

*As Amended by Senate Committee*

Session of 2006

**SENATE BILL No. 451**

By Senators Huelskamp and Petersen

1-25

10 AN ACT concerning medicaid; relating to the state medicaid plan; de-  
11 claring certain acts to be crimes and providing penalties for violations;  
12 amending K.S.A. 2005 Supp. 21-3847 and 39-7,121d and repealing the  
13 existing sections.

14

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

16 Section 1. K.S.A. 2005 Supp. 21-3847 is hereby amended to read as  
17 follows: 21-3847. (a) No ~~person~~ **recipient of medicaid benefits,**  
18 family member of such person **or provider of medicaid services** shall:

19 (1) Knowingly and intentionally solicit or receive any remuneration,  
20 including but not limited to any kickback, bribe or rebate, directly or  
21 indirectly, overtly or covertly, in cash or in kind:

22 (A) In return for referring or refraining from referring an individual  
23 to a person **or entity** for the furnishing or arranging for the furnishing  
24 of any goods, service, item, facility or accommodation for which payment  
25 may be made, in whole or in part, under the medicaid program; or

26 (B) in return for purchasing, leasing, ordering or arranging for or  
27 recommending purchasing, leasing or ordering any goods, service, item,  
28 facility or accommodation for which payment may be made, in whole or  
29 in part, under the medicaid program.

30 (2) Knowingly and intentionally offer or pay any remuneration, in-  
31 cluding, but not limited to, any kickback, bribe or rebate, directly or  
32 indirectly, overtly or covertly, in cash or in kind to any person **or entity**  
33 to induce such person **or entity**:

34 (A) To refer or refrain from referring an individual to a person **or**  
35 **entity** for the furnishing or arranging for the furnishing of any goods,  
36 service, item, facility or accommodation for which payment may be made,  
37 in whole or in part, under the medicaid program; or

38 (B) to purchase, lease, order, or arrange for or recommend purchas-  
39 ing, leasing, or ordering any goods, service, item, facility or accommo-  
40 dation for which payment may be made, in whole or in part, under the  
41 medicaid program.

42 (3) **Knowingly divide or share any funds illegally obtained from**  
43 **the medicaid program.**

1     **(b) No medicaid ~~client~~ recipient shall knowingly and intentionally**  
2 **trade a medicaid number for money or other remuneration ~~or~~, sign for**  
3 **services that are not received by the medicaid ~~client~~ recipient or sell or**  
4 **exchange for value goods purchased or provided under the medicaid**  
5 **program.**

6     ~~(b)~~ (c) A violation of this section is a severity level 7, nonperson  
7 felony.

8     ~~(c)~~ (d) This section shall not apply to a refund, discount, copayment,  
9 deductible, incentive or other reduction obtained by a provider in the  
10 ordinary course of business, and appropriately reflected in the claims or  
11 reports submitted to the medicaid program, or its fiscal agent, nor shall  
12 it be construed to prohibit deductibles, copayments or any other cost or  
13 risk sharing arrangements which are a part of any program operated by  
14 or pursuant to contracts with the medicaid program.

15     Sec. 2. K.S.A. 2005 Supp. 39-7,121d is hereby amended to read as  
16 follows: 39-7,121d. (a) The state medicaid plan shall include provisions  
17 for a program of differential dispensing fees for pharmacies that provide  
18 prescriptions for adult care homes under a unit dose system in accordance  
19 with rules and regulations of the state board of pharmacy and that partic-  
20 ipate in the return of unused medications program under the state  
21 medicaid plan.

22     (b) The state medicaid plan shall include provisions for differential  
23 ingredient cost reimbursement of generic and brand name pharmaceu-  
24 ticals. The director of health policy and finance shall set the rates for  
25 differential cost reimbursement of generic and brand name pharmaceu-  
26 ticals by rules and regulations.

27     (c) *On and after January 1, 2007, the state medicaid plan shall require*  
28 *that every pharmacy claim form under the plan include the prescriber's*  
29 *unique identification number.*

30     New Sec. 3. On and after January 1, 2007, the state medicaid plan  
31 shall require that medicaid consumers provide in addition to the monthly  
32 medical identification card a Kansas current resident driver's license or  
33 state-issued identification card each time care is received.

34     Sec. 4. K.S.A. 2005 Supp. 21-3847 and 39-7,121d are hereby  
35 repealed.

36     Sec. 5. This act shall take effect and be in force from and after its  
37 publication in the statute book.