SESSION OF 2026

SECOND CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2731

As Agreed to March 26, 2026

Brief*

HB 2731 would establish data-matching and eligibility verification requirements for the Secretary for Children and Families and the Secretary of Health and Environment for certain public assistance programs; permit continuous eligibility provisions for select individuals; prohibit certain exemptions, waivers, and self-attestation; and change eligibility requirements for certain public assistance programs.

Continuous Eligibility Protections

The bill would require the Kansas Department of Health and Environment (KDHE), in coordination with the Kansas Department for Aging and Disability Services (KDADS), to seek federal approvals including, at minimum, an application for a Section 1115 Medicaid Waiver in order to establish continuous Medicaid eligibility protections for individuals who:

- Have a documented, permanent intellectual or developmental disability (I/DD); and
- Are receiving services through a Home and Community Based Services (HCBS) waiver.

The bill would also require the program designed for federal approval for the individuals with I/DD and on a HCBS waiver to include:

- Establishment of continuous Medicaid eligibility unless a verified change occurred in income, assets, residency, or disability status;
- Limit routine eligibility redeterminations to circumstances involving documented or material changes;
- Maintain all existing financial eligibility standards and federal program integrity requirements; and
- Reduce administrative functions that do not improve eligibility accuracy or program oversight.

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*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at https://klrd.gov/

The bill could not be construed to do any of the following:

- Expand Medicaid eligibility categories;
- Modify financial eligibility thresholds;
- Alter services, protections, or assurances required under any HCBS waiver currently authorized; or
- Authorize implementation of continuous eligibility protections unless and until federal approval is received.

The bill would require the Secretary of Health and Environment to implement the continuous eligibility provisions in coordination with the Secretary for Aging and Disability Services upon federal approval.

The bill would also require the Secretary for Aging and Disability Services and Secretary of Health and Environment to report to the Legislature if the federal approval was not received regarding:

- Barriers to approval;
- Alternative administrative options to improve eligibility continuity; and
- Estimated fiscal and administrative impacts of such alternative approaches.

Eligibility Verification

Data Comparison Requirements

The bill would require the Secretary for Children and Families regarding eligibility for food assistance and the Secretary of Health and Environment regarding eligibility for medical assistance programs (assistance programs) to each enter into data-matching agreements with state agencies to compare data related for individuals and households applying for or receiving food or medical assistance that would indicate a change in circumstances that could affect eligibility for assistance.

The bill would also establish minimum requirements for the data-matching to occur as follows:

- On a monthly basis:
    - Death records from the Office of Vital Statistics;
    - Incarceration status from the Department of Corrections;
    - Lottery or gambling winnings of $3,000 or greater, to the extent permissible under federal law, from the Kansas Lottery and Kansas Racing and Gaming Commission; and
    - Potential changes in residency identified by out-of-state electronic benefit transfer transactions; and

- On a quarterly basis:
    - Changes in employment and wages from the Department of Labor.

The bill would require any enrollee determined to be non-compliant with requirements or ineligible for assistance programs to be provided no greater than a 30-day notice of non-compliance or ineligibility prior to being disenrolled from the assistance program.

Eligibility Redeterminations Regarding Medical Assistance

The bill would also require, on and after January 1, 2027, that all eligible individuals enrolled in an assistance program be verified against a death master file on a quarterly basis. Any individual's coverage would be terminated upon confirmation of the individual's death.

Eligibility Requirements

The bill would change eligibility requirements for assistance programs to:

- Prohibit the Department for Children and Families (DCF) and KDHE to, unless required by federal law, accept self-attestation, without verification, of:
    - Income;
    - Residency;
    - Age;
    - Household composition;
    - Caretaker relative status; or
    - Receipt of other coverage;
- Prohibit DCF and KDHE from requesting the authority to waive or decline to periodically check available income-related data sources to verify eligibility for:
    - Temporary Assistance for Needy Families (TANF);
    - Food assistance;
    - Medical assistance; or
    - Assistance under the child care subsidy program;
- Increase the age of "able-bodied adults" from 49 to 64 years of age;
- Require dependents of able-bodied adults to be under 14 years of age; and
- On and after January 1, 2027, limit retroactive eligibility in assistance programs to two months prior to the month the recipient makes an application for assistance.

Waiver and Exemption Prohibition

Time-limit Exemption

The bill would prohibit exemptions from time-limited assistance for:

- Homeless individuals;
- Veterans; or
- Individuals who:
  - Are 24 years or younger; and
  - Were in foster care when turning 18 years old or an older age as elected by the State under federal law.

Legislative Approval

The bill would require, on and after July 1, 2026, the Legislature to approve any optional exemption, geographic waiver, or work requirements waiver for any public assistance program by an act of the Legislature.

Federal Data Sharing

The bill would require, for purposes of identifying and removing individuals who are enrolled in assistance programs in multiple states, KDHE to submit medical assistance enrollee address information to the U.S. Centers for Medicare and Medicaid Services (CMS) on a monthly basis. The bill would require the information to be collected from:

- Mail returned to KDHE by the U.S. Postal Service (USPS) with a forwarding address;
- The National Change of Address Database maintained by USPS;
- A managed care organization, prepaid inpatient health plan, or prepaid ambulatory health plan that has a contract under the state plan if the address information is directly provided by or verified by the enrollee; or
- Any other data source identified by KDHE and approved by the U.S. Secretary of Health and Human Services.

Conference Committee Action

The Second Conference Committee agreed to remove the contents of HB 2731, regarding data sharing between the Office of Inspector General and DCF, and insert the contents of SB 363, as passed by the House, with the following amendments:

- Include language requiring KDHE and KDADS to seek federal approval to establish continuous Medicaid eligibility protections for individuals with I/DD and on a HCBS waiver;

- Include "household composition" in the list of prohibited data sources to verify income; and

- Remove the requirement that benefit eligibility redeterminations for the caretaker medical assistance population occur every six months under certain conditions.

[*Note:* The original contents of HB 2731, as passed by the House, are included in the Conference Committee Report for Senate Sub. for HB 2004.]

Background

SB 363 was introduced by the Senate Committee on Government Efficiency at the request of Senator Erickson.

Senate Committee on Government Efficiency

In the Senate Committee hearing on February 10 and 11, 2026, **proponent** testimony was provided by a representative of FGA Action, who generally stated the bill would take steps to restore accountability in the State's welfare programs by enhancing data-matching, removing vulnerabilities from self-attestation, and aligning work requirements with recent changes in federal law.

Neutral testimony was provided by representatives of DCF and KDHE. The conferees discussed current data verification practices and how it contrasts with the requirements of the bill. The conferees also discussed issues such as staffing, staff training, and current benefit error rates. The conferees generally noted the impact the bill would have on increasing staff tasks and the potential impact increased redeterminations could have on the error rate.

Neutral written-only testimony was provided by a representative of KDADS.

Opponent testimony was provided by representatives of Alliance for a Healthy Kansas, American Cancer Society Cancer Action Network, Disability Rights Center of Kansas, Flint Hills Breadbasket, Harvesters Community Food Bank, InterFaith Action, KanCare Advocates Network, Kansas Action for Children, Kansas Appleseed Center for Law and Justice, Kansas Chapter of American Academy of Pediatrics, Kansas Food Bank, LeadingAge Kansas, Little Lobbyists Kansas, and Second Harvest Community Food Bank. The opponents generally stated concerns that the bill could cause Kansans to lose access to assistance programs due to the additional administrative burdens, harm medical providers by limiting retroactivity of medical assistance, not address fraud or waste, and potentially increase the State's error rate due to increased opportunities for procedural mistakes due to more frequent redeterminations.

Opponent written-only testimony was provided by representatives of American Heart Association, El Centro, Futures First, InterHab, Kansas Children's Service League, Kansas City Medical Society Foundation, Kansas Coalition Against Sexual & Domestic Violence, Kansas Hospital Association, Kansas Silver Haired Legislature, Lawrence-Douglas County Public

Health, REACH Healthcare Foundation, Southeast Kansas Independent Living Resource Center Inc., Thrive Allen County, Thrive Kansas, United Community Services of Johnson County, United Methodist Health Ministry Fund, and United Way of Harvey & Marion Counties, and by 12 private citizens.

No other testimony was provided.

The Senate Committee amended the bill to:

- Include language requiring KDHE and KDADS to seek federal approval to establish continuous Medicaid eligibility protections for individuals with I/DD on a HCBS waiver and exclude these individuals from quarterly redeterminations [*Note:* This amendment was retained by the Conference Committee.];
- Maintain June 30, 2026, Medicaid eligibility standards for certain individuals [*Note:* This amendment was not retained by the House Committee on Welfare Reform.]; and
- Require quarterly and annual reports to select legislative committees regarding the number of Kansans becoming ineligible for benefits and why they are becoming ineligible. [*Note:* This amendment was not retained by the House Committee on Welfare Reform.]

Senate Committee of the Whole

The Senate Committee of the Whole amended the bill to:

- Add clarifying language that the state data sets used in the data-matching agreements required by the bill would be data sets that indicate a change in circumstance that may affect eligibility [*Note:* This amendment was retained by the Conference Committee.]; and
- Add individuals who are 19 years of age or younger to the list of those who would remain under the Kansas Medicaid Eligibility Standards in effect on June 30, 2026. [*Note:* This amendment was not retained by the Conference Committee.]

House Committee on Welfare Reform

In the House Committee hearing, a representative of FGA Action provided substantially similar **proponent** testimony as that provided in the Senate Committee hearing.

Representatives of DCF and KDHE provided substantially similar **neutral** testimony as provided in the Senate Committee.

Representatives of Alliance for a Healthy Kansas; American Heart Association; American Lung Association; Association of Community Mental Health Centers of Kansas; Disability Rights Center of Kansas; Flint Hills Breadbasket; Harvesters Community Food Network; Kansas Action for Children; Kansas Appleseed; Kansas Mental Health Coalition; and Kansas Silver-Haired Legislature provided substantially similar **opponent** testimony as that provided in the Senate Committee hearing.

Written-only opponent testimony was provided by a representative of the American Cancer Society Action Network, American Heart Association, American Lung Association, Blood Cancer United, and the Susan G. Komen Foundation; representatives of Futures First, Health Forward Foundation, Kansas Brain Injury Advisory Board, Kansas Children's Service League, Kansas City Medical Society Foundation, Kansas Coalition Against Sexual and Domestic Violence, Kansas-Nebraska American Cancer Society, Kansas Society of Clinical Oncology, Lawrence-Douglas County Public Health, MindsMatter, Reach Healthcare Foundation, Southeast Kansas Independent Living Resource Center, Thrive Allen County and Thrive Kansas, United Community Services of Johnson County, and United Methodist Health Ministry Fund; and by five private citizens.

No other testimony was provided.

The House Committee amended the bill to:

- Replace a provision requiring KDHE seek a Section 1115 Medicaid Waiver with a provision allowing KDHE to work with CMS to determine what waiver may allow for continuous eligibility and report such discussion or waiver application to certain legislative committees [*Note:* This amendment was not retained by the Conference Committee.];

- Replace a provision requiring the establishment of continuous Medicaid eligibility with a provision permitting the State to seek such continuous Medicaid eligibility subject to discussions with CMS [*Note:* This amendment was retained by the Conference Committee.];

- Remove a provision limiting routine eligibility redeterminations for individuals subject to continuous Medicaid eligibility [*Note:* This amendment was retained by the Conference Committee.];

- Remove provisions requiring DCF and KDHE to submit a report to specified legislative committees on the number of Kansans becoming ineligible for public assistance benefits and the reasons for losing such eligibility [*Note:* This amendment was retained by the Conference Committee.];

- Remove a requirement that DCF and KDHE verify potential changes in income, wages, or residency that may affect eligibility for food assistance or medical assistance on a quarterly basis [*Note:* This amendment was retained by the Conference Committee.];

- Remove a requirement that DCF and KDHE verify potential changes in employment, income, or assets that may affect eligibility for food assistance or medical assistance on a semi-monthly basis [*Note:* This amendment were retained by the Conference Committee.];

- Clarify an enrollee who has been determined to be noncompliant be provided no more than a 30-day notice of such noncompliance [*Note:* This amendment was retained by the Conference Committee.];

- Remove household composition from the list of eligibility criteria for which self-attestation is prohibited [*Note:* This amendment was not retained by the Conference Committee.];

- Replace a provision requiring redeterminations of an individual's eligibility for medical assistance be conducted on a quarterly basis with a provision requiring such redeterminations be conducted every six months for the caretaker medical assistance population and specify that such provision would take effect upon CMS approving the removal of the caretaker medical assistance population out of the Section 1115 Medicaid Waiver [*Note:* This amendment was not retained by the Conference Committee.]; and

- Remove a provision requiring the determinations and redeterminations of certain specified individuals be governed by the Kansas Medicaid Eligibility Standards in effect on June 30, 2026. [*Note:* This amendment was retained by the Conference Committee.]

Fiscal Information

SB 363

According to the fiscal note prepared by the Division of the Budget on SB 363, as introduced, the estimated total fiscal effect on the state would be an increase of $819,712 State General Fund (SGF) for FY 2026; $18.5 million, including $10.0 million SGF and 256.0 FTE positions, for FY 2027; and $17.2 million, including $7.7 million SGF and 256.0 FTE positions, for FY 2028.

KDHE states enactment of the bill, as introduced, could have significant fiscal effect on the agency. The agency states that costs for system changes to facilitate new data-sharing agreements and interfaces are typically 75.0 percent federally funded but that enhanced funding is subject to CMS approval, and a strong possibility exists that approval would not be granted to run income verification as frequently as required in the bill. KDHE indicates that should CMS not approve, the cost for the required changes would be $1.6 million SGF. The agency further notes additional costs of $40,000, including $10,000 SGF, for determining, building, and ongoing monitoring of reports and 192.0 FTE positions and $8.4 million, including $2.1 million SGF, for costs associated with prohibiting self-attestation.

Regarding the impact on Medicaid and the Children's Health Insurance Program (CHIP), KDHE indicates an estimated Medicaid savings of $5.1 million, including $2.0 million SGF, and an increase in CHIP costs of $5.2 million, including $1.6 million SGF, for FY 2027. For FY 2028, KDHE estimates Medicaid savings of $10.3 million, including $4.0 million SGF, and an increase in CHIP costs of $10.7 million, including $2.9 million SGF.

DCF states the fiscal effect on the agency for FY 2027 would be an additional $162,753 and 2.0 FTE positions to manage the interfaces and produce the information necessary to verify eligibility. The agency also notes an increased cost of $5.0 million, including $3.4 million SGF, and 204.0 FTE positions for FY 2027 and each year thereafter to carry out and manage the increased number of tasks due to the increased data comparisons and data sources.

DCF also indicates the increase in tasks required by the bill could impact the error rate due to it including changes impacting benefits that are not processed within 10 days. The agency notes if the State's Supplemental Nutrition Assistance Program (SNAP) error rate, 9.98 percent

in FY 2024, is not decreased to at or below 6.0 percent by federal FY 2028, then Kansas would be responsible for 10.0 percent of SNAP benefits paid, or approximately $40.0 million SGF.

DCF further states the work requirement changes in the bill, which align with federal changes, would increase costs for the SNAP Employment and Training Program by $819,712 SGF for FY 2026 and $3.2 million SGF for FY 2027 if no additional federal funding was received.

The fiscal effect related to SNAP work requirements is included in *The FY 2027 Governor's Budget Report*; however, any other fiscal effect associated with enactment of the bill is not reflected in the *The FY 2027 Governor's Budget Report*.

Public assistance; Secretary for Children and Families; Secretary of Health and Environment; data-matching; prohibitions; eligibility requirements; redeteriminations; Medicaid; SNAP; TANF; age limits; Kansas Department for Aging and Disability Services

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