

March 14, 2011

The Honorable Virgil Peck, Chairperson
House Committee on Transportation and Public Safety Budget
Statehouse, Room 561-W
Topeka, Kansas 66612

Dear Representative Peck:

SUBJECT: Fiscal Note for HB 2359 by House Committee on Appropriations

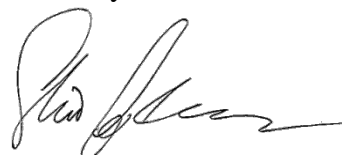
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2359 is respectfully submitted to your committee.

HB 2359 would amend current law by allowing the Department of Corrections and the Juvenile Justice Authority (JJA) to pay health care providers the lesser of the actual amount billed or the Medicaid rate for health care services given to individuals who are in the custody of either agency. Currently, the option to pay the Medicaid rate applies only to county and city law enforcement agencies, county department of corrections, and the Kansas Highway Patrol. HB 2359 would not apply to individuals who are in the custody of either agency and who also have their own health care plans.

According to the Department of Corrections, previous estimates have indicated that health care contract savings ranging from \$450,000 to \$800,000 could be achieved if the Department was permitted to reimburse hospitals at Medicaid rates. It is assumed that approximately \$600,000 in State General Fund savings could be available for FY 2012. Presently, the Governor's FY 2012 recommendation for the contract is \$47.7 million from the State General Fund.

The Juvenile Justice Authority states that most youth who are placed in the community qualify for the Medicaid program. However, youth who are over the age of 21, undocumented youth, and youth who are sentenced to a juvenile correctional facility do not qualify. By applying the Medicaid rate to these cases, JJA estimates that savings of \$82,644 from the State General Fund could be realized for FY 2012 and that this amount could increase to \$84,297 by FY 2013. Any fiscal effect associated with HB 2359 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Jeremy Barclay, KDOC

Keith Bradshaw, JJA