Public Assistance Program Updates; HB 2731

HB 2731 establishes 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; permits continuous eligibility provisions for select individuals; prohibits certain exemptions, waivers, and self-attestation; and changes eligibility requirements for certain public assistance programs.

Continuous Eligibility Protections

The bill requires 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 also requires 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.

The bill cannot 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 requires 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 also requires 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 requires 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 also establishes 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 requires 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 also requires, 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 will be terminated upon confirmation of the individual's death.

Eligibility Requirements

The bill changes 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 prohibits 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 requires, 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 requires, 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 requires 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.