

SESSION OF 2025

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE FOR
SENATE BILL NO. 126**

As Recommended by House Committee on
Health and Human Services

Brief*

House Sub. for SB 126 would:

- Change the household gross income eligibility requirement for the State Children's Health Insurance Program (CHIP) from 250 percent of the 2008 federal poverty level to 250 percent of the current federal poverty income guidelines, with coverage subject to appropriation of funds and eligibility requirements;
- Establish the Advance Universal Newborn Screening Program to be administered by the Secretary of Health and Environment;
- Increase the minimum statutory state financial assistance to local health departments from \$7,000 per year to \$12,000 per year [*Note: Statutory provisos in FY 2021 through FY 2025 have increased the funding to \$12,000 annually*]; and
- Increase the hospital provider annual assessment on services rate to 6.0 percent of net inpatient and outpatient revenue and extend the assessment to include critical access and rural emergency hospitals with revenues above a certain threshold as determined by the Health Care Access Improvement Panel.

*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/>

The bill would also make technical and conforming amendments.

Advance Universal Newborn Screening Program

The bill would update the current newborn screening program to establish the Advance Universal Newborn Screening Program (Program), to be administered by the Secretary of Health and Environment (Secretary). The Program would include educational programming, screening tests, a follow-up program, and, within the limits of available appropriations, medically necessary treatment products for all conditions determined and identified by the Secretary, which could include but would not be limited to conditions listed in the recommended uniform screening panel issued by the U.S. Secretary of Health and Human Services. Physicians or mid-level practitioners having knowledge of a case of one of the conditions identified by the Secretary in the physician's or mid-level practitioner's own patients would be required to report the case to the Secretary.

The bill would specify that mid-level practitioners have the same responsibilities as physicians under the Program, remove specific listed conditions, and clarify that the maintenance of registry would be for the purpose of follow-up services to support early diagnosis, treatment, and services for health development and the prevention of disability or morbidity.

The bill would grant the Secretary authority to adopt rules and regulations to determine the eligibility for reimbursement to individuals for the purchase of medically necessary food treatment products for diagnosed conditions.

The bill would include an annual transfer of up to \$5.0 million from the Health Maintenance Organization privilege fee in the Kansas Newborn Screening Fund. [Note: In current law, the transfer is limited to fiscal years 2024, 2025, and 2026.]

Annual Assessment of Services Rates

The bill would increase the annual assessment rate to an amount not greater than 6.0 percent of each hospital's net inpatient and outpatient operating revenue as determined by the Healthcare Access Improvement Panel (Panel). The bill would adjust the due dates for assessment payments from June 30 and December 31 to May 30 and November 30 of each year.

Critical access hospitals and licensed rural emergency hospitals that have revenues below the threshold determined by the Panel would be exempt from the assessment.

The bill would authorize the Kansas Department for Health and Environment (KDHE) to take legal action against any hospital that fails to pay the amount due, including penalties, upon recommendation of the Panel except when the hospital has established and is in compliance with a payment schedule approved by KDHE.

Background

The House Committee on Health and Human Services recommended a substitute bill incorporating the provisions of HB 2386; HB 2399, as amended; HB 2397; and HB 2250 and removing the contents of SB 126.

SB 126, as amended by the Senate Committee on Public Health and Welfare, would have enacted the Physician Assistant Licensure Compact. [*Note:* A companion bill, HB 2219, has passed the House.]

HB 2386 (CHIP Income Level)

The bill was introduced by the House Committee on Appropriations at the request of Representative W. Carpenter.

House Committee on Health and Human Services

In the House Committee hearing, **proponent** testimony was provided by representatives of KDHE and Kansas Action for Children, who reviewed the impact on families of statutorily tying the income level for qualifying for the CHIP program to 250 percent of the 2008 federal poverty level. Proponents stated the issue has been addressed through a budget proviso each year beginning in 2022.

Written-only proponent testimony was provided by representatives of American Academy of Pediatrics – Kansas Chapter, Community Care Network of Kansas, Johnson County Department of Health and Environment, Oral Health Kansas, and REACH Healthcare Foundation.

No other testimony was provided.

HB 2399 (Advance Universal Newborn Screening Program)

The bill was introduced by the House Committee on Federal and State Affairs at the request of Representative Bryce on behalf of Representative W. Carpenter.

House Committee on Health and Human Services

In the House Committee hearing, **proponent** testimony was provided by representatives of the KDHE Bureau of Family Health and Kansas Action for Children, who generally stated the bill would establish the Program, update outdated terminology, and increase the cap placed on the funds to support growth, sustainability, and the flexibility to meet the needs of families. Kansas currently screens 36 of the 38 treatable conditions at no cost to families for all Kansas newborns unless a family opts out of the screening. The representative from KDHE stated there are plans to add the additional two conditions to the screening protocol.

Written-only proponent testimony was provided by representatives of the American Academy of Pediatrics – Kansas Chapter, Kansas Council on Developmental Disabilities, Kansas Hospital Association, and a private citizen who self-identified as a parent of a child appropriately diagnosed through newborn screening.

No other testimony was provided.

HB 2397 (Local Health Department Assistance)

The bill was introduced by the House Committee on Federal and State Affairs at the request of Representative Bryce on behalf of Representative W. Carpenter.

House Committee on Health and Human Services

In the House Committee hearing, **proponent** testimony was provided by representatives of KDHE and the Kansas Association of Local Health Departments, who generally stated that the bill would restructure the statutory formula for funding local health departments which has not been modified since at least FY 1992 and noted the change would be most beneficial for smaller local health departments.

Written-only proponent testimony was provided by representatives of Barber County Community Health Department, Grant County Health Department, Kansas Action for Children, McPherson County Health Department, and SEK Multi-County Health Department.

No other testimony was provided.

HB 2250 (Hospital Provider Annual Assessment Rate)

The bill was introduced by the House Committee on Health and Human Services at the request of Representative W. Carpenter on behalf of the Kansas Hospital Association.

House Committee on Health and Human Services

In the House Committee hearing, **proponent** testimony was provided by a representative of the Kansas Hospital Association, who generally stated that the hospitals support this change in order to maximize federal Medicaid dollars on behalf of all types of hospitals.

Written-only proponent testimony was provided by representatives of Ascension Via Christi, Mountain Region CommonSpirit Health, and Salina Regional Health Center.

No other testimony was provided.

Fiscal Information

HB 2386 (CHIP Income Level)

According to the fiscal note prepared by the Division of Budget on HB 2386, as introduced, KDHE states that enactment of the bill would bring the statute in line with current practice and no fiscal effect is anticipated. Program expenditures for the CHIP program in *The FY 2026 Governor's Budget Report* include eligibility of up to 250.0 percent of the current federal poverty income guidelines.

HB 2399 (Advance Universal Newborn Screening Program)

According to the fiscal note prepared by the Division of Budget on HB 2399, as introduced, KDHE states that enactment of the bill would bring the statute in line with current practice and no fiscal effect is anticipated for FY 2026. For FY 2027, the bill would increase the revenue for the program by \$2.5 million. Program expenditures for FY 2026 and FY 2027 are not expected to exceed revenue. *The FY 2026 Governor's Budget Report* includes the \$5.0 million

transfer as directed in the bill, as current law includes the transfer for FY 2026.

HB 2397 (Local Health Department Assistance)

According to the fiscal note prepared by the Division of Budget on HB 2397, as introduced, KDHE states enactment of the bill would bring the statute in line with current practice and no fiscal effect is anticipated. *The FY 2026 Governor's Budget Report* includes a minimum of at least \$12,000 for state assistance to each local health department.

HB 2250 (Hospital Provider Annual Assessment Rate)

According to the fiscal note prepared by the Division of Budget on HB 2250, as introduced, KDHE states enactment of the bill would not result in a fiscal effect for the agency. The bill implements practices already in place by budget provisos.

Health; healthcare; State Children's Health Insurance Program; federal poverty income guidelines; Kansas Department for Health and Environment; newborn screenings; local health departments; hospitals