

2019

HOUSE BILL NO. _____

By Representative Wolfe Moore

AN ACT concerning the department of health and environment; establishing the KanCare bridge to a healthy Kansas program; amending K.S.A. 2018 Supp. 40-3213 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

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

New Sec. 2. For purposes of eligibility determinations under the Kansas program of medical assistance on and after January 1, 2020, medical assistance shall be granted to any adult under 65 years of age who is not pregnant and whose income does not exceed 133% of the federal poverty level, to the extent permitted under the provisions of 42 U.S.C. § 1396a, as it exists on the effective date of this act, and subject to the requirements of the KanCare bridge to a healthy Kansas program.

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

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

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

(b) The KanCare bridge to a healthy Kansas program application shall:

(1) Screen applicants for education status;

(2) screen applicants for employment status; and

(3) require applicants to acknowledge the referral required by subsection (a).

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

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

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

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

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

(b) A program established under this section must:

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

(2) provide that an individual's payment for a health insurance coverage premium may

not exceed 2% of the individual's annual income.

New Sec. 5. A denial of federal approval and federal financial participation that applies to any part of the KanCare bridge to a healthy Kansas program shall not prohibit the department of health and environment 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.

New Sec. 6. The department of health and environment shall submit to the centers for medicare and medicaid services of the United States department of health and human services any state plan amendment, waiver request or other approval request necessary to implement the KanCare bridge to a healthy Kansas program.

New Sec. 7. (a) All moneys collected or received by the secretary of health and environment from drug rebates connected to KanCare bridge to a healthy Kansas program beneficiaries shall be remitted to the state treasurer in accordance with the provisions of 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 KanCare bridge to a healthy Kansas drug rebate fund.

(b) There is hereby created in the state treasury the KanCare bridge to a healthy Kansas program drug rebate fund as a reappropriating fund. Moneys in the KanCare bridge to a healthy Kansas program drug rebate fund shall be expended for the purpose of medicaid medical assistance payments for KanCare bridge to a healthy Kansas program beneficiaries. All expenditures from the KanCare bridge to a healthy Kansas program drug rebate 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.

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

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

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

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

(e) On or before January 11, 2021, and on or before the first day of the regular session of the legislature each year thereafter, the secretary of health and environment shall prepare and deliver a report to the legislature that summarizes all expenditures from the KanCare bridge to a healthy Kansas program drug rebate fund, fund revenues and recommendations regarding the adequacy of the fund to support necessary KanCare bridge to a healthy Kansas program expenditures.

New Sec. 8. (a) All moneys collected or received by the secretary of health and

environment for privilege fees collected pursuant to K.S.A. 40-3213, and amendments thereto, connected to KanCare bridge to a healthy Kansas program beneficiaries shall be remitted to the state treasurer in accordance with the provisions of 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 KanCare bridge to a healthy Kansas program privilege fee fund.

(b) There is hereby created in the state treasury the KanCare bridge to a healthy Kansas program privilege fee fund as a reappropriating fund. Moneys in the KanCare bridge to a healthy Kansas program privilege fee fund shall be expended for the purpose of medicaid medical assistance payments for KanCare bridge to a healthy Kansas program beneficiaries. All expenditures from the KanCare bridge to a healthy Kansas privilege fee 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.

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

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

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

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

(e) On or before January 11, 2021, and on or before the first day of the regular session of the legislature each year thereafter, the secretary of health and environment shall prepare and deliver a report to the legislature that summarizes all expenditures from the KanCare bridge to a healthy Kansas privilege fee fund, fund revenues and recommendations regarding the adequacy of the fund to support necessary KanCare bridge to a healthy Kansas program expenditures.

New Sec. 9. (a) On or before January 11, 2021, and on or before the first day of the regular session of the legislature each year thereafter, the secretary of health and environment shall prepare and deliver a report to the legislature that summarizes the cost savings achieved by the state from the movement of beneficiaries from the KanCare program to the KanCare bridge to a healthy Kansas program, including, but not limited to, the MediKan program, the medically needy spend-down program and the breast and cervical cancer program.

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

New Sec. 10. On or before January 11, 2021, and on or before the first day of the regular session of the legislature each year thereafter, the secretary of corrections shall prepare and deliver a report to the legislature that identifies cost savings to the state from the use of the KanCare bridge to a healthy Kansas program to cover inmate inpatient hospitalization.

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

New Sec. 12. (a) There is hereby established the KanCare bridge to a healthy Kansas working group.

(b) The working group is charged with identifying non-state general fund sources to fund any shortfall of the KanCare bridge to a healthy Kansas program, identified by the secretary of health and environment in section 11, and amendments thereto.

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

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

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

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

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

(5) one representative from the Kansas hospital association;

(6) one representative from the Kansas medical society;

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

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

(9) one representative from the association of community mental health centers of

Kansas;

- (10) one representative from the Kansas dental association;
- (11) one representative from the Kansas emergency medical services association;
- (12) one representative from the Kansas optometric association;
- (13) one representative from the Kansas pharmacist's association; and
- (14) one representative of KanCare bridge to a healthy Kansas program consumers

from alliance for a healthy Kansas.

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

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

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

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

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

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

(h) The working group shall meet no fewer than two times in any given calendar year.

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

be legislative members of the working group.

(j) The working group shall report to the legislature on or before March 15 of each year with recommendations for funding the KanCare bridge to a healthy Kansas program, as necessary.

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

Sec. 14. K.S.A. 2018 Supp. 40-3213 is hereby amended to read as follows: 40-3213. (a) Every health maintenance organization and medicare provider organization subject to this act shall pay to the commissioner the following fees:

- (1) For filing an application for a certificate of authority, \$150;
- (2) for filing each annual report, \$50; or
- (3) for filing an amendment to the certificate of authority, \$10.

(b) Every health maintenance organization subject to this act shall pay annually to the commissioner at the time such organization files its annual report, a privilege fee in an amount equal to the following percentages of the total of all premiums, subscription charges or any other term that may be used to describe the charges made by such organization to enrollees: 3.31% during the reporting period beginning January 1, 2015, and ending December 31, 2017; and

5.77% on and after January 1, 2018. In such computations all such organizations shall be entitled to deduct therefrom any premiums or subscription charges returned on account of cancellations and dividends returned to enrollees. If the commissioner shall determine at any time that the application of the privilege fee, or a change in the rate of the privilege fee, would cause a denial of, reduction in or elimination of federal financial assistance to the state or to any health maintenance organization subject to this act, the commissioner is hereby authorized to terminate the operation of such privilege fee or the change in such privilege fee.

(c) For the purpose of insuring the collection of the privilege fee provided for by subsection (b), every health maintenance organization subject to this act and required by subsection (b) to pay such privilege fee shall at the time it files its annual report, as required by K.S.A. 40-3220, and amendments thereto, make a return, generated by or at the direction of its chief officer or principal managing director, under penalty of K.S.A. 2018 Supp. 21-5824, and amendments thereto, to the commissioner, stating the amount of all premiums, assessments and charges received by the health maintenance organization, whether in cash or notes, during the year ending on the last day of the preceding calendar year. Upon the receipt of such returns the commissioner of insurance shall verify such returns and reconcile the fees pursuant to subsection (f) upon such organization on the basis and at the rate provided in this section.

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

(e) Fees charged under this section shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such

remittance, [except as provided in section 8, and amendments thereto](#), the state treasurer shall deposit the entire amount in the state treasury to the credit of the medical assistance fee fund created by K.S.A. 2018 Supp. 40-3236, and amendments thereto.

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

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

(3) Any amount of estimated privilege fees paid by a health maintenance organization during any calendar year in excess of privilege fees actually owed shall be reconciled when the commissioner assesses privilege fees in the ensuing calendar year. The commissioner shall credit such excess amount against future privilege fee assessments. Any such excess amount paid by a health maintenance organization that is no longer doing business in Kansas and that no longer

has a duty to pay the privilege fee shall be refunded by the commissioner from funds appropriated by the legislature for such purpose.

Sec. 15. K.S.A. 2018 Supp. 40-3213 is hereby repealed.

Sec. 16. This act shall take effect and be in force from and after its publication in the Kansas register.