

HOUSE BILL No. 2633

By Committee on Federal and State Affairs

2-8

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, subject to a phase-out period, as
22 defined in section 14, and amendments thereto.

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

- 25 (1) Mental health care services;
- 26 (2) inpatient hospital services;
- 27 (3) prescription drug coverage, including coverage of a long acting,
28 nonaddictive medication assistance treatment drug if the drug is being
29 prescribed for the treatment of substance abuse;
- 30 (4) emergency room services;
- 31 (5) physician office services;
- 32 (6) diagnostic services;
- 33 (7) outpatient services, including therapy services;
- 34 (8) comprehensive disease management;
- 35 (9) home health services, including case management;
- 36 (10) urgent care center services;

- 1 (11) preventive care services;
- 2 (12) family planning services:
- 3 (A) Including contraceptives and sexually transmitted disease testing,
- 4 as described in federal medicaid law (42 U.S.C. § 1396 et seq.); and
- 5 (B) not including abortion or abortifacients;
- 6 (13) hospice services;
- 7 (14) substance abuse services;
- 8 (15) a service determined by the secretary to be required by federal
- 9 law as a benchmark service under the federal patient protection and
- 10 affordable care act.

11 (b) The program may do the following:

12 (1) Offer coverage for dental and vision services to an individual who

13 participates in the program;

14 (2) pay at least 50% of the premium cost of dental and vision services

15 coverage described in this subsection.

16 (c) An individual who receives the dental or vision coverage offered

17 under subsection (b) shall pay an amount determined by the department for

18 the coverage. The department shall limit the payment to not more than 5%

19 of the individual's annual household income. The payment required under

20 this subsection is in addition to the payment required under section 11(b)

21 (2), and amendments thereto, for coverage under the program.

22 (d) Vision services offered by the program must include services

23 provided by an optometrist.

24 (e) The program must comply with any coverage requirements that

25 apply to an accident and sickness insurance policy issued in Kansas.

26 (f) The program may not permit treatment limitations or financial

27 requirements on the coverage of mental health care services or substance

28 abuse services if similar limitations or requirements are not imposed on the

29 coverage of services for other medical or surgical conditions.

30 Sec. 4. (a) The department shall provide to an individual who

31 participates in the program health plan a list of health care services that

32 qualify as preventive care services for the age, gender and preexisting

33 conditions of the individual.

34 (b) The program shall provide, at no cost to the individual, preventive

35 services required under 42 U.S.C. § 300gg-13. Preventive services not

36 defined under 42 U.S.C. § 300gg-13 are subject to a \$500 cap in any

37 coverage year. Any additional preventive care services covered under the

38 program and received by the individual during the year are subject to the

39 deductible and payment requirements of the program.

40 Sec. 5. The following requirements apply to funds appropriated by

41 the legislature to the program health plan:

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

43 care services.

1 (b) An amount determined by the office of the secretary of no more
 2 than 15% to fund:

- 3 (1) Administrative costs; and
- 4 (2) any profit made by an insurer or a health maintenance
 5 organization under a contract.

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

- 8 (1) The individual is at 18 years of age and less than 65 years of age;
- 9 (2) the individual is a United States citizen or legal resident and has
 10 been a resident of Kansas for at least 12 months;
- 11 (3) the individual has been without health insurance coverage for not
 12 less than 90 days; and
- 13 (4) the individual has an annual household income of not more than
 14 133% of the federal income poverty level, based on the adjusted gross
 15 income provisions set forth in section 2001(a)(1) of the federal patient
 16 protection and affordable care act.

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

- 18 (1) An individual who participates in the federal medicare program
 19 (42 U.S.C. § 1395 et seq.); or
- 20 (2) an individual who is otherwise eligible for medical assistance.
- 21 (c) The eligibility requirements specified in subsection (a) are subject
 22 to approval for federal financial participation by the United States
 23 department of health and human services.

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

- 27 (1) The individual;
- 28 (2) an employer;
- 29 (3) the state;
- 30 (4) a nonprofit organization if the nonprofit organization is not
 31 affiliated with a health care plan;
- 32 (5) an insurer or a health maintenance organization under a contract
 33 with the department to provide health insurance coverage under the
 34 program if the payment:

- 35 (A) Is to provide a health incentive to the individual;
- 36 (B) does not count towards the individual's required minimum
 37 payment set forth in section 11, and amendments thereto; and
- 38 (C) does not exceed the beneficiaries required contribution.
- 39 (b) The minimum funding amount for a health care account is the
 40 amount required under section 8, and amendments thereto.
- 41 (c) An individual's health care account must be used to pay the
 42 individual's deductible for health care services under the program.
- 43 (d) An individual may make payments to the individual's health care

1 account as follows:

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

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

9 (3) another method determined by the department.

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

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

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

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

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

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

26 (A) No less than $\frac{1}{12}$ of 2% of the individual's annual household
27 income per year; or

28 (B) one dollar.

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

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

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

38 (2) for six months.

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

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

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

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

7 (1) Screen for education status;

8 (2) screen for employment status; and

9 (3) contain an acknowledgment of the referral.

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

13 (d) Parents with minor children in the home are exempt from the
14 referral, at the discretion of the department.

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

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

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

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

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

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

43 (2) an individual who is terminated from the program due to

1 nonpayment of a required payment shall receive the amount determined
2 under STEP FIVE of subsection (f).

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

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

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

9 STEP THREE: divide STEP ONE by STEP TWO;

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

12 STEP FIVE: multiply the amount determined under STEP FOUR by
13 0.075.

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

17 (b) This copayment shall be waived for any beneficiary who contacts
18 their health plan's 24-hour nurse hotline and is directed to utilize the
19 hospital emergency department by that service.

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

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

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

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

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

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

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

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

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

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

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

- 1 (1) The United States department of health and human services; or
- 2 (2) federal law or regulation.

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

5 (a) The time during which a:

- 6 (1) Phase-out plan;
- 7 (2) demonstration expiration plan; or
- 8 (3) similar plan approved by the United States department of health
9 and human services; is in effect for the plan set forth in this act.

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

- 13 (1) Terminate or suspend the waiver demonstration for the program;
14 or
- 15 (2) withdraw the waiver or expenditure authority for the program;
16 and
- 17 (3) ending on the effective date of the termination, suspension or
18 withdrawal of the waiver or expenditure authority.

19 (c) The time beginning upon:

- 20 (A) The department's determination to terminate the program;
- 21 (B) the termination of the program under section 2(b), and
22 amendments thereto; or
- 23 (C) if subsections (a) and (b) do not apply, ending on the effective
24 date of the termination of the program.

25 Sec. 15. (a) The department shall produce and submit a waiver to the
26 United States department of health and human services to implement the
27 program with services to begin no later than January 1, 2017.

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

- 30 (1) Submitted to the United States department of health and human
31 services in a timely manner allowing for implementation no later than
32 January 1, 2017; or
- 33 (2) good faith negotiations of the waiver provisions between the
34 United States department of health and human services and the department
35 are not ongoing by January 1, 2017.

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

1 amount in the state treasury to the credit of the KanCare bridge to a
2 healthy Kansas premium fee fund.

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

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

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

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

18 (d) The KanCare bridge to a healthy Kansas premium fee fund shall
19 be used for the purposes set forth in this act and for no other governmental
20 purposes. It is the intent of the legislature that the fund shall remain intact
21 and inviolate for the purposes set forth in this act, and moneys in the fund
22 shall not be subject to the provisions of K.S.A. 75-3722, 75-3725a and 75-
23 3726a, and amendments thereto.

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

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

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

1 acts upon warrants of the director of accounts and reports issued pursuant
2 to vouchers approved by the secretary of health and environment or the
3 secretary's designee.

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

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

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

11 (d) The KanCare bridge to a healthy Kansas program drug rebate
12 fund shall be used for the purposes set forth in this act and for no other
13 governmental purposes. It is the intent of the legislature that the fund shall
14 remain intact and inviolate for the purposes set forth in this act, and
15 moneys in the fund shall not be subject to the provisions of K.S.A. 75-
16 3722, 75-3725a and 75-3726a, and amendments thereto.

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

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

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

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

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

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

5 (d) The KanCare bridge to a healthy Kansas privilege fee fund shall
6 be used for the purposes set forth in this act and for no other governmental
7 purposes. It is the intent of the legislature that the fund shall remain intact
8 and inviolate for the purposes set forth in this act, and moneys in the fund
9 shall not be subject to the provisions of K.S.A. 75-3722, 75-3725a and 75-
10 3726a, and amendments thereto.

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

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

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

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

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

38 Sec. 22. The secretary of health and environment shall present to the
39 house appropriations committee and the senate ways and means
40 committee, no later than February 15 of each year, a report summarizing
41 the costs for the KanCare bridge to a healthy Kansas program and the cost
42 savings and additional revenues identified in sections 16 through 21, and
43 amendments thereto.

1 Sec. 23. (a) The KanCare bridge to a healthy Kansas working group
2 is hereby created.

3 (b) The working group is charged with identifying non-state general
4 fund sources to fund any shortfall identified by the secretary of health and
5 environment in section 22, and amendments thereto, for the KanCare
6 bridge to a healthy Kansas program.

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

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

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

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

11 (2) three members from the Kansas senate:

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

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

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

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

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

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

20 (7) one representative from the association of community mental
21 health centers of Kansas;

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

23 (9) one representative from the Kansas emergency medical services
24 association;

25 (10) one representative from the Kansas optometric association;

26 (11) one representative from the Kansas pharmacists association; and

27 (12) one representative of KanCare bridge to a healthy Kansas
28 program consumers from AARP Kansas.

29 (d) The chairperson of the working group shall be elected by the
30 members of the working group from members of the working group from
31 the house in even years and from members of the working group from the
32 senate in odd years.

33 (e) The Kansas legislative research department shall staff the
34 working group.

35 (f) Legislative members attending a meeting of the working group or
36 a subcommittee meeting thereof shall receive compensation and travel
37 expenses and subsistence expenses or allowances as provided in K.S.A.
38 75-3212, and amendments thereto.

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

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

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

3 (j) The working group shall report to the legislature on or before
4 March 15 of each year with recommendations for funding the KanCare
5 bridge to a healthy Kansas program, as necessary.

6 Sec. 24. This act shall take effect and be in force from and after its
7 publication in the statute book.