

## SENATE BILL No. 246

By Senators Hensley, Bollier, Faust-Goudeau, Francisco, Hawk, Holland, Pettey,  
Sykes and Ware

12-3

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1 AN ACT concerning medical assistance; expanding eligibility therefor;  
2 establishing the KanCare bridge to a healthy Kansas program;  
3 amending K.S.A. 2019 Supp. 40-3213 and repealing the existing  
4 section.  
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6 *Be it enacted by the Legislature of the State of Kansas:*

7 New Section 1. (a) Sections 1 through 15, and amendments thereto,  
8 shall be known and may be cited as the KanCare bridge to a healthy  
9 Kansas program, which is hereby established. The department of health  
10 and environment shall administer and promote the program and provide  
11 information to potential eligible individuals who live in medically  
12 underserved areas of Kansas. The legislature expressly consents to expand  
13 eligibility for receipt of benefits under the Kansas program of medical  
14 assistance, as required by K.S.A. 39-709(e)(2), and amendments thereto,  
15 by the passage and enactment of the program.

16 (b) As used in sections 1 through 15, and amendments thereto, unless  
17 otherwise specified, "program" means the KanCare bridge to a healthy  
18 Kansas program.

19 New Sec. 2. For purposes of eligibility determinations under the  
20 Kansas program of medical assistance on and after January 1, 2021,  
21 medical assistance shall be granted to any adult under 65 years of age who  
22 is not pregnant and whose income does not exceed 133% of the federal  
23 poverty level, to the extent permitted under the provisions of 42 U.S.C. §  
24 1396a, as it exists on the effective date of this act, and subject to the  
25 requirements of the program.

26 New Sec. 3. (a) The department of health and environment shall refer  
27 all non-disabled adults in the program who are unemployed or working  
28 less than 20 hours a week, as a condition of the program, to the state's  
29 existing workforce training programs and work search resources,  
30 including, but not limited to:

31 (1) The Kansasworks program administered by the department of  
32 commerce; or

33 (2) the generating opportunities to attain lifelong success program  
34 administered by the Kansas department for children and families.

35 (b) The program application shall:

1 (1) Screen applicants for education status;  
2 (2) screen applicants for employment status; and  
3 (3) require applicants to acknowledge the referral required by  
4 subsection (a).

5 (c) Full-time students shall be exempt from the referral required by  
6 subsection (a) for each year they are enrolled in a postsecondary education  
7 institution or technical school.

8 (d) Parents with minor children in the home may be exempted from  
9 the referral required by subsection (a) at the discretion of the department  
10 of health and environment.

11 New Sec. 4. (a) The department of health and environment may  
12 establish a health insurance coverage premium assistance program for  
13 individuals who meet the following requirements:

14 (1) The individual has an annual household income of not more than  
15 133% of the federal income poverty level, based on the modified adjusted  
16 gross income provisions set forth in section 2001(a)(1) of the federal  
17 patient protection and affordable care act; or

18 (2) the individual is eligible for health insurance coverage through an  
19 employer but cannot afford the health insurance coverage premiums.

20 (b) A program established under this section must:

21 (1) Contain eligibility requirements that are the same as in sections 2  
22 and 3, and amendments thereto; and

23 (2) provide that an individual's payment for a health insurance  
24 coverage premium may not exceed 2% of the individual's annual income.

25 New Sec. 5. A denial of federal approval and federal financial  
26 participation that applies to any part of the program shall not prohibit the  
27 department of health and environment from implementing any other part  
28 of the program that is federally approved for federal financial participation  
29 or does not require federal approval or federal financial participation.

30 New Sec. 6. The department of health and environment shall submit  
31 to the centers for medicare and medicaid services of the United States  
32 department of health and human services any state plan amendment,  
33 waiver request or other approval request necessary to implement the  
34 program.

35 New Sec. 7. (a) All moneys collected or received by the secretary of  
36 health and environment from drug rebates connected to program  
37 beneficiaries shall be remitted to the state treasurer in accordance with the  
38 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of  
39 each such remittance, the state treasurer shall deposit the entire amount in  
40 the state treasury to the credit of the KanCare bridge to a healthy Kansas  
41 drug rebate fund.

42 (b) There is hereby created in the state treasury the KanCare bridge to  
43 a healthy Kansas program drug rebate fund as a reappropriating fund.

1 Moneys in the KanCare bridge to a healthy Kansas program drug rebate  
2 fund shall be expended for the purpose of medicaid medical assistance  
3 payments for program beneficiaries. All expenditures from the KanCare  
4 bridge to a healthy Kansas program drug rebate fund shall be made in  
5 accordance with appropriation acts upon warrants of the director of  
6 accounts and reports issued pursuant to vouchers approved by the  
7 secretary of health and environment or the secretary's designee.

8 (c) The KanCare bridge to a healthy Kansas program drug rebate  
9 fund shall be used for the purposes set forth in the program and for no  
10 other governmental purposes. It is the intent of the legislature that the fund  
11 shall remain intact and inviolate for the purposes set forth in the program,  
12 and moneys in the fund shall not be subject to the provisions of K.S.A. 75-  
13 3722, 75-3725a and 75-3726a, and amendments thereto.

14 (d) On or before the 10<sup>th</sup> day of each month, the director of accounts  
15 and reports shall transfer from the state general fund to the KanCare bridge  
16 to a healthy Kansas program drug rebate fund interest earnings based on:

17 (1) The average daily balance of moneys in the KanCare bridge to a  
18 healthy Kansas program drug rebate fund for the preceding month; and

19 (2) the net earnings rate of the pooled money investment portfolio for  
20 the preceding month.

21 (e) On or before January 10, 2022, and on or before the first day of  
22 the regular session of the legislature each year thereafter, the secretary of  
23 health and environment shall prepare and deliver a report to the legislature  
24 that summarizes all expenditures from the KanCare bridge to a healthy  
25 Kansas program drug rebate fund, fund revenues and recommendations  
26 regarding the adequacy of the fund to support necessary program  
27 expenditures.

28 New Sec. 8. (a) All moneys collected or received by the secretary of  
29 health and environment for privilege fees collected pursuant to K.S.A. 40-  
30 3213, and amendments thereto, connected to program beneficiaries shall  
31 be remitted to the state treasurer in accordance with the provisions of  
32 K.S.A. 75-4215, and amendments thereto. Upon receipt of each such  
33 remittance, the state treasurer shall deposit the entire amount in the state  
34 treasury to the credit of the KanCare bridge to a healthy Kansas privilege  
35 fee fund.

36 (b) There is hereby created in the state treasury the KanCare bridge to  
37 a healthy Kansas privilege fee fund as a reappropriating fund. Moneys in  
38 the KanCare bridge to a healthy Kansas privilege fee fund shall be  
39 expended for the purpose of medicaid medical assistance payments for  
40 program beneficiaries. All expenditures from the KanCare bridge to a  
41 healthy Kansas privilege fee fund shall be made in accordance with  
42 appropriation acts upon warrants of the director of accounts and reports  
43 issued pursuant to vouchers approved by the secretary of health and

1 environment or the secretary's designee.

2 (c) The KanCare bridge to a healthy Kansas privilege fee fund shall  
3 be used for the purposes set forth in the program and for no other  
4 governmental purposes. It is the intent of the legislature that the fund shall  
5 remain intact and inviolate for the purposes set forth in the program, and  
6 moneys in the fund shall not be subject to the provisions of K.S.A. 75-  
7 3722, 75-3725a and 75-3726a, and amendments thereto.

8 (d) On or before the 10<sup>th</sup> day of each month, the director of accounts  
9 and reports shall transfer from the state general fund to the KanCare bridge  
10 to a healthy Kansas privilege fee fund interest earnings based on:

11 (1) The average daily balance of moneys in the KanCare bridge to a  
12 healthy Kansas privilege fee fund for the preceding month; and

13 (2) the net earnings rate of the pooled money investment portfolio for  
14 the preceding month.

15 (e) On or before January 10, 2022, and on or before the first day of  
16 the regular session of the legislature each year thereafter, the secretary of  
17 health and environment shall prepare and deliver a report to the legislature  
18 that summarizes all expenditures from the KanCare bridge to a healthy  
19 Kansas privilege fee fund, fund revenues and recommendations regarding  
20 the adequacy of the fund to support necessary program expenditures.

21 New Sec. 9. (a) On or before January 10, 2022, and on or before the  
22 first day of the regular session of the legislature each year thereafter, the  
23 secretary of health and environment shall prepare and deliver a report to  
24 the legislature that summarizes the cost savings achieved by the state from  
25 the movement of beneficiaries from the KanCare program to the KanCare  
26 bridge to a healthy Kansas program, including, but not limited to, the  
27 MediKan program, the medically needy spend-down program and the  
28 breast and cervical cancer program.

29 (b) State cost savings shall be determined by calculating the cost of  
30 beneficiaries if services were provided in the KanCare program less the  
31 cost of services provided to beneficiaries under the KanCare bridge to a  
32 healthy Kansas program.

33 New Sec. 10. On or before January 10, 2022, and on or before the  
34 first day of the regular session of the legislature each year thereafter, the  
35 secretary of corrections shall prepare and deliver a report to the legislature  
36 that identifies cost savings to the state from the use of the program to  
37 cover inmate inpatient hospitalization.

38 New Sec. 11. On or before February 15 of each year, the secretary of  
39 health and environment shall present a report to the house committee on  
40 appropriations and the senate committee on ways and means that  
41 summarizes the costs for the program and the cost savings and additional  
42 revenues identified in sections 7 through 9, and amendments thereto.

43 New Sec. 12. (a) There is hereby established the KanCare bridge to a

1 healthy Kansas working group.

2 (b) The working group is charged with identifying non-state general  
3 fund sources to fund any shortfall of the program, identified by the  
4 secretary of health and environment in section 11, and amendments  
5 thereto.

6 (c) The working group shall be composed of the following members:

7 (1) Two members of the house of representatives appointed by the  
8 speaker of the house of representatives;

9 (2) one member of the house of representatives appointed by the  
10 minority leader of the house of representatives;

11 (3) two members of the senate appointed by the president of the  
12 senate;

13 (4) one member of the senate appointed by the minority leader of the  
14 senate;

15 (5) one representative from the Kansas hospital association;

16 (6) one representative from the Kansas medical society;

17 (7) one representative from the community care network of Kansas;

18 (8) one representative from the Kansas academy of family physicians;

19 (9) one representative from the association of community mental  
20 health centers of Kansas;

21 (10) one representative from the Kansas dental association;

22 (11) one representative from the Kansas emergency medical services  
23 association;

24 (12) one representative from the Kansas optometric association;

25 (13) one representative from the Kansas pharmacists association; and

26 (14) one representative of program consumers from alliance for a  
27 healthy Kansas.

28 (d) The chairperson of the working group shall be elected by the  
29 members of the working group:

30 (1) From members of the working group from the house of  
31 representatives in even-numbered years; and

32 (2) from members of the working group from the senate in odd-  
33 numbered years.

34 (e) Legislative staff shall provide such assistance as may be requested  
35 by the working group.

36 (f) (1) Legislative members attending a meeting of the working group  
37 or a subcommittee meeting thereof shall receive compensation and travel  
38 expenses and subsistence expenses or allowances as provided in K.S.A.  
39 75-3212, and amendments thereto.

40 (2) Non-legislative members shall not receive compensation,  
41 subsistence allowance, mileage or associated expenses from the state for  
42 attending a meeting or subcommittee meeting of the working group.

43 (h) The working group shall meet no fewer than two times in any

1 given calendar year.

2 (i) A quorum of the working group shall be nine members, of which  
3 at least four shall be legislative members of the working group.

4 (j) The working group shall report to the legislature on or before  
5 March 15 of each year with recommendations for funding the program, as  
6 necessary.

7 New Sec. 13. If, at any point, the percentages of federal medical  
8 assistance available to the program for coverage of program participants  
9 described in section 1902(a)(10)(A)(i)(VIII) of the federal social security  
10 act are less than the percentages provided for in section 1201(b)(1)(A)  
11 through (E) of the federal health care and education reconciliation act of  
12 2010, as it exists on the effective date of this act, the department of health  
13 and environment shall terminate the program over a 12-month period,  
14 beginning on the first day that the federal medical assistance percentages  
15 fall below such amount.

16 New Sec. 14. (a) The department of health and environment shall  
17 charge to each person enrolled under the program a monthly fee not to  
18 exceed \$25 as a condition of participation in the program, up to a  
19 maximum of \$100 per month per family household. The department may  
20 grant a hardship exemption from the requirements of this subsection, as  
21 determined by the secretary of health and environment.

22 (b) The department of health and environment shall remit all moneys  
23 collected under this section to the state treasurer in accordance with the  
24 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of  
25 each such remittance, the state treasurer shall deposit the entire amount  
26 into the state treasury to the credit of the state general fund.

27 New Sec. 15. The program shall not provide coverage or  
28 reimbursement for any abortion services.

29 Sec. 16. K.S.A. 2019 Supp. 40-3213 is hereby amended to read as  
30 follows: 40-3213. (a) Every health maintenance organization and medicare  
31 provider organization subject to this act shall pay to the commissioner the  
32 following fees:

33 (1) For filing an application for a certificate of authority, \$150;

34 (2) for filing each annual report, \$50; *or*

35 (3) for filing an amendment to the certificate of authority, \$10.

36 (b) Every health maintenance organization subject to this act shall  
37 pay annually to the commissioner at the time such organization files its  
38 annual report, a privilege fee in an amount equal to the following  
39 percentages of the total of all premiums, subscription charges or any other  
40 term that may be used to describe the charges made by such organization  
41 to enrollees: 3.31% during the reporting period beginning January 1, 2015,  
42 and ending December 31, 2017; and 5.77% on and after January 1, 2018.  
43 In such computations all such organizations shall be entitled to deduct

1 therefrom any premiums or subscription charges returned on account of  
2 cancellations and dividends returned to enrollees. If the commissioner  
3 shall determine at any time that the application of the privilege fee, or a  
4 change in the rate of the privilege fee, would cause a denial of, reduction  
5 in or elimination of federal financial assistance to the state or to any health  
6 maintenance organization subject to this act, the commissioner is hereby  
7 authorized to terminate the operation of such privilege fee or the change in  
8 such privilege fee.

9 (c) For the purpose of insuring the collection of the privilege fee  
10 provided for by subsection (b), every health maintenance organization  
11 subject to this act and required by subsection (b) to pay such privilege fee  
12 shall at the time it files its annual report, as required by K.S.A. 40-3220,  
13 and amendments thereto, make a return, generated by or at the direction of  
14 its chief officer or principal managing director, under penalty of K.S.A.  
15 2019 Supp. 21-5824, and amendments thereto, to the commissioner,  
16 stating the amount of all premiums, assessments and charges received by  
17 the health maintenance organization, whether in cash or notes, during the  
18 year ending on the last day of the preceding calendar year. Upon the  
19 receipt of such returns the commissioner of insurance shall verify such  
20 returns and reconcile the fees pursuant to subsection (f) upon such  
21 organization on the basis and at the rate provided in this section.

22 (d) Premiums or other charges received by an insurance company  
23 from the operation of a health maintenance organization subject to this act  
24 shall not be subject to any fee or tax imposed under the provisions of  
25 K.S.A. 40-252, and amendments thereto.

26 (e) Fees charged under this section shall be remitted to the state  
27 treasurer in accordance with the provisions of K.S.A. 75-4215, and  
28 amendments thereto. Upon receipt of each such remittance, *except as*  
29 *provided in section 8, and amendments thereto*, the state treasurer shall  
30 deposit the entire amount in the state treasury to the credit of the medical  
31 assistance fee fund created by K.S.A. 2019 Supp. 40-3236, and  
32 amendments thereto.

33 (f) (1) On and after January 1, 2018, in addition to any other filing or  
34 return required by this section, each health maintenance organization shall  
35 submit a report to the commissioner on or before March 31 and September  
36 30 of each year containing an estimate of the total amount of all premiums,  
37 subscription charges or any other term that may be used to describe the  
38 charges made by such organization to enrollees that the organization  
39 expects to collect during the current calendar year. Upon filing each March  
40 31 report, the organization shall submit payment equal to  $\frac{1}{2}$  of the  
41 privilege fee that would be assessed by the commissioner for the current  
42 calendar year based upon the organization's reported estimate. Upon filing  
43 each September 30 report, the organization shall submit payment equal to

1 the balance of the privilege fee that would be assessed by the  
2 commissioner for the current calendar year based upon the organization's  
3 reported estimates.

4 (2) Any amount of privilege fees actually owed by a health  
5 maintenance organization during any calendar year in excess of estimated  
6 privilege fees paid shall be assessed by the commissioner and shall be due  
7 and payable upon issuance of such assessment.

8 (3) Any amount of estimated privilege fees paid by a health  
9 maintenance organization during any calendar year in excess of privilege  
10 fees actually owed shall be reconciled when the commissioner assesses  
11 privilege fees in the ensuing calendar year. The commissioner shall credit  
12 such excess amount against future privilege fee assessments. Any such  
13 excess amount paid by a health maintenance organization that is no longer  
14 doing business in Kansas and that no longer has a duty to pay the privilege  
15 fee shall be refunded by the commissioner from funds appropriated by the  
16 legislature for such purpose.

17 Sec. 17. K.S.A. 2019 Supp. 40-3213 is hereby repealed.

18 Sec. 18. This act shall take effect and be in force from and after its  
19 publication in the Kansas register.