

February 2, 2026

The Honorable Renee Erickson, Chairperson
Senate Committee on Government Efficiency
300 SW 10th Avenue, Room 144-S
Topeka, Kansas 66612

Dear Senator Erickson:

SUBJECT: Fiscal Note for SB 428 by Senate Committee on Government Efficiency

In accordance with KSA 75-3715a, the following fiscal note concerning SB 428 is respectfully submitted to your committee.

SB 428 would require the Secretary for Children and Families and the Secretary of Health and Environment to execute a memorandum of agreement or other data-sharing instrument upon written request of the United States Department of Agriculture or Health and Human Services. The bill would require the Secretaries to comply with written data requests from these agencies.

According to the Department for Children and Families, enactment of SB 428 would have no fiscal effect for executing the data agreement. The costs of complying with the data request would depend on the specific request. Each data request could require different levels of effort and assistance dependent on items such as the frequency of the requests, where data for the request is maintained, the time frames covered by the requests, the amount of data elements, etc. These factors would contribute to staff availability to extract and provide the data or the need to hire a contractor to meet the request. It is estimated contractor assisted data extracts could cost between \$50,000 and \$300,000 per request.

The Kansas Department of Health and Environment (KDHE) indicates that enactment of SB 428 is indeterminable. KDHE Division of Health Care Finance (DHCF) is currently in compliance with all requirements for data transmission to the Centers for Medicare and Medicaid Services (CMS), an agency within the U.S. Department of Health and Human Services. The DHCF cannot anticipate whether additional data requests would be received or whether complying with such requests would incur costs. Additionally, Section 1902(a)(7) of the Social Security Act, as well as 42 CFR 431.300 – 431.305, require states to “provide safeguards that restrict the use or

disclosure of information concerning applicants and beneficiaries for purposes directly connected with the administration of the plan.”

The above-referenced statute and regulations prohibit KDHE from releasing information to any agency, both federal and state, that isn’t necessary for the administration of the program. Releasing information that is not necessary for program administration would put federal Medicaid funding at risk. The DHCF cannot anticipate whether all future data requests from the broader Health and Human Services agency would comply with the above requirements set forth in federal law and regulations. Any fiscal effect associated with SB 428 is not reflected in *The FY 2027 Governor’s Budget Report*.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Kim Holter, Department for Children & Families
Amy Penrod, Department of Health & Environment