2024 Kansas Statutes

65-491. Rural hospital innovation grant program; establishment; eligibility; use of grant proceeds; funding; administration by secretary of health and environment; expiration of program. (a) As used in this section:
(1) "Eligible county" means a county in Kansas other than Douglas, Johnson, Sedgwick, Shawnee or Wyandotte county.
(2) "Hospital" means the same as defined in K.S.A. 65-425, and amendments thereto.
(3) "Transitional assistance" means any assistance related to changing a hospital's current healthcare delivery model to a model more appropriate for the community that the hospital serves, including, but not limited to: Conducting a market study of healthcare services needed and provided in the community; acquiring and implementing new technological tools and infrastructure, including, but not limited to, telemedicine delivery methods; and acquiring the services of appropriate personnel, including, but not limited to, additional medical residents or individuals trained to be needed healthcare professionals.
(b) (1) There is established the rural hospital innovation grant program to be administered by the secretary of health and environment. The program, and any grant awarded thereunder, shall be for the purpose of strengthening and improving the healthcare system and increasing access to healthcare services in eligible counties to help communities in such counties achieve and maintain optimal health by providing transitional assistance to hospitals in such counties. The secretary may award a rural hospital innovation grant to a county that applies in accordance with this section.
(2) The secretary of health and environment may award a grant under this section only if the amount of state moneys to be awarded in the grant has been matched by private stakeholders, including hospital foundations or other organizations, contributing to the secretary for the program, on a basis of $2 of private stakeholder moneys for every $1 of state moneys. The secretary of health and environment may receive moneys by bequest, donation or gift to fulfill the public-private match of moneys required under this paragraph. Any such moneys received shall be remitted to the state treasurer in accordance with K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the rural hospital innovation grant fund. A private stakeholder may certify to the secretary of health and environment that an amount of money is dedicated to the rural hospital innovation grant program. Such certified dedicated moneys shall remain with the private stakeholder until such time as the grant is awarded, and the secretary shall count such certified dedicated moneys to fulfill the public-private match required under this paragraph.
(3) A private stakeholder who has contributed moneys or certified dedicated moneys to the secretary of health and environment may specify a county to receive a grant using such private stakeholder's moneys. If the secretary does not award a grant to the specified county in the same fiscal year as such request, the secretary shall return the amount of contributed moneys to the private stakeholder and any such certification shall lapse.
(4) Prior to applying for a rural hospital innovation grant, any eligible county may enter into memorandums of understanding and other necessary agreements with private stakeholders and other eligible counties.
(5) The board of county commissioners of an eligible county, or the board's designee, may apply to the secretary for a rural hospital innovation grant in the form and manner prescribed by the secretary of health and environment. Such application shall include:
(A) A description of the hospital for which the grant moneys will be expended, including the name and location of the hospital;
(B) a statement of the amount of grant moneys requested;
(C) a description of the needs of the hospital, the transitional assistance for which the grant moneys will be expended and how such transitional assistance will meet the stated needs;
(D) a certification that the hospital has exhausted all opportunities for federal moneys available to such hospital for transitional assistance purposes, including, but

not limited to, any federal moneys related to COVID-19 relief that may be used for such purposes; and
(E) any other information that the secretary deems necessary to administer this section.
(6) Prior to awarding any grant moneys to an eligible county under this section, the secretary shall enter into a written agreement with the county requiring that the county:
(A) Expend any such grant moneys to provide transitional assistance to a hospital in the eligible county, as approved by the secretary;
(B) not later than one year after any such grant moneys are awarded, report to the secretary detailing the effect that such grant is having on health and other outcomes in the eligible county and the affected community;
(C) repay all awarded grant moneys to the secretary if the county fails to satisfy any material term or condition of the grant agreement; and
(D) any other terms and conditions that the secretary deems necessary to administer this section.
(7) No rural hospital innovation grant shall be awarded to provide transitional assistance to any hospital that has not exhausted all opportunities for federal moneys available to such hospital for transitional assistance purposes, including, but not limited to, any federal moneys related to COVID-19 relief that may be used for such purposes.
(c) (1) There is established in the state treasury the rural hospital innovation grant fund to be administered by the secretary of health and environment. All moneys credited to the fund shall be used only for purposes related to the rural hospital innovation grant program. All expenditures from the fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of health and environment or the secretary's designee.
(2) (A) Notwithstanding the provisions of chapter 1 of the 2020 Special Session Laws of Kansas or any other provision of law to the contrary, on June 15, 2021, the director of the budget shall determine the amount of moneys received by the state that are identified as moneys from the federal government for aid to the state of Kansas for coronavirus relief as appropriated in the following acts that are eligible to be used for the purpose of awarding grants under this section, that may be expended at the discretion of the state in compliance with the United States office of management and budget's uniform administrative requirements, cost principles and audit requirements for federal awards and that are unencumbered, including:
(i) The federal CARES act, public law 116-136, the federal coronavirus preparedness and response supplemental appropriation act, public law 116-123, the federal families first coronavirus response act, public law 116-127, and the federal paycheck protection program and health care enhancement act, public law 116-139;
(ii) the federal consolidated appropriations act, 2021, public law 116-260;
(iii) the American rescue plan act of 2021, public law 117-2; and
(iv) any other federal law that appropriates moneys to the state for aid for coronavirus relief.
(B) Of the moneys identified in accordance with subparagraph (A), the director of the budget shall determine an aggregate amount equal to $10,000,000 available in special revenue funds. If such identified moneys are less than $10,000,000, the director of the budget shall determine the maximum amount available. The director of the budget shall certify the amount determined under this subparagraph from each fund to the director of accounts and reports. At the same time as such certification is transmitted, the director of the budget shall transmit a copy of such certification to the director of legislative research.
(C) On July 1, 2021, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer an aggregate amount equal to the certification received in accordance with subparagraph (B) from such funds to the rural hospital innovation grant fund. If such aggregate amount of moneys certified is less than $10,000,000, the director of accounts and reports shall transfer from the state general fund to the rural hospital innovation grant fund the difference between $10,000,000 and the amount certified.

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

(e) (1) On or before October 1 of each year, for each rural hospital innovation grant awarded under this section, the county shall prepare and submit to the secretary of health and environment a report describing: The amount and stated purposes of any awarded grant moneys; the fulfillment of the terms and conditions of the grant agreement; and the transitional assistance upon which the moneys have been spent.

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

(f) (1) The rural hospital innovation grant program shall expire on June 30, 2025.

(2) On July 1, 2025:

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

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

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

History: L. 2021, ch. 88, § 11; May 6.