

KANSAS OFFICE of
REVISOR of STATUTES

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300 SW TENTH AVENUE ■ SUITE 24-E ■ TOPEKA, KS 66612 ■ (785) 296-2321

MEMORANDUM

To: Chairperson McGinn and members of the Senate Ways and Means Committee

From: David Wiese, Assistant Revisor

Date: March 20, 2019

Subject: **SB 225-Amending the hospital provider assessment rate and uses and membership of the healthcare access improvement panel.**

Senate Bill No. 225 increases the hospital provider assessment rate for inpatient services from 1.83% of each hospital's net inpatient operating revenue for the hospital's fiscal year 2010 to 3% of each hospital's net inpatient and outpatient operating revenue for the hospital's fiscal year that was three years prior to the assessment year.

The increase would not take effect until the department of health and environment (KDHE) submits to the U.S. centers for medicare and medicaid services (CMS) any approval request necessary to implement the increase provided by this act. The department shall cause notice of such approval by CMS to be published in the Kansas register. The provide assessment rate increase would then take effect on either January 1 or July 1 immediately following such publication.

The bill also provides that any increased medicaid rates implemented after the effective date of the increased provider assessment shall not be subsequently reduced. If during any subsequent fiscal year, revenues from the hospital provider assessment rate are insufficient to fund such increased medicaid rates, KDHE shall fund such increased medicaid rates using moneys appropriated to the department from the state general fund or in any appropriate special revenue fund or funds during such fiscal year.

The bill also amends the composition of the Kansas healthcare access improvement panel by striking the requirement that the two members of appointed by the Kansas medical society must be persons licensed to practice medicine and surgery, replaces one member appointed by the Kansas association for the medically underserved with a member appointed by the community care network of Kansas. The healthcare access improvement panel is also required to submit a report to the senate ways and means committee and the house appropriations committee on or before January 10, 2022, and on or before the first day of each third regular session of the legislature thereafter, that includes the expenditures needed to maintain increased medicaid rates at the FY 2020 level and a recommendation on whether the hospital provider assessment rate should be adjusted to address needed expenditures. Approval from CMS and publication of such approval is also required before such amendments take effect.

The bill would become effective upon publication in the Kansas register.