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Janet Stanek, Secretary

Laura Kelly, Governor

Opponent Testimony on HB 2360 House Committee on Welfare Reform Tuesday, February 11, 2025 Christine Osterlund, Deputy Secretary of Agency Integration and Medicaid Director Kansas Department of Health and Environment

Chairman Awerkamp and members of the House Committee on Welfare Reform:

Thank you for the opportunity to provide opponent testimony on HB 2360, a bill which would increase expenses to the State for very little impact. The bill requires the Kansas Department of Health and Environment (KDHE) to perform data verification more frequently than it currently does and is allowed to by federal law. The result of this legislation, should it take effect, would be data checks conducted more frequently, and at an increased cost to the State, than KDHE is allowed to act upon. Because of the agency's goals of fiscal responsibility and compliance with federal laws, and to ensure that each expenditure results in improvements to program efficiency, I respectfully ask the committee to not take action on HB 2360.

KDHE's goal in determining Medicaid eligibility is to approve those who are eligible and disapprove those who are not eligible. To this end, KDHE supports the most cost-efficient way to perform data checks: at the time of application and renewal, with a few exceptions that result in the appropriate action being taken, as is current practice. The changes outlined in HB 2360 would likely create a need for additional full-time employees to support the increased workload.

By federal law, KDHE cannot end an individual's Medicaid eligibility based solely on information received in a data match. Members must receive notice and be given opportunities to provide more information to the Medicaid agency before the agency can take any adverse action, such as discontinuance of coverage. If KDHE conducted more frequent data checks, as outlined in HB 2360, it is not guaranteed the agency will be allowed to act on that information.

Additionally, children make up approximately 60% of Kansas Medicaid membership and receive 12 months of continuous eligibility per federal regulation. Data matching for this population more frequently results in additional cost to the State without the ability to act on the information received. Since 2010, Kansas has elected to provide continuous eligibility to certain adults, making the impact of frequent data checks for this population a net cost to the State, rather than a cost-saving measure. The purpose of the continuous eligibility of adults is to reduce the cost of "churn," which refers to individuals coming on and off Medicaid rolls numerous times during the year; each of these events increases cost and administrative burden for the State through repeated applications and eligibility determinations and increases the risk for member costs through disruption to continuity of care when disenrolled.

Kansas Medicaid could conduct more frequent data verification adults who are elderly, disabled, in long-term care facilities, and those who receive home and community-based services (HCBS). There is a low likelihood of changed circumstances that could be identified through the proposed data checks for these populations, resulting in minimal, if any, cost-savings. The impacts of sudden disenrollment for these populations would also mean enormous health impacts for members losing access to care.

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Doing data checks at these strategic times allows for the Medicaid program to keep eligible members on the rolls and to disenroll those who are no longer eligible. HB 2360 does not improve government efficiency and burdens the State with additional cost and systems changes that will yield little impact to Medicaid enrollment or cost-savings for the State. For these reasons, I ask that you do not take action on HB 2360.