

SENATE BILL No. 371

By Committee on Federal and State Affairs

1-27

1 AN ACT enacting the KanCare bridge to a healthy Kansas program.

2

3 *Be it enacted by the Legislature of the State of Kansas:*

4 Section 1. (a) There is hereby established the KanCare bridge to a
5 healthy Kansas program.

6 (b) The department of health and environment shall administer the
7 program.

8 (c) The department shall promote the program and provide
9 information to potential eligible individuals who live in medically
10 underserved rural areas of Kansas.

11 (d) As used in this act, unless the context requires otherwise,
12 "department" means the department of health and environment.

13 Sec. 2. (a) The program serves as an alternative to health care
14 coverage under Title XIX of the federal social security act (42 U.S.C. §
15 1396 et seq.).

16 (b) If the percentages of federal medical assistance available to the
17 program for coverage of program participants described in section 1902(a)
18 (10)(A)(i)(VIII) of the federal social security act are less than the
19 percentages provided for in section 1201(b)(1)(A) through (E) of the
20 federal health care and education reconciliation act of 2010, the
21 department shall terminate the program.

22 Sec. 3. (a) The health plan must include the following in a manner
23 and to the extent determined by the department:

24 (1) Mental health care services;

25 (2) inpatient hospital services;

26 (3) prescription drug coverage, including coverage of a long acting,
27 nonaddictive medication assistance treatment drug if the drug is being
28 prescribed for the treatment of substance abuse;

29 (4) emergency room services;

30 (5) physician office services;

31 (6) diagnostic services;

32 (7) outpatient services, including therapy services;

33 (8) comprehensive disease management;

34 (9) home health services, including case management;

35 (10) urgent care center services;

36 (11) preventive care services;

1 (12) family planning services:

2 (A) Including contraceptives and sexually transmitted disease testing,
3 as described in federal medicaid law (42 U.S.C. § 1396 et seq.); and

4 (B) not including abortion or abortifacients;

5 (13) hospice services;

6 (14) substance abuse services;

7 (15) a service determined by the secretary to be required by federal
8 law as a benchmark service under the federal patient protection and
9 affordable care act.

10 (b) The program may do the following:

11 (1) Offer coverage for dental and vision services to an individual who
12 participates in the program;

13 (2) pay at least 50% of the premium cost of dental and vision services
14 coverage described in this subsection.

15 (c) An individual who receives the dental or vision coverage offered
16 under subsection (b) shall pay an amount determined by the department for
17 the coverage. The department shall limit the payment to not more than 5%
18 of the individual's annual household income. The payment required under
19 this subsection is in addition to the payment required under section 11(b)
20 (2), and amendments thereto, for coverage under the program.

21 (d) Vision services offered by the program must include services
22 provided by an optometrist.

23 (e) The program must comply with any coverage requirements that
24 apply to an accident and sickness insurance policy issued in Kansas.

25 (f) The program may not permit treatment limitations or financial
26 requirements on the coverage of mental health care services or substance
27 abuse services if similar limitations or requirements are not imposed on the
28 coverage of services for other medical or surgical conditions.

29 Sec. 4. (a) The department shall provide to an individual who
30 participates in the program health plan a list of health care services that
31 qualify as preventive care services for the age, gender and preexisting
32 conditions of the individual.

33 (b) The program shall provide, at no cost to the individual, preventive
34 services required under 42 U.S.C. § 300gg-13. Preventive services not
35 defined under 42 U.S.C. § 300gg-13 are subject to a \$500 cap in any
36 coverage year. Any additional preventive care services covered under the
37 program and received by the individual during the year are subject to the
38 deductible and payment requirements of the program.

39 Sec. 5. The following requirements apply to funds appropriated by
40 the legislature to the program health plan:

41 (a) At least 85% of the funds must be used to fund payment for health
42 care services.

43 (b) An amount determined by the office of the secretary of no more

1 than 15% to fund:

2 (1) Administrative costs; and

3 (2) any profit made by an insurer or a health maintenance
4 organization under a contract.

5 Sec. 6. (a) An individual is eligible for participation in the program if
6 the individual meets the following requirements:

7 (1) The individual is at 18 years of age and less than 65 years of age;

8 (2) the individual is a United States citizen and has been a resident of
9 Kansas for at least 12 months;

10 (3) the individual has been without health insurance coverage for not
11 less than 90 days; and

12 (4) the individual has an annual household income of not more than
13 133% of the federal income poverty level, based on the adjusted gross
14 income provisions set forth in section 2001(a)(1) of the federal patient
15 protection and affordable care act.

16 (b) The following individuals are not eligible for the program:

17 (1) An individual who participates in the federal medicare program
18 (42 U.S.C. § 1395 et seq.); or

19 (2) an individual who is otherwise eligible for medical assistance.

20 (c) The eligibility requirements specified in subsection (a) are subject
21 to approval for federal financial participation by the United States
22 department of health and human services.

23 Sec. 7. (a) An individual who participates in the program must have a
24 health care account to which payments may be made for the individual's
25 participation in the program only by the following:

26 (1) The individual;

27 (2) an employer;

28 (3) the state;

29 (4) a nonprofit organization if the nonprofit organization is not
30 affiliated with a health care plan;

31 (5) an insurer or a health maintenance organization under a contract
32 with the department to provide health insurance coverage under the
33 program if the payment:

34 (A) Is to provide a health incentive to the individual;

35 (B) does not count towards the individual's required minimum
36 payment set forth in section 11, and amendments thereto; and

37 (C) does not exceed the beneficiaries required contribution.

38 (b) The minimum funding amount for a health care account is the
39 amount required under section 8, and amendments thereto.

40 (c) An individual's health care account must be used to pay the
41 individual's deductible for health care services under the program.

42 (d) An individual may make payments to the individual's health care
43 account as follows:

1 (1) An employer withholding or causing to be withheld from an
2 employee's wages or salary, after taxes are deducted from the wages or
3 salary, the individual's contribution under this act, and distributed equally
4 throughout the calendar year;

5 (2) submission of the individual's contribution under this act, to the
6 department to deposit in the individual's health care account in a manner
7 prescribed by the department; or

8 (3) another method determined by the department.

9 (e) An employer may make payments to the individual's health care
10 account from funds not payable by the employer to the employee for only
11 the individual's required contribution.

12 (f) A nonprofit corporation may make payments to the individual's
13 health care account from only the individual's required contribution.

14 Sec. 8. (a) An individual's participation in the program does not begin
15 until an initial payment is made. A required payment to the program for the
16 individual's participation may not exceed $\frac{1}{12}$ of the annual payment
17 required under subsection (b).

18 (b) To participate in the program, an individual shall do the
19 following:

20 (1) Apply for the program on a form prescribed by the department.
21 The department may develop and allow a joint application for a household.

22 (2) If the individual is approved by the department to participate in
23 the program, contribute monthly to the individual's health care account the
24 greater of the following:

25 (A) Two percent of the individual's annual household income per
26 year; or

27 (B) one dollar.

28 (c) If an individual whose income is above the federal poverty level
29 does not make the required payment to the program within 60 days after
30 the required payment date, the individual may be terminated from
31 participation in the program. The individual must receive written notice
32 before the individual is terminated from the program.

33 (d) After termination from the program under subsection (c), the
34 individual may not reapply to participate in the program until:

35 (1) The amount of premiums in arrears from the date of the first
36 required payment have been made; or

37 (2) for six months.

38 Sec. 9. (a) All non-disabled adults in the KanCare bridge to a healthy
39 Kansas program program who are unemployed or working less than 20
40 hours a week, will be referred, as a condition of the program, to the state's
41 existing workforce training programs and work search resources,
42 including, but not limited to:

43 (1) The Kansas works program through the department of commerce;

1 or

2 (2) the Kansas GOALS program through the department of children
3 and family services.

4 (b) The KanCare bridge to a healthy Kansas program application
5 shall:

6 (1) Screen for education status;

7 (2) screen for employment status; and

8 (3) contain an acknowledgment of the referral.

9 (c) Full-time students will be exempted from the referral for each
10 year they are enrolled in a postsecondary education institution or technical
11 school.

12 (d) Parents with minor children in the home are exempt from the
13 referral.

14 Sec. 10. (a) An individual who is approved to participate in the
15 program is eligible for a 12-month program period.

16 (b) If the individual chooses to renew participation in the program,
17 the individual shall complete a renewal application and any necessary
18 documentation and submit to the department the documentation and
19 application on a form prescribed by the department.

20 (c) If the individual chooses not to renew participation in the
21 program, the individual may not reapply to participate in the program for
22 at least 12 months.

23 (d) Any funds remaining in the health care account of an individual
24 who renews participation in the program at the end of the individual's 12-
25 month program period must be used to reduce the individual's payments
26 for the subsequent program period. However, if the individual did not,
27 during the program period, receive all qualified preventive services
28 recommended as provided in section 5, and amendments thereto, the state's
29 contribution to the health care account may not be used to reduce the
30 individual's payments for the subsequent program period.

31 (e) If an individual is no longer eligible for the program, does not
32 renew participation in the program at the end of the program period or is
33 terminated from the program for nonpayment of a required payment, the
34 department shall refund, not more than 60 days after the last date of
35 participation in the program, to the individual the amount determined
36 under subsection (f) of any funds remaining in the individual's health care
37 account as follows:

38 (1) An individual who is no longer eligible for the program or does
39 not renew participation in the program at the end of the program period
40 shall receive the amount determined under STEP FOUR of subsection (f);
41 or

42 (2) an individual who is terminated from the program due to
43 nonpayment of a required payment shall receive the amount determined

1 under STEP FIVE of subsection (f).

2 (f) The department shall determine the amount payable to an
3 individual described in subsection (e) as follows:

4 STEP ONE: Determine the total amount paid into the individual's
5 health care account under section 10(d), and amendments thereto;

6 STEP TWO: determine the total amount paid into the individual's
7 health care account from all sources;

8 STEP THREE: divide STEP ONE by STEP TWO;

9 STEP FOUR: multiply the ratio determined in STEP THREE by the
10 total amount remaining in the individual's health care account; and

11 STEP FIVE: multiply the amount determined under STEP FOUR by .
12 075.

13 Sec. 11. (a) Subject to appeal to the department, an individual is
14 responsible for a \$25 co-pay under the program for receiving
15 nonemergency services in an emergency room setting.

16 (b) This copayment shall be waived for any beneficiary who contacts
17 their health plan's 24-hour nurse hotline prior to utilizing the hospital
18 emergency department.

19 Sec. 12. (a) The department may establish a health insurance
20 coverage premium assistance program for individuals who meet the
21 following:

22 (1) Have an annual household income of not more than 133% of the
23 federal income poverty level, based on the adjusted gross income
24 provisions set forth in section 2001(a)(1) of the federal patient protection
25 and affordable care act; or

26 (2) are eligible for health insurance coverage through an employer but
27 cannot afford the health insurance coverage premiums.

28 (b) A program established under this section must:

29 (1) Contain eligibility requirements that are similar to the eligibility
30 requirements of the program;

31 (2) include a health care account as a component; and

32 (3) provide that an individual's payment to a health care account or
33 for a health insurance coverage premium may not exceed 5% of the
34 individual's annual income.

35 Sec. 13. (a) A denial of federal approval and federal financial
36 participation that applies to any part of this act does not prohibit the
37 department from implementing any other part of this act, other than
38 section 2(b), and amendments thereto, that:

39 (1) Is federally approved for federal financial participation; or

40 (2) does not require federal approval or federal financial participation.

41 (b) The secretary may make changes to the program under this act if
42 the changes are required by one of the following:

43 (1) The United States department of health and human services; or

1 (2) federal law or regulation.

2 Sec. 14. As used in this act, "phase out period" refers to the following
3 periods:

4 (a) The time during which a:

5 (1) Phase out plan;

6 (2) demonstration expiration plan; or

7 (3) similar plan approved by the United States department of health
8 and human services; is in effect for the plan set forth in this act.

9 (b) The time beginning upon the department's receipt of written
10 notice by the United States department of health and human services of its
11 decision to:

12 (1) Terminate or suspend the waiver demonstration for the program;
13 or

14 (2) withdraw the waiver or expenditure authority for the program;
15 and

16 (3) ending on the effective date of the termination, suspension or
17 withdrawal of the waiver or expenditure authority.

18 (c) The time beginning upon:

19 (A) The department's determination to terminate the program;

20 (B) the termination of the program under section 2(b), and
21 amendments thereto; or

22 (C) if subsections (a) and (b) do not apply, ending on the effective
23 date of the termination of the program.

24 Sec. 15. (a) The department shall produce and submit a waiver to the
25 United States department of health and human services to implement the
26 program with services to begin on January 1, 2017.

27 (b) Expansion of the existing KanCare program shall go into effect on
28 January 1, 2017, if such program is not:

29 (1) Submitted to the United States department of health and human
30 services in a timely manner allowing for a January 1, 2017,
31 implementation; or

32 (2) good faith negotiations of the waiver provisions between the
33 United States department of health and human services and the department
34 are not ongoing by January 1, 2017.

35 Sec. 16. (a) There is hereby created in the state treasury the KanCare
36 bridge to a healthy Kansas program premium fee fund as a reappropriating
37 fund. The secretary of health and environment shall remit to the state
38 treasurer, in accordance with the provisions of K.S.A. 75-4215, and
39 amendments thereto, all moneys collected or received by the secretary
40 from the KanCare bridge to a healthy Kansas program beneficiaries for the
41 fees specified in sections 8, 11 and 12, and amendments thereto. Upon
42 receipt of each such remittance, the state treasurer shall deposit the entire
43 amount in the state treasury to the credit of the KanCare bridge to a

1 healthy Kansas premium fee fund.

2 (b) Moneys in the KanCare bridge to a healthy Kansas program
3 premium fee fund shall be expended for the purpose of medicaid medical
4 assistance payments for KanCare bridge to a healthy Kansas program
5 beneficiaries. All expenditures from the KanCare bridge to a healthy
6 Kansas program premium fee fund shall be made in accordance with
7 appropriation acts upon warrants of the director of accounts and reports
8 issued pursuant to vouchers approved by the secretary of health and
9 environment or the secretary's designee.

10 (c) On or before the 10th of each month, the director of accounts and
11 reports shall transfer from the state general fund to the KanCare bridge to a
12 healthy Kansas program premium fee fund interest earnings based on:

13 (1) The average daily balance of moneys in the KanCare bridge to a
14 healthy Kansas program premium fee fund for the preceding month; and

15 (2) the net earnings rate of the pooled money investment portfolio for
16 the preceding month.

17 (d) The KanCare bridge to a healthy Kansas premium fee fund shall
18 be used for the purposes set forth in this act and for no other governmental
19 purposes. It is the intent of the legislature that the fund shall remain intact
20 and inviolate for the purposes set forth in this act, and moneys in the fund
21 shall not be subject to the provisions of K.S.A. 75-3722, 75-3725a and 75-
22 3726a, and amendments thereto.

23 (e) The secretary of health and environment shall prepare and deliver
24 to the legislature on or before the first day of each regular legislative
25 session, a report which summarizes all expenditures from the KanCare
26 bridge to a healthy Kansas program premium fee fund, fund revenues and
27 recommendations regarding the adequacy of the fund to support necessary
28 KanCare bridge to a healthy Kansas program program expenditures.

29 Sec. 17. (a) There is hereby created in the state treasury the KanCare
30 bridge to a healthy Kansas program drug rebate fund as a reappropriating
31 fund. The secretary of the department of health and environment shall
32 remit to the state treasurer, in accordance with the provisions of K.S.A. 75-
33 4215, and amendments thereto, all moneys collected or received by the
34 secretary from drug rebates connected to KanCare bridge to a healthy
35 Kansas program beneficiaries. Upon receipt of each such remittance, the
36 state treasurer shall deposit the entire amount in the state treasury to the
37 credit of the KanCare bridge to a healthy Kansas drug rebate fund.

38 (b) Moneys in the KanCare bridge to a healthy Kansas program drug
39 rebate fund shall be expended for the purpose of medicaid medical
40 assistance payments for KanCare bridge to a healthy Kansas program
41 beneficiaries. All expenditures from the KanCare bridge to a healthy Kansas
42 program drug rebate fund shall be made in accordance with appropriation
43 acts upon warrants of the director of accounts and reports issued pursuant

1 to vouchers approved by the secretary of health and environment or the
2 secretary's designee.

3 (c) On or before the 10th of each month, the director of accounts and
4 reports shall transfer from the state general fund to the KanCare bridge to a
5 healthy Kansas program drug rebate fund interest earnings based on:

6 (1) The average daily balance of moneys in the KanCare bridge to a
7 healthy Kansas program drug rebate fund for the preceding month; and

8 (2) the net earnings rate of the pooled money investment portfolio for
9 the preceding month.

10 (d) The KanCare bridge to a healthy Kansas program drug rebate
11 fund shall be used for the purposes set forth in this act and for no other
12 governmental purposes. It is the intent of the legislature that the fund shall
13 remain intact and inviolate for the purposes set forth in this act, and
14 moneys in the fund shall not be subject to the provisions of K.S.A. 75-
15 3722, 75-3725a and 75-3726a, and amendments thereto.

16 (e) The secretary of health and environment shall prepare and deliver
17 to the legislature on or before the first day of each regular legislative
18 session, a report which summarizes all expenditures from the KanCare
19 bridge to a healthy Kansas program drug rebate fund, fund revenues and
20 recommendations regarding the adequacy of the fund to support KanCare
21 bridge to a healthy Kansas program program expenditures.

22 Sec. 18. (a) There is hereby created in the state treasury the KanCare
23 bridge to a healthy Kansas program privilege fee fund as a
24 reappropriating fund. The secretary of health and environment shall remit
25 to the state treasurer, in accordance with the provisions of K.S.A. 75-4215,
26 and amendments thereto, all moneys collected or received by the secretary
27 for privilege fees collected under K.S.A. 40-3213, and amendments
28 thereto, connected to the KanCare bridge to a healthy Kansas program
29 beneficiaries. Upon receipt of each such remittance, the state treasurer
30 shall deposit the entire amount in the state treasury to the credit of the
31 KanCare bridge to a healthy Kansas program privilege fee fund.

32 (b) Moneys in the KanCare bridge to a healthy Kansas program
33 privilege fee fund shall be expended for the purpose of medicaid medical
34 assistance payments for KanCare bridge to a healthy Kansas program
35 beneficiaries. All expenditures from the KanCare bridge to a healthy
36 Kansas privilege fee fund shall be made in accordance with appropriation
37 acts upon warrants of the director of accounts and reports issued pursuant
38 to vouchers approved by the secretary of health and environment or the
39 secretary's designee.

40 (c) On or before the 10th of each month, the director of accounts and
41 reports shall transfer from the state general fund to the KanCare bridge to a
42 healthy Kansas privilege fee fund interest earnings based on:

43 (1) The average daily balance of moneys in the KanCare bridge to a

1 healthy Kansas privilege fee fund for the preceding month; and

2 (2) the net earnings rate of the pooled money investment portfolio for
3 the preceding month.

4 (d) The KanCare bridge to a healthy Kansas privilege fee fund shall
5 be used for the purposes set forth in this act and for no other governmental
6 purposes. It is the intent of the legislature that the fund shall remain intact
7 and inviolate for the purposes set forth in this act, and moneys in the fund
8 shall not be subject to the provisions of K.S.A. 75-3722, 75-3725a and 75-
9 3726a, and amendments thereto.

10 (e) The secretary of health and environment shall prepare and deliver
11 to the legislature on or before the first day of each regular legislative
12 session, a report which summarizes all expenditures from the KanCare
13 bridge to a healthy Kansas privilege fee fund, fund revenues and
14 recommendations regarding the adequacy of the fund to support necessary
15 KanCare bridge to a healthy Kansas program expenditures.

16 Sec. 19. The secretary of health and environment shall prepare and
17 deliver to the legislature on or before the first day of each regular
18 legislative session, a report which summarizes the state cost savings from
19 beneficiary co-payments by the KanCare bridge to a healthy Kansas
20 beneficiaries.

21 Sec. 20. (a) The secretary of health and environment shall prepare
22 and deliver to the legislature on or before the first day of each regular
23 legislative session, a report which summarizes the cost savings achieved
24 by the state from the movement of beneficiaries from the KanCare
25 program to the KanCare bridge to a healthy Kansas program, including,
26 but not limited to, the MediKan program, the medically needy spend-down
27 program, and the breast and cervical cancer program.

28 (b) State cost savings shall be determined by calculating the cost of
29 beneficiaries if services were provided in the KanCare program less the
30 cost of services provided to beneficiaries under the KanCare bridge to a
31 healthy Kansas program.

32 Sec. 21. The secretary of corrections shall prepare and deliver to the
33 legislature on or before the first day of each regular legislative session, a
34 report identifying cost savings to the state from the use of the KanCare
35 bridge to a healthy Kansas program to cover inmate inpatient
36 hospitalization.

37 Sec. 22. The secretary of health and environment shall present to the
38 house appropriations committee and the senate ways and means
39 committee, no later than February 15 of each year, a report summarizing
40 the costs for the KanCare bridge to a healthy Kansas program and the cost
41 savings and additional revenues identified in sections 1 through 6, and
42 amendments thereto.

43 Sec. 23. (a) The KanCare bridge to a healthy Kansas working group

1 is hereby created.

2 (b) The working group is charged with identifying non-state general
3 fund sources to fund any shortfall identified by the secretary of health and
4 environment in section 7, and amendments thereto, for the KanCare bridge
5 to a healthy Kansas program.

6 (c) The working group shall be composed of the following:

7 (1) Three members from the Kansas house of representatives:

8 (A) Two members appointed by the speaker of the house; and

9 (B) one member appointed by the house minority leader;

10 (2) three members from the Kansas senate:

11 (A) Two members appointed by the senate president; and

12 (B) one member appointed by the senate minority leader;

13 (3) one representative from the Kansas hospital association;

14 (4) one representative from the Kansas medical society;

15 (5) one representative from the Kansas association for the medically
16 underserved;

17 (6) one representative from the Kansas academy of family physicians;

18 (7) one representative from the association of community mental
19 health centers of Kansas;

20 (8) one representative from the Kansas dental association;

21 (9) one representative from the Kansas emergency medical services
22 association;

23 (10) one representative from the Kansas optometric association; and

24 (11) one representative from the Kansas pharmacists association.

25 (d) The chairperson of the working group shall be elected by the
26 members of the working group from members of the working group from
27 the house in even years and from members of the working group from the
28 senate in odd years.

29 (e) The Kansas legislative research department shall staff the working
30 group.

31 (f) Legislative members attending a meeting of the working group or
32 a subcommittee meeting thereof shall receive compensation and travel
33 expenses and subsistence expenses or allowances as provided in K.S.A.
34 75-3212, and amendments thereto.

35 (g) Non-legislative members shall not receive compensation,
36 subsistence allowance, mileage or associated expenses from the state for
37 attending a meeting or subcommittee meeting of the working group.

38 (h) The working group shall meet no less than twice in any given
39 calendar year.

40 (i) A quorum of the working group shall be nine members of which at
41 least four shall be legislative members of the working group.

42 (j) The working group shall report to the legislature on or before
43 March 15 of each year with recommendations for funding the KanCare

1 bridge to a healthy Kansas program, as necessary.

2 Sec. 24. This act shall take effect and be in force from and after its

3 publication in the statute book.