



TO: Senate Government Efficiency Committee

FROM: Tara Mays, Vice President State Legislative Affairs

DATE: February 11, 2025

RE: Senate Bill 161

Thank you for the opportunity to provide comments regarding SB 161 on behalf of our member hospitals. While we support the legislature's role in approving the budget for state agencies, we are concerned that SB 161 bill could have unintended consequences on the efficiency and responsiveness of our state Medicaid program.

Specifically, our concern lies with the language on line 14 of the bill requiring any increase in state costs, which would require the express consent of the legislature. First, "cost to the state" is not defined in the bill. It is unclear whether "cost to the state" references only State General Fund dollars or includes federal matching dollars and grants that are integral to public assistance programs. As written, the bill could actually cost the state money by prohibiting increased expenditures of non-state funds related to enhanced matching rates or federal grant funds that could be used in place of state funds.

The current bill would also prohibit additional expenditures without legislative approval. We are concerned that if caseload expenditures for a given fiscal year exceeded the estimates when the legislature is not in session, the Managed Care Organizations and, subsequently, providers would not be paid until the legislature reconvened.

Additionally, the Kansas legislative session does not mirror Congressional work cycles. This bill could reduce or even eliminate the agency's ability to respond to federal changes that impact the public assistance program.

While we believe the bill's intent is to address major programmatic changes, we are concerned that the language as written will negatively impact access to care, provider reimbursement and the ability of the state public assistance programs to run effectively and efficiently.

We thank the committee for their time and consideration of comments related to SB 161.