

SESSION OF 2026

SUPPLEMENTAL NOTE ON SENATE BILL NO. 363

As Amended by Senate Committee on
Government Efficiency

Brief*

SB 363, as amended, would establish data matching and eligibility verification requirements for the Secretary for Children and Families and the Secretary of Health and Environment for certain public assistance programs; require quarterly and annual reporting requirements to the Legislature on certain programs; establish continuous eligibility provisions for select individuals; prohibit certain exemptions, waivers, and self-attestation; and change eligibility requirements for certain public assistance programs.

Continuous Eligibility Protections (New Section 1)

The bill would require the Kansas Department of Health and Environment (KDHE), in coordination with the Kansas Department for Aging and Disability Services (KDADS), to seek federal approvals including, at minimum, an application for a Section 1115 Medicaid Waiver in order to establish continuous Medicaid eligibility protections for individuals:

- With a documented, permanent intellectual or developmental disability (I/DD); and
- Are receiving services through a Home and Community Based Services (HCBS) waiver.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

The bill would also require the program designed for federal approval for the individuals who are I/DD and on a HCBS waiver to include:

- Establishment of continuous Medicaid eligibility unless a verified change occurred in income, assets, residency, or disability status;
- Limit routine eligibility redeterminations to circumstances involving documented or material changes;
- Maintain all existing financial eligibility standards and federal program integrity requirements; and
- Reduce administrative functions that do not improve eligibility accuracy or program oversight.

The bill could not be construed to do any of the following:

- Expand Medicaid eligibility categories;
- Modify financial eligibility thresholds;
- Alter services, protections, or assurances required under any HCBS waiver currently authorized; or
- Authorize implementation of continuous eligibility protections unless and until federal approval is received.

The bill would require the Secretary of Health and Environment to implement the continuous eligibility provisions in coordination with the Secretary for Aging and Disability Services upon federal approval.

The bill would also require the Secretary for Aging and Disability Services and Secretary of Health and Environment to report to the Legislature if the federal approval was not received regarding:

- Barriers to approval;
- Alternative administrative options to improve eligibility continuity; and
- Estimated fiscal and administrative impacts of such alternative approaches.

Eligibility Verification (New Section 3 and Section 6)

Data Comparison Requirements (New Section 3)

The bill would require the Secretary for Children and Families regarding eligibility for food assistance and the Secretary of Health and Environment regarding eligibility for medical assistance programs (assistance programs) to each enter into data-matching agreements with state agencies to compare data related for individuals and households applying for or receiving food or medical assistance that would indicate a change in circumstances that could affect eligibility for assistance.

The bill would also establish minimum requirements for the data-matching to occur as follows:

- On a semi-monthly basis:
 - Potential changes in employment, income, or assets from the Department of Labor;
- On a monthly basis:
 - Death records from the Office of Vital Statistics;
 - Incarceration status from the Department of Corrections;
 - Lottery or gambling winnings of \$3,000 or greater, to the extent permissible under

- federal law, from the Kansas Lottery and Kansas Racing and Gaming Commission; and
- Potential changes in residency identified by out-of-state electronic benefit transfer transactions; and
- On a quarterly basis:
 - Changes in employment and wages from the Department of Labor; and
 - Potential changes in income, wages, or residency identified by tax records from the Department of Revenue.

The bill would require any enrollee determined to be non-compliant with requirements or ineligible for assistance programs to be provided a 30-day notice of non-compliance or ineligibility prior to being disenrolled from the assistance program.

*Eligibility of Redetermination Regarding Medical Assistance
(Section 6)*

The bill would require that redeterminations for assistance programs, with the exception of enrollees that would qualify for continuous Medicaid coverage protections, occur quarterly.

The bill would also require, on and after January 1, 2027, that all eligible individuals enrolled in an assistance program be verified against a death master file on a quarterly basis. Any individual's coverage would be terminated upon confirmation of the individual's death.

The bill would also state, notwithstanding any provisions in the bill to the contrary, that medical assistance eligibility determinations and redeterminations be governed by the Kansas Medicaid Eligibility Standards in effect on June 30, 2026, except as otherwise required by federal law, for:

- Pregnant women;
- Individuals 65 years of age or older, including those applying for long-term care services or HCBS services; and
- Individuals applying for or receiving services through a HCBS waiver, including those on the waitlist for services.

Eligibility Requirements (Section 6)

The bill would change eligibility requirements for assistance programs to:

- Prohibit Department for Children and Families (DCF) and KDHE to, unless required by federal law, accept self-attestation, without verification, of:
 - Income;
 - Residency;
 - Age;
 - Household composition;
 - Caretaker relative status; or
 - Receipt of other coverage;
- Prohibit DCF and KDHE from requesting the authority to waive or decline to periodically check available income-related data sources to verify eligibility for:
 - Temporary Assistance for Needy Families (TANF);
 - Food assistance;
 - Medical assistance; or
 - Assistance under the child care subsidy program;

- Increase the age of able-bodied adults from 49 to 64 years of age;
- Require dependents of able-bodied adults to be under 14 years of age; and
- Limit retroactive eligibility in assistance programs to two months prior to the month the recipient makes an application for assistance on and after January 1, 2027.

Waiver and Exemption Prohibition (New Section 5 and Section 6)

Time-limit Exemption (Section 6)

The bill would prohibit exemptions from time-limited assistance for:

- Homeless individuals;
- Veterans; or
- Individuals, who:
 - Are 24 years or younger; and
 - Were in foster care when turning 18 years old or an older age as elected by the State under federal law.

Legislative Approval (New Section 5)

The bill would require, on and after July 1, 2026, the Legislature to approve any optional exemption, geographic waiver, or work requirements waiver for any public assistance program by an act of the Legislature.

Federal Data Sharing (New Section 4)

The bill would require, for purposes of identifying and removing individuals who are enrolled in assistance programs in multiple states, KDHE to submit medical assistance enrollee address information to the U.S. Centers for Medicare and Medicaid Services on a monthly basis. The bill would require the information to be collected from:

- Mail returned to KDHE by the U.S. Postal Service (USPS) with a forwarding address;
- The National Change of Address Database maintained by USPS;
- A managed care organization, prepaid inpatient health plan, or prepaid ambulatory health plan that has a contract under the state plan if the address information is directly provided by or verified by the enrollee; or
- Any other data source identified by KDHE and approved by the U.S. Secretary of Health and Human Services.

Assistance Program Reporting (New Section 2)

[*Note:* DCF is the agency that administers TANF, food assistance, and child care subsidies; KDHE administers Medicaid.]

The bill would require any state agency that administers a public assistance program to submit a report on the number of Kansans who become ineligible for public assistance benefits and the reasons why. The bill would require the report to be made both quarterly and annually as follows:

- On a quarterly basis to:

- Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services and KanCare Oversight; and
- Legislative Budget Committee; and
- On an annual basis, on or before the first day of each regular session of the Legislature to:
 - Senate Committee on Public Health and Welfare;
 - Senate Committee on Government Efficiency;
 - House Committee on Social Services Budget; and
 - House Committee on Welfare Reform.

Background

The bill was introduced by the Senate Committee on Government Efficiency at the request of Senator Erickson.

Senate Committee on Government Efficiency

In the Senate Committee hearing on February 10 and 11, 2026, **proponent** testimony was provided a representative of FGA Action, who generally stated the bill would take steps to restore accountability in the State's welfare programs by enhancing data-matching, removing vulnerabilities from self-attestation, and aligning work requirements with recent changes in federal law.

Neutral testimony was provided by representatives of DCF and KDHE. The conferees discussed current data verification practices and how it contrasts with the requirements of the bill. The conferees also discussed issues such as staffing, staff training, and current benefit error rates. The conferees generally noted the impact the bill would have on increasing staff tasks and the potential impact increased redeterminations could have on the error rate.

Neutral written-only testimony was provided by a representative of KDADS.

Opponent testimony was provided by representatives of Alliance for a Healthy Kansas, American Cancer Society Cancer Action Network, Disability Rights Center of Kansas, Flint Hills Breadbasket, Harvesters Community Food Bank, InterFaith Action, KanCare Advocates Network, Kansas Action for Children, Kansas Appleseed Center for Law and Justice, Kansas Chapter of American Academy of Pediatrics, Kansas Food Bank, Leading Age Kansas, Little Lobbyists Kansas, and Second Harvest Community Food Bank. The opponents generally stated concerns the bill could cause Kansans to lose access to assistance programs due to the additional administrative burdens, harm medical providers by limiting retroactivity of medical assistance, not address fraud or waste, and potentially increase the State's error rate due to increase opportunities for procedural mistakes due to more frequent redeterminations.

Opponent written-only testimony was provided by representatives of American Heart Association, El Centro, Futures First, InterHab, Kansas Children's Service League, Kansas City Medical Society Foundation, Kansas Coalition Against Sexual & Domestic Violence, Kansas Hospital Association, Kansas Silver Haired Legislature, Lawrence-Douglas County Public Health, REACH Healthcare Foundation, Southeast Kansas Independent Living Resource Center Inc., Thrive Allen County, Thrive Kansas, United Community Services of Johnson County, United Methodist Health Ministry Fund, United Way of Harvey & Marion Counties and 12 private citizens.

No other testimony provided.

The Senate Committee amended the bill to:

- Include language regarding KDHE and KDADS to seek federal approval to establish continuous Medicaid eligibility protections for I/DD individuals

on a HCBS waiver and exclude these individuals from quarterly redeterminations;

- Maintain June 30, 2026, Medicaid eligibility standards for certain individuals; and
- Require quarterly and annual reports to select legislative committees regarding the number of Kansans becoming ineligible for benefits and why they are becoming ineligible.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the estimated total fiscal effect on the state would be an increase of \$819,712 State General Fund (SGF) for FY 2026, \$18.5 million, including \$10.0 million SGF and 256.0 FTE, for FY 2027, and \$17.2 million, including \$7.7 million SGF and 256.0 FTE, for FY 2028.

KDHE states enactment of the bill, as introduced, could have significant fiscal effect on the agency. The agency states that costs for system changes to facilitate new data-sharing agreements and interfaces are typically 75.0 percent federally funded but that enhanced funding is subject to Centers for Medicare and Medicaid Services' (CMS) approval, and a strong possibility exists that approval would not be granted to run income verification as frequently as required in the bill. KDHE indicates that should CMS not approve, the cost for the required changes would be \$1.6 million SGF. The agency further notes additional costs of \$40,000, including \$10,000 SGF, for determining, building, and ongoing monitoring of reports and 192.0 FTE and \$8.4 million, including \$2.1 million SGF, for costs associated with prohibiting self-attestation.

Regarding the impact on Medicaid and the Children's Health Insurance Program (CHIP), KDHE indicates an estimated Medicaid savings of \$5.1 million, including \$2.0

million SGF, and an increase in CHIP costs of \$5.2 million, including \$1.6 million SGF, for FY 2027. For FY 2028, KDHE estimates Medicaid savings of \$10.3 million, including \$4.0 million SGF, and an increase in CHIP costs of \$10.7 million, including \$2.9 million SGF.

DCF states enactment of the bill, as introduced, the fiscal effect on the agency for FY 2027 would be an additional \$162,753 and 2.0 FTE to manage the interfaces and produce the information necessary to verify eligibility. The agency also notes an increased cost of \$5.0 million, including \$3.4 million SGF, and 204.0 FTE for FY 2027 and each year thereafter to carry out and manage the increased number of tasks due to the increased data comparisons and data sources.

DCF also indicates the increase in tasks required by the bill, as introduced, could impact the error rate due to it including changes impacting benefits that are not processed within 10 days. The agency notes if the State's Supplemental Nutrition Assistance Program (SNAP) error rate, 9.98 percent in FY 2024, is not decreased to at or below 6.0 percent by federal FY 2028, then Kansas would be responsible for 10.0 percent of SNAP benefits paid or approximately \$40.0 million SGF.

DCF further states the work requirement changes in the bill, as introduced, which align with federal changes, would increase costs for the SNAP Employment and Training Program by \$819,712 SGF for FY 2026 and \$3.2 million SGF for FY 2027 if no additional federal funding was received.

The fiscal effect related to SNAP work requirements is included in *The FY 2027 Governor's Budget Report*; however, any other fiscal effect associated with enactment of the bill is not reflected in the *The FY 2027 Governor's Budget Report*.

Public assistance; Secretary for Children and Families; Secretary of Health and Environment; data-matching; prohibitions; eligibility requirements; redeterminations; Medicaid; SNAP; TANF; age limits; Kansas Department for Aging and Disability Services