

SESSION OF 2018

**SUPPLEMENTAL NOTE ON SUBSTITUTE FOR SENATE
BILL NO. 195**

As Recommended by Senate Committee on
Public Health and Welfare

Brief*

Sub. for SB 195 would establish a suspended eligibility status for certain Medicaid recipients. The Kansas Department of Health and Environment (KDHE) would be required to establish a suspended eligibility status for certain recipients of Medicaid and would be required to classify a recipient who meets the qualifications as suspended from eligibility.

A recipient of Medicaid services would be granted suspended eligibility status upon:

- Admission to Larned State Hospital, Osawatomie State Hospital, Kansas Neurological Institute, or Parsons State Hospital and Training Center;
- Admission to a hospital, nursing facility, or other institution with a capacity of more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care, including medical attention, nursing care, and related services, of persons with mental diseases; or
- Incarceration in any correctional facility or jail or placement in any juvenile correctional facility.

KDHE would be required to reinstate Medicaid eligibility for any recipient whose eligibility has been suspended upon

*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>

the recipient's release or discharge from the facilities listed above.

For any recipient who may be classified as suspended from eligibility, KDHE would be required to retain all records relating to the recipient and would not be allowed to terminate the recipient's eligibility for Medicaid. Upon determination that a recipient's eligibility status should be reinstated, KDHE would be required to expedite reinstatement of the recipient's eligibility for Medicaid services. KDHE would be prohibited from requiring a recipient to begin the eligibility application process anew for Medicaid services.

Suspended eligibility status would not entitle a recipient to coverage for Medicaid services during the period of time for which the recipient is deemed to have suspended eligibility.

The bill would require the Secretary of Health and Environment to adopt rules and regulations prior to July 1, 2019, as necessary to implement and administer the provisions of this act. The rules and regulations would include a system and process to receive electronic information from the Kansas Department for Aging and Disability Services (KDADS), the Kansas Department of Corrections (KDOC), and county sheriffs as necessary for KDHE to determine a Medicaid recipient's eligibility status.

Background

The bill was introduced by the Senate Committee on Ways and Means during the 2017 Session. At the Senate Committee on Public Health and Welfare hearing during the 2018 Session, proponent testimony was provided by representatives of the Association of Community Mental Health Centers, Behavioral Health Association of Kansas, Disability Rights Center of Kansas, Kansas Mental Health Coalition, Kansas Sheriffs' Association, and National Alliance on Mental Illness. The proponents generally stated

suspension, rather than termination, of Medicaid benefits gives individuals re-entering their communities a more seamless path to coverage. Written-only proponent testimony was submitted by representatives of the Health Reform Resource Project and the Kansas Hospital Association. No other testimony was provided.

The Senate Committee created a substitute bill by amending SB 195 to remove references to Rainbow Mental Health Facility (a former psychiatric facility), remove provisions requiring the facilities to notify KDHE when an individual is released or discharged, and insert language requiring the Secretary of Health and Environment to adopt rules and regulations prior to July 1, 2019, as necessary to implement and administer this act. The Senate Committee also inserted language to clarify KDHE would be required to reinstate Medicaid eligibility for any recipient whose eligibility has been suspended upon the recipient's release or discharge from any facility described herein.

According to the fiscal note prepared during the 2017 Session by the Division of the Budget on the bill, as introduced, enactment of the bill could have a fiscal effect on KDADS and the state hospitals because of the increased administrative work associated with reporting admissions and discharges to KDHE. The fiscal note states the increase in workload and associated costs would be dependent on the number of individuals that are Medicaid recipients at the time of admission to a state hospital or other facility listed in the bill. The bill may help expedite discharges from the state hospitals because these individuals could immediately resume receiving state Medicaid services and supports in the community, avoiding any delays in re-determining eligibility. Further, according to the fiscal note, KDOC indicates the fiscal effect of the bill would be negligible because KDOC currently employs discharge planners to assist inmates who are near release apply for Medicaid benefits. Any fiscal effect associated with the bill was not reflected in *The FY 2018 Governor's Budget Report*.