

HOUSE BILL No. 2522

By Committee on Appropriations

1-29

1 AN ACT concerning hospitals; relating to rural hospitals; providing grant
2 assistance to hospitals in certain counties; establishing the rural hospital
3 innovation grant program; rural hospital innovation grant fund.
4

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

6 Section 1. (a) As used in this section:

7 (1) "Eligible county" means a county in Kansas other than Douglas,
8 Johnson, Sedgwick, Shawnee or Wyandotte county.

9 (2) "Hospital" means the same as defined in K.S.A. 65-425, and
10 amendments thereto.

11 (3) "Transitional assistance" means any assistance related to changing
12 a hospital's current healthcare delivery model to a model more appropriate
13 for the community that the hospital serves, including, but not limited to:
14 Conducting a market study of healthcare services needed and provided in
15 the community; acquiring and implementing new technological tools and
16 infrastructure, including, but not limited to, telemedicine delivery
17 methods; and acquiring the services of appropriate personnel, including,
18 but not limited to, additional medical residents or individuals trained to be
19 needed healthcare professionals.

20 (b) (1) There is established the rural hospital innovation grant
21 program to be administered by the secretary of health and environment.
22 The program, and any grant awarded thereunder, shall be for the purpose
23 of strengthening and improving the healthcare system and increasing
24 access to healthcare services in eligible counties to help communities in
25 such counties achieve and maintain optimal health by providing
26 transitional assistance to hospitals in such counties. The secretary may
27 award a rural hospital innovation grant to a county that applies in
28 accordance with this section.

29 (2) The secretary of health and environment may award a grant under
30 this section only if the amount of state moneys to be awarded in the grant
31 has been matched by private stakeholders, including hospital foundations
32 or other organizations, contributing to the secretary for the program, on a
33 basis of \$2 of private stakeholder moneys for every \$1 of state moneys.
34 The secretary of health and environment may receive moneys by bequest,
35 donation or gift to fulfill the public-private match of moneys required
36 under this paragraph. Any such moneys received shall be remitted to the

1 state treasurer in accordance with K.S.A. 75-4215, and amendments
2 thereto. Upon receipt of each such remittance, the state treasurer shall
3 deposit the entire amount in the state treasury to the credit of the rural
4 hospital innovation grant fund.

5 (3) The board of county commissioners of an eligible county, or the
6 board's designee, may apply to the secretary for a rural hospital innovation
7 grant in the form and manner prescribed by the secretary of health and
8 environment. Such application shall include:

9 (A) A description of the hospital for which the grant moneys will be
10 expended, including the name and location of the hospital;

11 (B) a statement of the amount of grant moneys requested;

12 (C) a description of the needs of the hospital, the transitional
13 assistance for which the grant moneys will be expended and how such
14 transitional assistance will meet the stated needs; and

15 (D) any other information that the secretary deems necessary to
16 administer this section.

17 (4) Prior to awarding any grant moneys to an eligible county under
18 this section, the secretary shall enter into a written agreement with the
19 county requiring that the county:

20 (A) Expend any such grant moneys to provide transitional assistance
21 to a hospital in the eligible county, as approved by the secretary;

22 (B) no later than one year after any such grant moneys are awarded,
23 report to the secretary detailing the effect that such grant is having on
24 health and other outcomes in the eligible county and the affected
25 community;

26 (C) repay all awarded grant moneys to the secretary if the county fails
27 to satisfy any material term or condition of the grant agreement; and

28 (D) any other terms and conditions that the secretary deems necessary
29 to administer this section.

30 (c) (1) There is established in the state treasury the rural hospital
31 innovation grant fund to be administered by the secretary of health and
32 environment. All moneys credited to the fund shall be used only for
33 purposes related to the rural hospital innovation grant program. All
34 expenditures from the fund shall be made in accordance with appropriation
35 acts upon warrants of the director of accounts and reports issued pursuant
36 to vouchers approved by the secretary of health and environment or the
37 secretary's designee.

38 (2) On July 1, 2020, the director of accounts and reports shall transfer
39 \$10,000,000 from the state general fund to the rural hospital innovation
40 grant fund.

41 (d) The secretary of health and environment shall adopt rules and
42 regulations as necessary to implement and administer this section.

43 (e) (1) On or before October 1 of each year, for each rural hospital

1 innovation grant awarded under this section, the county shall prepare and
2 submit to the secretary of health and environment a report describing: The
3 amount and stated purposes of any awarded grant moneys; the fulfillment
4 of the terms and conditions of the grant agreement; and the transitional
5 assistance upon which the moneys have been spent.

6 (2) On or before February 1 of each year, the secretary shall compile
7 the information received under this subsection and submit a report to the
8 governor and the legislature including such information and a description
9 of and reasoning for any applications for a rural hospital innovation grant
10 that the secretary has denied.

11 (f) (1) The rural hospital innovation grant program shall expire on
12 June 30, 2024.

13 (2) On July 1, 2024:

14 (A) The director of accounts and reports shall transfer all moneys in
15 the rural hospital innovation grant fund to the state general fund;

16 (B) all liabilities of the rural hospital innovation grant fund shall be
17 transferred to and imposed on the state general fund; and

18 (C) the rural hospital innovation grant fund shall be abolished.

19 Sec. 2. This act shall take effect and be in force from and after its
20 publication in the statute book.