

February 11, 2025

Heather Braum, Senior Policy Advisor Kansas Action for Children Written-only Testimony in Opposition to HB 2360 House Committee on Welfare Reform

Chairman Awerkamp and members of the Committee:

Thank you for the opportunity to provide testimony in opposition to HB 2360, a bill that would not only be expensive and burdensome for state agencies, but also possibly be harmful to Kansans working to support themselves and raise their children.

HB 2360 contains numerous provisions that we strongly oppose, making changes to both the state's medical assistance (KanCare) and food and cash assistance programs. This bill:

- Creates new reporting and verification processes that would require rapid and extensive bureaucratic expansion of state agencies.
- Requires multiple state agencies to create new technology systems, practices, and staff positions that will increase costs to the state.
- Contains several provisions that would increase administrative burden and inefficiencies in state government, at Kansas taxpayers' expense.

Kansas Action for Children regularly works with social service agencies, community groups, and other nonprofit organizations to understand the complex needs of Kansans, especially those raising children. The clients of these organizations emphasize that the current barriers to public assistance programs already make it difficult to find and maintain employment while focusing on their children's health and happiness. HB 2360 does nothing to make medical, food, and cash assistance programs work better for families; instead, it only creates additional barriers.

The Kansas food assistance and Medicaid programs provide supplemental nutrition support and health insurance coverage, respectively. Low-income, working Kansans and their children must already meet strict eligibility requirements based on household size and family income. These programs have quality control measures in place, and program applicants already face verification and frequent re-certification measures to receive temporary work and family supports. Every year, food assistance households go through the application, interview, and biannual re-certification processes because their families need that small, temporary boost to ensure they have enough to eat while they get back on their feet.



More frequent and automated re-certification efforts would increase the "benefits cliff" effect, potentially kicking Kansans off of assistance programs as they work toward self-sufficiency, effectively decreasing their net resources. During the Legislative Post Audit committee meeting in September that reviewed a recent audit of the cash assistance (TANF) program, lawmakers from both parties voiced a desire to work to address the benefits cliff effect to help Kansans transition off assistance programs less abruptly.<sup>1</sup>

In fact, according to the Institute for Research on Poverty, research shows that "lower-income households experience month-to-month income volatility more often than middle- or higher-income households, and households with children in the lowest 10% of the income distribution are three times as likely to experience such precarity than households in the top 10%."<sup>2</sup>

More frequent periods of eligibility redetermination could also lead to high levels of churn, where participants who still qualify for benefits lose their coverage due to system errors and must reapply for benefits, creating costly inefficiencies for both the state and the eligible individual.

HB 2360 would require significantly more participant data monitoring and exchange, even though there are already quality control and data checking processes in place. This legislation would require the Kansas Department for Health and Environment (KDHE) and the Department for Children and Families (DCF) to engage in monthly and quarterly data sharing and review with each other and five other state agencies and four federal agencies to monitor for any information that may affect participant eligibility for Medicaid and food assistance. These agencies would also be required to create and maintain an online database displaying fraud investigation data.

Also, it is our understanding that some of HB 2360's requirements could force the state to pay for more data that they can't act on as often as the data would come in. The state could also be forced to pay for some data sources that the state is able to get free elsewhere or at a lower cost than what certain vendors offer. At least in the medical assistance program side, the state cannot regularly act on this data for most populations, except during the annual review time due to continuous eligibility.

Continuous eligibility is a period of time in Medicaid and CHIP coverage, where regardless of circumstances changes after initial eligibility/renewal determination, coverage continues.

<sup>&</sup>lt;sup>2</sup> Siers-Poisson, J. (November 29, 2021). The Connection Between Unpredictable Work Schedules and Meeting Basic Household Needs: Fast Focus Policy Brief No. 57-2021. *Institute for Research on Poverty at the University of Wisconsin-Madison*. <a href="https://www.irp.wisc.edu/resource/the-connection-between-unpredictable-work-schedules-and-meeting-basic-household-needs/">https://www.irp.wisc.edu/resource/the-connection-between-unpredictable-work-schedules-and-meeting-basic-household-needs/</a>



<sup>&</sup>lt;sup>1</sup> Legislative Post Audit Committee. (September 11, 2024). Reviewing TANF LPA Audit. https://youtu.be/visDPptUEol?t=3858

## Those who benefit from continuous eligibility include:

- Children: All states are now mandated by Congress to keep Medicaid and CHIP kids covered for 12 months after the initial eligibility determination/renewal, as of January 1, 2024 (a long-time Kansas policy already in place) regardless of circumstance changes during the 12-month period.
  - Children account for approximately 61% of KanCare membership, so monitoring more than once a year would be an added cost to the state for children.
- Parents/Caretakers of Kids: In Kansas, parents of kids are covered for 12 months, regardless of circumstance changes over those 12 months after the initial eligibility determination/renewal, according to our CMS-approved 1115 waiver that went into effect on January 1, 2024.
- **Pregnant Women:** This population keeps coverage from the point they get on at the point of eligibility determination, to 12 months postpartum, regardless of circumstance changes over that time period.

The above categories represent approximately 75% of the KanCare population. All that's left is elderly and disabled populations – whose circumstances are also unlikely to significantly change, and continuous data monitoring would result in serious harm to those vulnerable populations.

Operating under the 12-month continuous eligibility cycle for the parent/caretaker group in the medical assistance program is actually the more efficient government practice.

HB 2360 is an unnecessary and expensive expansion of government bureaucracy and inefficiency, which wastes public resources.

HB 2360 was not written with Kansas families, agencies, or values in mind. This bill would waste millions of Kansas taxpayer dollars each year on bureaucratic rules that would do nothing to help Kansans or prevent "fraud." It would add barriers to the food assistance and Medicaid programs, making it harder for the Kansans who face financial hardship to receive the temporary support they need to regain self-sufficiency, find work, and contribute to their communities in the long term.

For all these reasons, we respectfully request the Committee oppose HB 2360. If I can be of further assistance, please contact me at <a href="https://example.com/heather@kac.org">heather@kac.org</a>.

