



February 16, 2024

The Honorable Beverly Gossage, Chairperson
 Senate Committee on Public Health and Welfare
 300 SW 10th Avenue, Room 142-S
 Topeka, Kansas 66612

Dear Senator Gossage:

SUBJECT: Fiscal Note for SB 488 by Senate Committee on Public Health and Welfare

In accordance with KSA 75-3715a, the following fiscal note concerning SB 488 is respectfully submitted to your committee.

SB 488 would expand the programs which may be audited or investigated by the Office of Medicaid Inspector General to include cash, food, and other health assistance programs. Previously, these activities were limited to the Medicaid program.

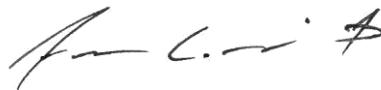
Estimated State Fiscal Effect			
	FY 2024	FY 2025	FY 2026
Expenditures			
State General Fund	--	\$2,980,031	\$2,402,743
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	\$2,980,031	\$2,402,743
Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	--	20.00	20.00

According to the Office of the Attorney General, enactment of SB 488 would increase expenditures by \$3.0 million from the State General Fund for FY 2025 and \$2.4 million from the State General Fund for FY 2026 and beyond. These expenditures would include hiring of an additional 20.00 FTE positions along with other operating expenditures. The on-going costs would include \$1.9 million for salaries and fringe benefits for 2.00 FTE Inspector General positions, 6.00 FTE Special Agent positions, 3.00 FTE Analyst position, 5.00 FTE Auditor position, 1.00 FTE Legal Assistant position, and 3.00 FTE Investigator position. Other on-going costs of \$482,300 would include certain contractual services and supplies. One-time costs of \$577,288 would include computers, media equipment, furniture, training, and other commodities.

The additional full-time personnel would be needed to perform the expected additional audits, reviews, and investigations of fraud, waste, abuse, and other illegal acts. The additional staff would allow the Office to conduct at least seven additional audits, four reviews, and 120 investigations per year. The increased funding would be offset by the fraud that is prevented and the identification of wasteful spending, overpayments, and program savings. For example, since calendar year 2021, the Office of Medicaid Inspector General (OMIG) has released four audit reports, three reviews, and one interim report. In the reports, OMIG identified \$211.3 million in wasteful spending, \$6.3 million in overpayments, \$12.2 million in savings, 19 findings, and made 64 recommendations. The recommendations have led to improved processes within the management of Medicaid programs.

The Kansas Department for Aging and Disability Services and the Department for Children and Families (DCF), indicate that enactment of SB 488 would have no fiscal effect on the respective agencies. Currently, DCF has staff to investigate cash and food assistance cases. It is assumed these activities would continue within DCF with the current staff. Any fiscal effect associated with SB 488 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Leigh Keck, Department for Aging & Disability Services
William Hendrix, Office of the Attorney General
Paul Weisgerber, Kansas Bureau of Investigation
Kim Holter, Department for Children & Families