

January 19, 2022

The Honorable Brenda Landwehr, Chairperson
House Committee on Health and Human Services
Statehouse, Room 112-N
Topeka, Kansas 66612

Dear Representative Landwehr:

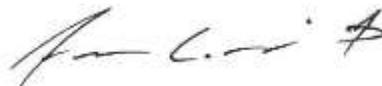
SUBJECT: Fiscal Note for HB 2463 by Representative Arnberger

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2463 is respectfully submitted to your committee.

HB 2463 would prevent any state agency from making any substantive or material change to the medical assistance program, as it exists on the effective date of the act, prior to January 1, 2026. The current program would be extended through December 31, 2025. The bill would require the Kansas Department of Health and Environment (KDHE) to negotiate and take actions necessary to extend contracts with managed care organizations through December 31, 2025, and submit any federal request for approval necessary to implement the extension. The bill would take effect upon its publication in the *Kansas Register*.

KDHE and the Kansas Department for Aging and Disability Services were unable to estimate a fiscal effect. Both agencies note that the bill does not define the phrase, "substantive or material change" but could potentially prevent the state's Medicaid program from complying with federal law and directives from the Centers for Medicare and Medicaid Services and put federal funding at risk. Any fiscal effect associated with HB 2463 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Dan Thimmesch, Health & Environment
Leigh Keck, Aging & Disability Services