

SESSION OF 2004

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 367**

As Amended by Senate Committee on  
Financial Institutions and Insurance

**Brief\***

SB 367, as amended, amends the statutes that authorize a health insurance program for targeted children developed and implemented by the Department of Social and Rehabilitation Services (SRS) pursuant to guidelines set out in the law and in Title XXI of the Social Security Act. In Kansas, the childrens' health plan is called HealthWave.

The bill allows the Secretary of SRS to provide that prescription drugs and transportation services are purchased outside of the capitated managed care plan in order to improve the efficiency, accessibility, and effectiveness of the program.

The Senate Committee amendments reinsert the word "capitated" and make the allowances for purchases outside the capitated plan.

**Background**

SB 367 was requested by the Secretary of Social and Rehabilitation Services, whose representative explained that it is appropriate to exempt transportation and prescription drugs from the mandate that HealthWave be a capitated managed care plan. The bill provides SRS with the flexibility to manage the HealthWave program to achieve the best balance of cost effectiveness and quality.

The Kansas Medical Society and FirstGuard supported the bill as amended.

The fiscal note prepared by the Division of the Budget indicates passage of the bill will have no fiscal effect.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>