



February 17, 2022

Heather Braum, Health Policy Advisor
Kansas Action for Children
Testimony in support of SB 407
Senate Committee on Public Health and Welfare

Chairman Hilderbrand and members of the Committee:

Thank you for the opportunity to provide testimony in support of SB 407, a commonsense bill that makes technical fixes to the statutes related to the Children’s Health Insurance Program (CHIP), **including fixing an unintended error that has affected eligibility for more than a decade.**

Kansas Action for Children is a nonprofit advocacy organization working to make Kansas a place where every child has the opportunity to grow up healthy and thrive. We work across the political spectrum to improve the lives of Kansas children through bipartisan advocacy, partnership, and information-sharing on key issues, including early learning and education, health, and economic security for families.

One of the most important ways for kids to stay healthy is through regular doctor checkups, screenings, immunizations, and dental services. Health insurance coverage helps families afford these services. Some working Kansas families who struggle to afford health insurance for their children can qualify (depending on income levels) for CHIP coverage in Kansas. For families who have higher income levels and still qualify for CHIP, they pay a sliding scale premium up to \$50/month for their children’s coverage.¹

However, a recently uncovered error dating back to 2008 that remains in Kansas statute means that through no fault of their own or family income changing, some Kansas children have lost their CHIP coverage. **SB 407 fixes this problem by removing the year-specific language.** The bill also removes a waiting period clause in statute that is out of alignment with current federal regulations for the CHIP program.

When the Legislature last updated the CHIP eligibility percentages in 2008 during the conference committee process, the language “2008 federal poverty income guidelines” was

¹ KanCare. (July 2021). *Kansas Medical Assistance Standards*. <https://kancare.ks.gov/docs/default-source/policies-and-reports/kdhe-keesm/kfmam-policy-memos/e-d-policy-memos/2021-e-d-memos/f-8-ks-medical-standard-7-21-v2.pdf>



included in the final bill that became law,² as well as some now out-of-date references to 2009 and 2010. After the bill was enacted, the year 2008 was never removed in reference to the federal poverty income guidelines.

CHIP eligibility in Kansas is supposed to be 250% of federal poverty income guidelines, but with the 2008 reference included, Kansas must annually convert and reduce the CHIP eligibility threshold, as the current federal poverty income guidelines increase.

Each year, the Kansas Medicaid program submits to the Centers for Medicare & Medicaid Services (CMS) a State Plan Amendment (SPA) showing this converted percentage. In 2021, Kansas CHIP eligibility at 250% of the 2008 federal poverty income guidelines converts to 225%.³ Attached to my testimony is a copy of that SPA. Page 3 of the document has a table that illustrates this problem.⁴ Note the 2013 percentage (245%) vs. the 2021 percentage (225%). The 2022 percentage most certainly will decline even further.

In the process of working on this bill, we learned that no other state references a specific year for their CHIP eligibility percentage, and no other place in Kansas statute that references federal poverty income guidelines references a specific year. **This statute is an outlier.** The erosion of CHIP eligibility threshold in Kansas is an unintended error that should be corrected. **SB 407 corrects this issue by removing the year-specific language for the federal poverty income guidelines.**

Should SB 407 become law, families in the 225%-250% federal poverty income guidelines range who can't afford health insurance from another source, would again qualify for the CHIP program. These families will also likely fall into the \$50/month premium-paying category.

SB 407 would help more eligible children qualify for CHIP. According to a Kansas Health Institute (KHI) population estimate, based on 2019 US Census American Community Survey

² When reviewing the March 10, 2008, Senate Health Care Strategies meeting notes, SB 541 that passed the Senate in 2008, and the final conference committee report for House Sub. for SB 81 (2008), the origin of how this error happened can be traced. **The original intent of the Senate Health Care Strategies Committee was to not include this year-specific language after 2010.**

³ According to KHI's Kansas Medicaid: A 2022 Primer (p. 13), eligibility levels reflect Modified Adjusted Gross Income (MAGI) rules, including a 5 percent income disregard that may be applied on an individual basis. Therefore, many documents reference the (converted) CHIP eligibility as 230%.

Kansas Health Institute. (2022). *Kansas Medicaid: A 2022 Primer*. https://www.khi.org/assets/uploads/news/15252/2022_medicaid_primer_web.pdf.

⁴ CMS. (2021). *Kansas State Plan Amendment SPA-21-003*. <https://www.medicaid.gov/CHIP/Downloads/KS-21-0003.pdf>



(ACS) data, there were an estimated 47,063 Kansas children under age 19 with family income between 225% and 250% FPL.⁵ You can see that table on the following page.

**2019 Estimated number of Kansas children in the
200%-250% federal poverty income guidelines**

FPL	Kansas Children under 19*	% of Kansas kids in each income bracket
200-204%	7,976	9.6
205-209%	6,436	7.7
210-214%	10,606	12.7
215-219%	6,539	7.8
220-224%	4,865	5.8
225-229%	7,219	8.6
230-234%	10,329	12.4
235-239%	8,660	10.4
240-244%	7,910	9.5
245-250%	12,945	15.5
Total	83,485	100.0

*A standard of error was computed by KHI for the estimates in this table. It is available upon request.

Not all of these children will sign up for CHIP, but this is a significant number of Kansas children who could be impacted positively by the passage of SB 407 and give their families options when their children are uninsured.

SB 407 fixes the eligibility issue in Kansas law that will continue to be a growing problem—impacting a number of Kansas kids— until it is addressed. We urge your support of this technical, but important, bill.

Thank you for the opportunity to voice our support for SB 407, and please do not hesitate to contact me at heather@kac.org if you have any questions.

⁵ Data source: The estimate is based on the U.S. Census Bureau 2019 American Community Survey (ACS) Public Use Microdata Sample (PUMS) file, the most recent data available for analysis.

Table of Contents

State/Territory Name: Mcpucu

State Plan Amendment (SPA) #: MU/43/2225

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) State Plan Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850



Children and Adults Health Programs Group

March 30, 2021

Ms. Sarah Fertig
Medicaid Director
State of Kansas, Department of Health and Environment
900 SW Jackson Avenue Suite 900
Topeka, KS 66612-1220

Dear Ms. Fertig:

I am pleased to inform you that the Centers for Medicare & Medicaid Services has approved your title XXI Children's Health Insurance Program (CHIP) state plan amendment (SPA) number KS-21-0003, submitted on January 26, 2021. This SPA relates to Modified Adjusted Gross Income eligibility and has an effective date of April 1, 2021.

Through SPA number KS-21-0003, the state updates the supporting document for the CS7 page, which describes the annual update to the upper income standard for CHIP. The supporting document is attached; it supersedes the previously approved supporting document for the CS7 and should be incorporated as an attachment to the current CHIP state plan.

Your title XXI project officer is Ms. Kristin Edwards. She is available to answer questions concerning these amendments. Ms. Edwards' contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850
Telephone: (410) 786-5480
E-mail: kristin.edwards@cms.hhs.gov

If you have additional questions or concerns, please contact Ms. Meg Barry, Director, Division of State Coverage Programs, at (410) 786-1536. We look forward to continuing to work with you and your staff.

Sincerely,

/Signed Amy Lutzky/

Amy Lutzky
Deputy Director

Upper Income Limit Methodology for Targeted Low-Income Children

TRANSMITTAL NUMBER:

CHIP SPA KS-21-0003

STATE:

Kansas

Kansas state law requires that the maximum family income for eligibility as a targeted low-income child in CHIP is 250 percent of the 2008 federal poverty level (FPL). In order to express the equivalent income standard in terms of the current year FPL, the state uses a simple ratio for each household size, expresses the limit as percentage of the current FPL and adopts the highest resulting percentage. This percentage is used for the entire CHIP population for the year. The revision is effective on April 1 of each year.

The income standard equivalent to 250 percent of the 2008 FPL was 225 percent of the FPL in 2013. This amount was converted for use with MAGI-based methodology to 245 percent of the FPL. Each year the state will update the CHIP upper income table below with the current year income standard and submit it to CMS as a state plan amendment.

Year (Beginning April 1)	Upper Income Standard in Current Year FPL
2013	245%
2014	242%
2015	239%
2016	238%
2017	236%
2018	235%
2019	230%
2020	227%
2021	225%