

SESSION OF 2025

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2240

As Amended by House Committee on Welfare
Reform

Brief*

HB 2240, as amended, would prohibit state agencies, on or after July 1, 2025, from seeking or implementing the following without express consent and approval of the Legislature or the Legislative Coordinating Council (LCC):

- A Medicaid State Plan, State Plan amendment, State demonstration, or waiver under Section 1115 or 1915 of the federal Social Security Act from the federal government that expands coverage to any additional individuals or class of individuals or would increase any cost to the State; and
- Certain changes to services for persons with intellectual or developmental disabilities (I/DD).

The bill would authorize the LCC to approve or deny any such agency requests when the Legislature is not in session or designate a standing committee or special committee to review the request and make recommendations to the LCC.

Agency Requests Requiring Legislative Approval

The bill would prohibit state agencies, on or after July 1, 2025, from seeking or implementing a Medicaid State Plan, State Plan amendment, State demonstration, or waiver pursuant to Section 1115 or 1915 of the federal Social Security Act, if the plans, amendments, demonstrations, or

*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 <https://klrd.gov/>

waivers from the federal government would expand coverage to any individuals or class of individuals or increase any cost to the State, without the express consent and approval by an Act of the Legislature.

Intellectual or Developmental Disabilities Changes

The bill would prohibit any State agency, on or after July 1, 2025, from seeking or implementing any change to the funding structures, Day Services, or Targeted Case Management (TCM) services for persons with I/DD without the approval by an Act of the Legislature to expressly consent or approve of the the change.

Legislative Approval

The bill would require any approval or consent for agency requests relating to said plans, amendments, demonstrations, or waivers, or changes to funding structures, Day Services, or TCM services for persons with I/DD be an Act of the Legislature. Should the Legislature not be in session, the bill would allow the LCC to approve or refuse such agency requests or designate a standing or special committee of the Legislature to review the request and make recommendations to the LCC.

Definitions

The bill would define the following term:

- “State agency” would mean any State office or officer, department, board, commission, institution, bureau, or any agency, division, or unit within any office, department, board, commission, or other State authority or any person requesting a State appropriation.

Background

The bill was introduced by the House Committee on Welfare Reform at the request of Representative Awerkamp.

House Committee on Welfare Reform

In the House Committee hearing, **proponent** testimony was provided by representatives of COF Training Services, Developmental Services of Northwest Kansas, Inc., InterHab, Opportunity Solutions Project, and a private citizen. The proponents generally stated the bill was needed to ensure legislative oversight of proposed expansion of public assistance programs by the Executive Branch and help ensure stakeholder involvement in potential changes.

Written-only proponent testimony was provided by a representative of Big Lakes Community Developmental Disability Organization Administration, three representatives of Big Lakes Developmental Center, Inc., and two private citizens.

Opponent testimony was provided by representatives of KanCare Advocates Network and Kansas Action for Children, and a representative of Thrive Allen County and Thrive Kansas. The opponents generally stated the bill would impact the ability of agencies to quickly respond to new issues, good or bad, that could arise when the Legislature is not in session. The opponents stated these additional barriers would harm individuals who utilize these programs.

Written-only opponent testimony was provided by representatives of the Alliance for a Healthy Kansas, Johnson County Department of Health and Environment, Kansas Breastfeeding Coalition, Inc., Kansas Chapter of the American Academy of Pediatrics, Kansas Department for Aging and Disability Services (KDADS), Kansas Department of Health and Environment (KDHE), Lawrence-Douglas

County Public Health, Mid-America Regional Council
Emergency Rescue, and Oral Health Kansas.

No other testimony was provided.

The House Committee amended the bill as follows:

- Authorize the LCC to approve a state agency's request for a Medicaid State Plan, State Plan amendment, State demonstration, or a waiver pursuant to Section 1115 or 1015 of the federal Social Security Act when the Legislature is not in session or designate a standing or special committee to review such agency's request and make recommendations to the LCC; and
- Prohibit changes to I/DD funding structures, Day Services, and TCM services for persons with I/DD without either Legislative or LCC approval, allowing for LCC designation of a standing or special committee to review such requests and make recommendation to the LCC.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, KDADS and KDHE state the bill would prohibit the addition of required eligibility groups or services that are mandated either by federal law or federal regulations. The agencies indicate the Kansas Medicaid Program would be out of compliance and the State would be at risk for losing federal match dollars. The agencies state, if there is a Medicaid rate adjustment, the bill may prohibit Kansas from complying and be out of compliance with federal requirements until the increases are approved by the Legislature.

The agencies indicate, while they are unable to determine specific implications, it is likely that failure on the

part of the State to provide any or all Centers for Medicare and Medicaid Service mandated services would put the federal share of the funds for the Kansas Medicaid Program at risk in its entirety. The agencies estimate the federal share of the Kansas Medicaid program across both KDHE and KDADS is \$3.8 billion for FY 2026 and \$3.9 billion for FY 2027.

Any fiscal effect associated with the bill are not reflected in *The FY 2026 Governor's Budget Report*.

Public assistance; Legislature; Legislative Coordinating Council; medical assistance; Medicaid State Plan; State Plan amendment; State demonstration; waiver; coverage; intellectual or developmental disabilities; Day Program; Targeted Case Management; funding structures