

SENATE BILL No. 226

By Senators Pyle, Journey and O'Connor

2-9

9 AN ACT relating to health care expenditure accounts for certain persons;
10 authorizing a state match for certain deposits into health care expend-
11 iture accounts.
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. As used in this act:

15 (a) "Eligible individual" means a person who: (1) Received a federal
16 earned income credit payment within the past 12 months from the time
17 of any deposit into a health care expenditure account, and (2) has been
18 determined eligible for Kansas medicaid benefits during part or all of
19 such twelve month period.

20 (b) "Financial institution" means the office of the state treasurer and
21 any bank, trust company, savings bank, credit union or savings and loan
22 association or any other financial institution with offices located in Kansas
23 and which is regulated by the state of Kansas or any agency of the United
24 States.

25 (c) "Health expenditure account" means an account at a financial
26 institution in this state which is used exclusively for the payment of qual-
27 ified health care expenditures.

28 (d) "Qualified health expenditures" means an expenditure for any
29 qualified medicaid eligible service.

30 Sec. 2. There is hereby established the health expenditure account
31 program. Any eligible person may establish a health expenditure account
32 at any willing financial institution in this state. Such account shall be a
33 non-interest bearing account and it shall be noted on the records of the
34 financial institution that the account is a health expenditure account.

35 Sec. 3. (a) In order to provide eligible persons with added incentive
36 to utilize health expenditure accounts, the state shall provide a match
37 amount equal to 10% of the eligible person's federal earned income pay-
38 ment that is deposited in a health expenditure account.

39 (b) The department of social and rehabilitation services shall admin-
40 ister the payment of the match amount and in order to make such pay-
41 ments the department may utilize any state moneys appropriated to it.
42 The department may adopt rules and regulations relating to (1) the pay-
43 ment of such match amounts, and (2) health expenditure accounts struc-

1 tured so that the match amount qualifies for federal match purposes.

2 Sec. 4. (a) Any person who establishes a health expenditure account
3 thereby agrees that:

4 (1) the financial institution and the department of social and reha-
5 bilitation services may exchange information relating to the account, and,
6 (2) moneys in such account will be utilized only for qualified health ex-
7 penditures. In the event an eligible individual utilizes money in such ac-
8 count for other purposes, the department of social and rehabilitation serv-
9 ices shall be entitled to a refund of all match amounts paid by it and may
10 commence any civil action or administrative procedures available to col-
11 lect such amounts.

12 Sec. 5. Notwithstanding any confidentiality laws, the department of
13 social and rehabilitation services and any financial institution are author-
14 ized to exchange information relating to health expenditure accounts of
15 eligible individuals.

16 Sec. 6. This act shall take effect and be in force from and after its
17 publication in the statute book.