

March 10, 2017

The Honorable Steven Johnson, Chairperson
House Committee on Taxation
Statehouse, Room 185-N
Topeka, Kansas 66612

Dear Representative Johnson:

SUBJECT: Fiscal Note for HB 2112 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2112 is respectfully submitted to your committee.

HB 2112 would expand Medicaid coverage to all military veterans and their families with incomes up to 138.0 percent of Federal Poverty Level (FPL). Currently, military veterans and families who meet existing eligibility criteria are covered under all groups, including adult caretakers up to 38.0 percent of FPL, children up to 243.0 percent of FPL and pregnant women up to 171.0 percent of FPL. Adults and children with disabilities are also covered as well as persons age 65 and over.

The Kansas Department of Health and Environment (KDHE) states that Kansas currently has the authority to implement expanded Medicaid coverage to non-Medicare recipients under age 65 with incomes up to 138.0 percent FPL. However, the state plan does not present the option of targeting only military veterans and their families' for the expansion. A waiver from the Centers for Medicare and Medicaid Services would be necessary to implement HB 2112. KDHE also states that household determination size is also mandated by federal rule, so this may need to be reconciled with the intent of the bill. For Medicare recipients and persons over age 65, the state also has the authority to expand to all persons who meet the criteria, but would need a waiver to cover only military veterans and families'. In addition, a resource test currently applies to these individuals and the bill appears to exclude the resource test.

KDHE would also have to develop methods to identify and verify that a person is an honorably discharged military veteran. Estimation of a fiscal impact cannot be determined without this verification. Also, a determination would need to be made regarding existing

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medical coverage provided by Veterans Administration insurance, by potential applicant, since Medicaid would be the payer of last resort if a veteran was otherwise eligible for veterans' medical benefits. Any fiscal effect associated with HB 2112 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Dan Thimmesch, Health & Environment