

**SENATE BILL No. 38**

By Committee on Ways and Means

1-18

1 AN ACT establishing the KanCare bridge to a healthy Kansas program.

2

3 *Be it enacted by the Legislature of the State of Kansas:*

4 Section 1. Sections 1 through 13, and amendments thereto, shall be  
5 known and may be cited as the KanCare bridge to a healthy Kansas  
6 program, which is hereby established. The department of health and  
7 environment shall administer and promote the program and provide  
8 information to potential eligible individuals who live in medically  
9 underserved areas of Kansas.

10 Sec. 2. For purposes of eligibility determinations under the Kansas  
11 program of medical assistance on or after January 1, 2018, medical  
12 assistance shall be granted to any adult under 65 years of age, who is not  
13 pregnant and whose income does not exceed 133% of the federal poverty  
14 level, to the extent permitted under the provisions of 42 U.S.C. § 1396a, as  
15 it exists on the effective date of this act, and subject to the requirements of  
16 the KanCare bridge to a healthy Kansas program.

17 Sec. 3. (a) The department of health and environment shall refer all  
18 non-disabled adults in the KanCare bridge to a healthy Kansas program  
19 who are unemployed or working fewer than 20 hours a week, as a  
20 condition of the program, to the state's existing workforce training  
21 programs and work search resources, including, but not limited to:

22 (1) The Kansasworks program administered by the department of  
23 commerce; or

24 (2) the generating opportunities to attain lifelong success program  
25 administered by the department for children and family services.

26 (b) The KanCare bridge to a healthy Kansas program application  
27 shall:

28 (1) Screen applicants for education status;

29 (2) screen applicants for employment status; and

30 (3) require applicants to acknowledge the referral required by  
31 subsection (a).

32 (c) Full-time students shall be exempted from the referral required by  
33 subsection (a) for each year they are enrolled in a postsecondary education  
34 institution or technical school.

35 (d) Parents with minor children in the home are exempt from the  
36 referral required by subsection (a) at the discretion of the department of

1 health and environment.

2 Sec. 4. (a) The department of health and environment may establish a  
3 health insurance coverage premium assistance program for individuals  
4 who meet the following requirements:

5 (1) The individual has an annual household income of not more than  
6 133% of the federal income poverty level, based on the adjusted gross  
7 income provisions set forth in section 2001(a)(1) of the federal patient  
8 protection and affordable care act; or

9 (2) the individual is eligible for health insurance coverage through an  
10 employer but cannot afford the health insurance coverage premiums.

11 (b) A program established under this section must:

12 (1) Contain eligibility requirements that are similar to the eligibility  
13 requirements of the KanCare bridge to a healthy Kansas program; and

14 (2) provide that an individual's payment for a health insurance  
15 coverage premium may not exceed 2% of the individual's annual income.

16 Sec. 5. (a) A denial of federal approval and federal financial  
17 participation that applies to any part of the KanCare bridge to a healthy  
18 Kansas program shall not prohibit the department of health and  
19 environment from implementing any other part of the program, except for  
20 section 13, and amendments thereto, that:

21 (1) Is federally approved for federal financial participation; or

22 (2) does not require federal approval or federal financial participation.

23 (b) The secretary may make changes to the KanCare bridge to a  
24 healthy Kansas program if the changes are required by the United States  
25 department of health and human services or federal statute or regulation.

26 Sec. 6. The department shall produce and submit a waiver request to  
27 the United States department of health and human services to implement  
28 the program with services to begin on or before January 1, 2018.

29 Sec. 7. (a) All moneys collected or received by the secretary of health  
30 and environment from drug rebates connected to KanCare bridge to a  
31 healthy Kansas program beneficiaries shall be remitted to the state  
32 treasurer in accordance with the provisions of K.S.A. 75-4215, and  
33 amendments thereto. Upon receipt of each such remittance, the state  
34 treasurer shall deposit the entire amount in the state treasury to the credit  
35 of the KanCare bridge to a healthy Kansas drug rebate fund.

36 (b) There is hereby created in the state treasury the KanCare bridge to  
37 a healthy Kansas program drug rebate fund as a reappropriating fund.  
38 Moneys in the KanCare bridge to a healthy Kansas program drug rebate  
39 fund shall be expended for the purpose of medicaid medical assistance  
40 payments for KanCare bridge to a healthy Kansas program beneficiaries.  
41 All expenditures from the KanCare bridge to a healthy Kansas program  
42 drug rebate fund shall be made in accordance with appropriation acts upon  
43 warrants of the director of accounts and reports issued pursuant to

1 vouchers approved by the secretary of health and environment or the  
2 secretary's designee.

3 (c) The KanCare bridge to a healthy Kansas program drug rebate  
4 fund shall be used for the purposes set forth in this act and for no other  
5 governmental purposes. It is the intent of the legislature that the fund shall  
6 remain intact and inviolate for the purposes set forth in this act, and  
7 moneys in the fund shall not be subject to the provisions of K.S.A. 75-  
8 3722, 75-3725a and 75-3726a, and amendments thereto.

9 (d) On or before the 10<sup>th</sup> day of each month, the director of accounts  
10 and reports shall transfer from the state general fund to the KanCare bridge  
11 to a healthy Kansas program drug rebate fund interest earnings based on:

12 (1) The average daily balance of moneys in the KanCare bridge to a  
13 healthy Kansas program drug rebate fund for the preceding month; and

14 (2) the net earnings rate of the pooled money investment portfolio for  
15 the preceding month.

16 (e) On or before January 8, 2018, and on or before the first day of the  
17 regular session of the legislature each year thereafter, the secretary of  
18 health and environment shall prepare and deliver a report to the legislature  
19 that summarizes all expenditures from the KanCare bridge to a healthy  
20 Kansas program drug rebate fund, fund revenues and recommendations  
21 regarding the adequacy of the fund to support KanCare bridge to a healthy  
22 Kansas program expenditures.

23 Sec. 8. (a) All moneys collected or received by the secretary of health  
24 and environment for privilege fees collected pursuant to K.S.A. 40-3213,  
25 and amendments thereto, connected to the KanCare bridge to a healthy  
26 Kansas program beneficiaries shall be remitted to the state treasurer in  
27 accordance with the provisions of K.S.A. 75-4215, and amendments  
28 thereto. Upon receipt of each such remittance, the state treasurer shall  
29 deposit the entire amount in the state treasury to the credit of the KanCare  
30 bridge to a healthy Kansas program privilege fee fund.

31 (b) There is hereby created in the state treasury the KanCare bridge to  
32 a healthy Kansas program privilege fee fund as a reappropriating fund.  
33 Moneys in the KanCare bridge to a healthy Kansas program privilege fee  
34 fund shall be expended for the purpose of medicaid medical assistance  
35 payments for KanCare bridge to a healthy Kansas program beneficiaries.  
36 All expenditures from the KanCare bridge to a healthy Kansas privilege  
37 fee fund shall be made in accordance with appropriation acts upon  
38 warrants of the director of accounts and reports issued pursuant to  
39 vouchers approved by the secretary of health and environment or the  
40 secretary's designee.

41 (c) The KanCare bridge to a healthy Kansas privilege fee fund shall  
42 be used for the purposes set forth in this act and for no other governmental  
43 purposes. It is the intent of the legislature that the fund shall remain intact

1 and inviolate for the purposes set forth in this act, and moneys in the fund  
2 shall not be subject to the provisions of K.S.A. 75-3722, 75-3725a and 75-  
3 3726a, and amendments thereto.

4 (d) On or before the 10<sup>th</sup> day of each month, the director of accounts  
5 and reports shall transfer from the state general fund to the KanCare bridge  
6 to a healthy Kansas privilege fee fund interest earnings based on:

7 (1) The average daily balance of moneys in the KanCare bridge to a  
8 healthy Kansas privilege fee fund for the preceding month; and

9 (2) the net earnings rate of the pooled money investment portfolio for  
10 the preceding month.

11 (e) On or before January 8, 2018, and on or before the first day of the  
12 regular session of the legislature each year thereafter, the secretary of  
13 health and environment shall prepare and deliver a report to the legislature  
14 that summarizes all expenditures from the KanCare bridge to a healthy  
15 Kansas privilege fee fund, fund revenues and recommendations regarding  
16 the adequacy of the fund to support necessary KanCare bridge to a healthy  
17 Kansas program expenditures.

18 Sec. 9. (a) On or before January 8, 2018, and on or before the first  
19 day of the regular session of the legislature each year thereafter, the  
20 secretary of health and environment shall prepare and deliver a report to  
21 the legislature that summarizes the cost savings achieved by the state from  
22 the movement of beneficiaries from the KanCare program to the KanCare  
23 bridge to a healthy Kansas program, including, but not limited to, the  
24 MediKan program, the medically needy spend-down program and the  
25 breast and cervical cancer program.

26 (b) State cost savings shall be determined by calculating the cost of  
27 beneficiaries if services were provided in the KanCare program less the  
28 cost of services provided to beneficiaries under the KanCare bridge to a  
29 healthy Kansas program.

30 Sec. 10. On or before January 8, 2018, and on or before the first day  
31 of the regular session of the legislature each year thereafter, the secretary  
32 of corrections shall prepare and deliver a report to the legislature that  
33 identifies cost savings to the state from the use of the KanCare bridge to a  
34 healthy Kansas program to cover inmate inpatient hospitalization.

35 Sec. 11. On or before February 15 of each year, the secretary of  
36 health and environment shall present a report to the house committee on  
37 appropriations and the senate committee on ways and means that  
38 summarizes the costs for the KanCare bridge to a healthy Kansas program  
39 and the cost savings and additional revenues identified in sections 7  
40 through 9, and amendments thereto.

41 Sec. 12. (a) There is hereby established the KanCare bridge to a  
42 healthy Kansas working group.

43 (b) The working group is charged with identifying non-state general

1 fund sources to fund any shortfall identified by the secretary of health and  
2 environment in section 11, and amendments thereto, for the KanCare  
3 bridge to a healthy Kansas program.

4 (c) The working group shall be composed of the following members:

5 (1) Two members of the house of representatives appointed by the  
6 speaker of the house of representatives;

7 (2) one member of the house of representatives appointed by the  
8 minority leader of the house of representatives;

9 (3) two members of the senate appointed by the president of the  
10 senate;

11 (4) one member of the senate appointed by the minority leader of the  
12 senate;

13 (5) one representative from the Kansas hospital association;

14 (6) one representative from the Kansas medical society;

15 (7) one representative from the Kansas association for the medically  
16 underserved;

17 (8) one representative from the Kansas academy of family physicians;

18 (9) one representative from the association of community mental  
19 health centers of Kansas;

20 (10) one representative from the Kansas dental association;

21 (11) one representative from the Kansas emergency medical services  
22 association;

23 (12) one representative from the Kansas optometric association;

24 (13) one representative from the Kansas pharmacist's association; and

25 (14) one representative of KanCare bridge to a healthy Kansas  
26 program consumers from alliance for a healthy Kansas.

27 (d) The chairperson of the working group shall be elected by the  
28 members of the working group:

29 (1) From members of the working group from the house of  
30 representatives in even-numbered years; and

31 (2) from members of the working group from the senate in odd-  
32 numbered years.

33 (e) The staff of the Kansas legislative research department shall  
34 provide such assistance as may be requested by the working group.

35 (f) (1) Legislative members attending a meeting of the working group  
36 or a subcommittee meeting thereof shall receive compensation and travel  
37 expenses and subsistence expenses or allowances as provided in K.S.A.  
38 75-3212, and amendments thereto.

39 (2) Non-legislative members shall not receive compensation,  
40 subsistence allowance, mileage or associated expenses from the state for  
41 attending a meeting or subcommittee meeting of the working group.

42 (h) The working group shall meet no fewer than two times in any  
43 given calendar year.

1 (i) A quorum of the working group shall be nine members, of which  
2 at least four shall be legislative members of the working group.

3 (j) The working group shall report to the legislature on or before  
4 March 15 of each year with recommendations for funding the KanCare  
5 bridge to a healthy Kansas program, as necessary.

6 Sec. 13. If, at any point, the percentages of federal medical assistance  
7 available to the program for coverage of program participants described in  
8 section 1902(a)(10)(A)(i)(VIII) of the federal social security act are less  
9 than the percentages provided for in section 1201(b)(1)(A) through (E) of  
10 the federal health care and education reconciliation act of 2010, as it exists  
11 on the effective date of this act, the department of health and environment  
12 shall terminate the KanCare bridge to a healthy Kansas program over a 12-  
13 month period, beginning on the first day that the federal medical assistance  
14 percentages fall below such amount.

15 Sec. 14. This act shall take effect and be in force from and after its  
16 publication in the Kansas register.