

SESSION OF 2019

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2066**

As Amended by House Committee of the Whole

**Brief\***

HB 2066, as amended, would establish the KanCare Bridge to a Healthy Kansas Program (Program). The Kansas Department of Health and Environment (KDHE) would be required to administer and promote the Program and provide information to potential eligible individuals who live in medically underserved areas of the state. The bill would modify the eligibility requirements for the Kansas Medical Assistance Program, on or after January 1, 2020, to include any non-pregnant adult under 65 years of age, whose income does not exceed 133 percent of the federal poverty level (FPL), to the extent allowed under the federal Social Security Act as it exists on the effective date of the bill, and subject to the requirements of the Program. The bill would require referral to workforce training programs; create a Program Drug Rebate Fund and a Program Privilege Fee Fund; create a health insurance coverage premium assistance program; address federal denial and approval of financial participation; require submission of a state plan amendment, waiver request, or other approval request necessary to the federal government; prohibit coverage or reimbursement for any abortion services under the Program; require enrollees to pay a monthly fee for participation in the Program; require various Program reports to the Legislature; and create a Program Working Group.

The bill would state the Legislature expressly consents to expand eligibility for receipt of benefits under the Kansas Program of Medical Assistance by the passage and enactment of the Program.

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\*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 <http://www.kslegislature.org>

## ***KanCare Bridge to a Healthy Kansas Program***

### *Workforce Training Program Referral*

The bill would require KDHE to refer certain non-disabled adults to the state's existing workforce training programs and work search resources, as outlined in the bill. The bill would provide exemptions from the referral for:

- Full-time students for each year they are enrolled in a postsecondary education institution or technical school; and
- Parents with minor children in the home, at the discretion of KDHE.

### *Program Application*

The bill would require the Program application to screen applicants for education status and employment status, and require applicants to acknowledge KDHE referrals to workforce training programs and work search resources.

### *Health Insurance Coverage Premium Assistance Program*

The bill would allow KDHE to establish a health insurance coverage premium assistance program for individuals with an annual household income of not more than 133.0 percent of the FPL or for individuals eligible for health insurance coverage through an employer but who cannot afford the premiums.

The bill would require a premium assistance program to contain eligibility requirements the same as those for the Program and provide that an individual's payment for a health insurance coverage premium cannot exceed 2.0 percent of the individual's annual income.

### *Monthly Fee*

KDHE would be required to charge each person enrolled under the Program a \$25 monthly fee as a condition of participation in the Program, up to a maximum of \$100 per month per family household. KDHE would be required to remit all monthly fees collected to the State Treasurer. The bill would require the State Treasurer to deposit the entire amount into the State Treasury to the credit of the State General Fund (SGF).

The bill would require KDHE to suspend an enrollee's coverage under the Program for three calendar months following three consecutive calendar months of nonpayment of the fee established under this section. Any such suspended enrollee would be allowed to apply for reinstatement of coverage one time. KDHE would be required to suspend an enrollee's reinstated coverage permanently following another three consecutive months of nonpayment of the monthly fee.

### *Federal Denial of Approval and Financial Participation*

If a denial of federal approval and federal financial participation that applies to any part of the Program would occur, KDHE would not be prohibited from implementing any other part of the program that is federally approved for federal financial participation or does not require federal approval or federal financial participation—except, if at any point the federal match for non-pregnant adults under 65 years of age and with income not exceeding 133.0 percent of the FPL is less than the enhanced federal match rate under the federal Health Care and Education Reconciliation Act of 2010, as it exists on the effective date of this bill, KDHE would be required to terminate the Program over a 12-month period, beginning on the first day the federal medical assistance percentage falls below such amount.

KDHE would be allowed to make changes to the Program if required by the U.S. Department of Health and Human Services (HHS) or federal statute or regulation.

*Implementation Approval Request*

KDHE would be required to submit to the Centers for Medicare and Medicaid Services a plan amendment, waiver request, or other approval request necessary to implement the Program.

*Program Drug Rebate Fund*

The bill would create the KanCare Bridge to a Healthy Kansas Program Drug Rebate Fund (Rebate Fund) as a reappropriating fund. The bill would require all moneys collected or received by the Secretary of Health and Environment from drug rebates connected to Program beneficiaries to be deposited in the Rebate Fund and such funds to be expended for the purpose of Medicaid medical assistance payments for Program beneficiaries. The bill would require the Rebate Fund to be used only for the Program and would state it is the intent of the Legislature the Rebate Fund remain intact and inviolate and not be subject to transfers and allotments. The bill would provide for the monthly transfer of interest earnings, as outlined in the bill, from the SGF to the Rebate Fund.

*Rebate Fund Report to Legislature*

On or before January 11, 2021, and on or before the first day of the regular legislative session each year thereafter, the Secretary of Health and Environment would be required to prepare and deliver a report to the Legislature summarizing all expenditures from the Rebate Fund, Rebate Fund revenues, and recommendations regarding the adequacy of the Rebate Fund to support necessary Program expenditures.

### *Program Privilege Fee Fund*

The bill would create the KanCare Bridge to a Healthy Kansas Program Privilege Fee Fund (Privilege Fee Fund) as a reappropriating fund. The bill would require all moneys collected or received by the Secretary of Health and Environment from privilege fees connected to Program beneficiaries to be deposited in the Privilege Fee Fund and such funds to be expended for the purpose of Medicaid medical assistance payments for Program beneficiaries. The bill would state legislative intent that the Privilege Fee Fund remain intact and inviolate and not be subject to transfers and allotments. The bill would provide for the monthly transfer of interest earnings, as outlined in the bill, from the SGF to the Privilege Fee Fund.

### *Privilege Fee Fund Report to Legislature*

On or before January 11, 2021, and on or before the first day of the regular legislative session each year thereafter, the Secretary of Health and Environment would be required to prepare and deliver a report to the Legislature summarizing all expenditures from the Privilege Fee Fund, Privilege Fee Fund revenues, and recommendations regarding the adequacy of the Privilege Fee Fund to support necessary Program expenditures.

### *Program Cost Savings Report to the Legislature*

On or before January 11, 2021, and on or before the first day of the regular legislative session each year thereafter, the Secretary of Health and Environment would be required to prepare and deliver a report to the Legislature summarizing the cost savings achieved by the State from the movement of beneficiaries from the KanCare program to the Program, including, but not limited to, the MediKan program, the medically needy spend-down program, and the breast and cervical cancer program. The bill would specify the method for calculating the cost savings.

*Inmate Inpatient Hospitalization Cost Savings Report to the Legislature*

On or before January 11, 2021, and on or before the first day of the regular legislative session each year thereafter, the Secretary of Corrections would be required to prepare and deliver a report to the Legislature identifying the cost savings achieved by the State from the use of the Program to cover inmate inpatient hospitalization.

*KDHE Annual Report to Legislative Committees*

On or before February 15 of each year, the Secretary of Health and Environment would be required to present a report to the House Committee on Appropriations and the Senate Committee on Ways and Means summarizing the costs for the Program and the cost savings and additional revenues identified in previously mentioned annual reports to the Legislature on the Drug Rebate Fund and the Privilege Fee Fund and the report on Program cost savings.

*Program Working Group*

The bill would establish the KanCare Bridge to a Healthy Kansas Working Group (Program Working Group) that would be charged with identifying non-SGF sources to fund any Program shortfall identified by the Secretary of Health and Environment in the annual report to the legislative committees.

The Program Working Group would have the following membership:

- Two House members appointed by the Speaker of the House of Representatives;
- One House member appointed by the Minority Leader of the House of Representatives;

- Two Senate members appointed by the President of the Senate;
- One Senate member appointed by the Minority Leader of the Senate;
- One representative from each of the following:
  - Kansas Hospital Association;
  - Kansas Medical Society;
  - Community Care Network of Kansas;
  - Kansas Academy of Family Physicians;
  - Association of Community Mental Health Centers of Kansas;
  - Kansas Dental Association;
  - Kansas Emergency Medical Services Association;
  - Kansas Optometric Association; and
  - Kansas Pharmacists Association; and
- One representative of Program consumers from Alliance for a Healthy Kansas.

The members of the Program Working Group would elect the chairperson from members of the Program Working Group who are members of the House of Representatives in even-numbered years and from members of the Program Working Group who are members of the Senate in odd-numbered years.

The bill would require legislative to provide assistance as requested by the Program Working Group.

Legislative members of the Program Working Group would receive compensation and travel expenses and subsistence expenses or allowances, as provided by KSA 75-3212, for attending a meeting of the Program Working Group or a subcommittee meeting thereof. Non-legislative members

would not receive compensation, subsistence allowance, mileage, or associated expenses from the State for attending a meeting or subcommittee meeting of the Program Working Group.

The Program Working Group would be required to meet no fewer than two times in a calendar year. Nine members would constitute a quorum, of which the bill would require at least four to be legislative members of the Program Working Group. Additionally, on or before March 15 of each year, the Program Working Group would be required to report to the Legislature recommendations for funding the Program, as necessary.

#### *Restriction on Abortion Coverage*

The bill would prohibit the Program from providing coverage or reimbursement for abortion services.

The bill would be in effect July 1, 2020, and upon publication in the *Kansas Register*.

#### **Background**

HB 2066, as introduced, would have amended the Kansas Nurse Practice Act to establish advance practice registered nurse (APRN) requirements for certification and address other matters related to APRN practice. [*Note:* The bill, as amended by the House Committee of the Whole, does not contain the APRN provisions.]

On March 20, 2019, the House Committee of the Whole amended the bill by removing the contents of the bill, as amended by the House Committee on Health and Human Services, and inserting new language establishing the Program. The House Committee of the Whole then amended the Program language to require enrollees be charged a monthly premium as a condition of participation in the program with the moneys collected deposited in the State



Treasury to the credit of the SGF; provide for the suspension and termination of an enrollee's coverage for non-payment of the premium charge under certain conditions and allow for a one-time reinstatement; and prohibit coverage or reimbursement for any abortion services under the Program. The House Committee of the Whole recommended the bill, as amended, favorably for passage.

No fiscal note was available on the amended language at the time the House Committee of the Whole considered the bill.