative payment models, and fostering collaboration among stakeholders.

Outcome Defining Success

By 2031, the following outcomes should be met:

1. All rural providers will achieve statistically significant improvements on specified pay-for-performance measures identified as foundational to clinical integration;
2. All rural providers will actively participate in clinically integrated networks with well-defined regional continuums of care for specified conditions;
3. There will be an adequate regional transportation system to support networks' continuums of care;
4. All rural hospitals and primary care providers will participate in the Medicare Shared Savings Program;
5. The state Medicaid program will include provider incentives for value-based care; and
6. Dual eligible beneficiaries will participate in integrated care plans or, if remaining in traditional Medicare, receive tailored care management services.

To achieve the outcomes, the State will implement the following programs: Evidence-Based Practice Incentive Program, ACO Readiness Program, Transportation Program, and a Medicaid Provider Incentive Payment Program. Additional detail on the programs can be found in Kansas' [draft plan](#) that was submitted to CMS.

Initiative 5: Harness Data and Technology

Expected Cost

Approximately \$110 million (excluding administrative expenses) by investing in consumer-facing technology to prevent and manage chronic diseases, training and technical assistance, and advancements in IT.

Outcomes Defining Success

By 2031, the following outcomes should be met:

1. Remote patient monitoring for acute and post-acute care and chronic disease management will be available as needed for rural Kansans;
2. Access to specialist services via telehealth will be available as needed for rural Kansans;
3. All rural providers will demonstrate adherence to TEFCA, and obstacles to rural residents' exercising control over their own data and rural providers' securely accessing patient data will be eliminated; and
4. All rural providers will have successfully implemented well-vetted and secure artificial intelligence agents and applications to improve clinical care and enhance operational efficiency.

To achieve the outcomes, the State will implement the following programs: Remote Patient Monitoring Program, Telehealth Navigator Program, Data Infrastructure Program, and the Emerging Technology Program. Additional detail on the programs can be found in Kansas' [draft plan](#) that was submitted to CMS.