

March 14, 2011

The Honorable Carolyn McGinn, Chairperson  
Senate Committee on Ways and Means  
Statehouse, Room 545-S  
Topeka, Kansas 66612

Dear Senator McGinn:

**SUBJECT:** Fiscal Note for SB 199 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 199 is respectfully submitted to your committee.

SB 199 would require the Kansas Health Policy Authority (KHPA), in consultation with the Department of Corrections, to pursue available Medicaid funding for inmates who receive medical care. The Department must provide any information to the KHPA for the applications for waivers or any other approval documentation required by the Centers for Medicare and Medicaid Services. The KHPA would be required to submit a report on the progress of its attempt to obtain federal funding to the Joint Committee on Health Policy Oversight during the interim of 2011.

According to the Legislative Post Audit report *Health-Care Related Services: Reviewing Options for Better Coordinating the State's Health-Care Related Programs*, Kansas could realize savings by acquiring Medicaid funding for some inpatient care provided to inmates in the custody of the Department of Corrections. Generally, inmates are not eligible for Medicaid and the state must pay the full cost of health care services through the Department's health care contract provider, Correct Care Solutions, Inc. However, for cases in which inmates receive hospital care outside of a correctional facility, Medicaid funds can be used. Legislative Post Audit's analysis of FY 2010 inmate data indicates that initial savings of approximately \$473,000 could be realized. It is expected that under reformed federal health care laws that approximately \$2.8 million in contract savings could be achieved annually starting in 2014. Both the KHPA and the Department of Corrections concur with the report's findings until a more detailed exploration can be completed. Any fiscal effect associated with SB 199 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

Scott Brunner, KHPA