



March 5, 2025

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Verbal Proponent Testimony on HB 2386  
House Committee on Health and Human Services

Chairman Carpenter and members of the Committee:

Thank you for the opportunity to provide proponent testimony in support of HB 2386, which makes technical fixes to the statute<sup>1</sup> related to the Children's Health Insurance Program (CHIP), **including permanently fixing an unintended error that has affected eligibility for nearly 17 years that impacts kids' access to health insurance coverage.**

### What Is the Children's Health Insurance Program (CHIP)?

The Children's Health Insurance Program (CHIP) is a federal-state health insurance program that extends health insurance options beyond Medicaid to families in Kansas.<sup>2</sup> Many working Kansas families who struggle to afford health insurance for their children can qualify, depending on income levels, for CHIP coverage in Kansas.

When kids have health coverage like through CHIP, they can go to the doctor and dentist, receive routine immunizations, receive medication, get treatments and therapies as needed, and access hospital care. A lack of health care, especially in childhood, leads to lifelong chronic conditions, shorter life expectancy, increased lifetime medical costs, and sicker families. Healthy kids are more likely to enter school ready to learn, graduate high school, and become healthy, productive adults.

To qualify for CHIP, children must be in families that meet income guidelines, calculated using the federal poverty level (FPL) income guidelines. To understand what FPL can look like, 100% FPL in 2024 was \$25,820 for a family of three (the equivalent of one parent working 40 hours per week at just \$12.40/hour). For families who have higher income levels and still qualify for CHIP, they pay a sliding scale premium up to \$50/month for their children's coverage.<sup>3</sup>

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<sup>1</sup> KSA 38-2001.

<sup>2</sup> Kansas Health Institute. (2024). *Kansas Medicaid: A Primer 2024*. <https://www.khi.org/wp-content/uploads/2024/01/Kansas-Medicaid-A-Primer-2024.pdf>

<sup>3</sup> KanCare. (April 2024). *Kansas Medical Assistance Standards*. <https://www.kancare.ks.gov/home/showpublisheddocument/4129/638630235899830000>

## What Is the Unintended Error in the CHIP Statute?

Kansas kids currently qualify for CHIP if their family's income is less than 250% FPL. Unfortunately, up until 2022, an error in the CHIP eligibility income guidelines in statute previously prevented access to kids who should have qualified for CHIP. When the Legislature last updated the CHIP eligibility percentages in 2008 during the conference committee process, the year-specific language "2008 federal poverty income guidelines" was unintentionally included in the final bill that became law.<sup>4</sup> After the bill was enacted, the 2008 reference was never removed from statute.

No other state references a specific year for their CHIP eligibility percentage, and no other place in Kansas law that references federal poverty income guidelines references a specific year. **This "2008" year language in Kansas statute is an outlier and must be removed from statute, which HB 2386 does.**

Because the 2008-year reference was included in statute, Kansas previously had to annually convert and reduce the CHIP eligibility threshold as the current federal poverty income guidelines increase each year. Due to the difference between federal and state eligibility levels, the Kansas Medicaid program had to annually submit a State Plan Amendment (SPA) to the Centers for Medicare and Medicaid Services (CMS) showing this converted percentage. In 2021, Kansas CHIP eligibility at 250% of the 2008 federal poverty income guidelines converted to 225% FPL.<sup>5</sup>

As you can see in the below table, conversion rates drastically changed across the last decade, with the 2013 percentage at 245% vs. the 2021 percentage at 225%. Following years' converted percentages were expected to have declined even further due to higher-than-normal inflation.

Eroding Kansas CHIP Eligibility Levels Since 2013	
Year (Beginning April 1)	Upper Income Standard in Current Year FPL
2013	245%
2014	242%
2015	239%
2016	238%
2017	236%
2018	235%
2019	230%
2020	227%
2021	225%

Source: CMS. (2021). *Kansas State Plan Amendment SPA-21-003*.

<sup>4</sup> KSA 38-2001(b)(7).

<sup>5</sup> Kansas Health Institute. (2022). *Kansas Medicaid: A 2022 Primer*.  
[https://www.khi.org/wp-content/uploads/2022/01/2022\\_medicaid\\_primer\\_web.pdf](https://www.khi.org/wp-content/uploads/2022/01/2022_medicaid_primer_web.pdf)

## What Does HB 2386 Do?

HB 2386 removes the 2008-year reference in the CHIP statute, so this annual conversion no longer needs to happen, as well as removing 2009- and 2010-year references in the current statute that are no longer needed. Finally, the bill removes waiting period and lockout period clauses<sup>6</sup> that are out of alignment with federal regulations. This bill puts statute back in alignment with federal regulatory changes.

## A Temporary Fix in 2022-2024, but a Permanent Fix Is Still Needed

Beginning in 2022, KAC has annually advocated for a permanent fix to this error. Multiple bills<sup>7</sup> have been introduced that would address this issue so Kansas families are on an even playing field with every other state in the country, and so that Kansas children won't fall through the cracks, losing health insurance coverage, if this issue is inadvertently omitted from the budget each year. However, those previous bills did not make it across the finish line.

Fortunately, starting in 2022, the Legislature has temporarily fixed this issue by adding an annual budget proviso, temporarily ignoring the "2008" year reference in Kansas law.<sup>8</sup> The latest FY 2026 budget bill, HB 2007, includes this annual proviso,<sup>9</sup> but the best solution remains passing HB 2386, to permanently address the needed technical fixes for CHIP eligibility. Also, **the Bob Bethell KanCare Oversight Committee's recent recommendations to the 2023, 2024, and 2025<sup>10</sup> Legislatures supported one or more of the pathways to resolving this issue.**

For the last 27 years, CHIP has connected thousands of Kansas kids in working families to affordable insurance coverage so they are healthy and ready to learn, graduate high school, and become healthy, productive adults. We urge this Committee to pass out HB 2386 to permanently fix CHIP eligibility issues. If I can be of further assistance, please contact me at [heather@kac.org](mailto:heather@kac.org).

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### About Kansas Action for Children

Kansas Action for Children is a nonprofit advocacy organization working to make Kansas a place where every child has the opportunity to grow up healthy and thrive. We work across the political spectrum to improve the lives of Kansas children through bipartisan advocacy, partnership, and information-sharing on key issues, including early learning and education, health, and economic security for families.

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<sup>6</sup> KSA 38-2001(b)(8); K.S.A. 38-2001(e).

<sup>7</sup> 2022 HB 2573 and SB 407; 2023 SB 45 and HB 2050.

<sup>8</sup> 2022 SB 267, Sec. 71(i), p.81; 2023 HB 2184, Sec.86(g), p. 96; 2024 SB 28, Sec. 78(g), p. 96.

<sup>9</sup> 2025 HB 2007, Sec. 81(g), p.130.

<sup>10</sup> KLRD. (January 2025). *Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services and KanCare Oversight Annual Report*. <https://klrd.gov/wp-content/uploads/2025/01/bethel-report-2024.pdf>