

SESSION OF 2013

**SUPPLEMENTAL NOTE ON SUBSTITUTE FOR HOUSE  
BILL NO. 2166**

As Amended by House Committee of the Whole

**Brief\***

Sub. for HB 2166 would amend the law concerning the ability of the Kansas Department of Health and Environment (KDHE) to recover from the estates of recipients of medical assistance. Current law allows KDHE to file and enforce a lien against the real property of a recipient during the recipient's lifetime, and, pursuant to the bill, KDHE also could file and enforce such a lien after a recipient's death. The bill would clarify these liens would not have priority over transfers for value to a *bona fide* purchaser of record. Pursuant to the bill, KDHE also could claim an interest in the unclaimed property of a deceased recipient of medical assistance held by the State Treasurer, not to exceed the amount of assistance received. Further, the bill would require the Kansas Department for Children and Families (DCF) to provide notice to KDHE that a recipient has died within seven days of receiving notice of the recipient's death.

The bill also would make technical amendments.

**Background**

The bill, as introduced, would have amended the law concerning the ability of KDHE to recover from the estates of recipients of medical assistance. In the House Committee on Judiciary, Representative Ron Ryckman, Sr., representatives of Health Management Systems (HMS) and DCF, and local attorneys appeared in support of the bill. The Kansas

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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>

Bankers Association Trust Division offered written opponent testimony. A subcommittee was formed for further study and agreed to recommend a substitute bill.

The House Committee agreed to adopt the substitute bill recommended by the subcommittee and amended the substitute to restore a provision from the bill, as introduced, concerning unclaimed property.

The House Committee of the Whole amended the bill to provide that liens filed and enforced by KDHE against the real property of a recipient of medical assistance would be subject to transfers for value to a *bona fide* purchaser of record.

The fiscal note prepared by the Division of the Budget for the bill, as introduced, includes the HMS estimate that passage could result in recovery of \$1.4 million in FY 2014, but 57.0 percent of that amount would be returned to the federal government. In FY 2015, HMS estimates \$1.9 million in additional revenue and, of that amount, the state would retain \$821,300. The Office of Judicial Administration indicates passage could have a fiscal impact, but it likely would be accommodated within existing resources. There is no fiscal note for the substitute bill.