

HOUSE BILL No. 2697

By Committee on Aging and Long-term Care

2-9

1 AN ACT concerning eligibility requirements for medicaid; allowing a
2 collateral assignment of the proceeds of life insurance policies.

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4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. (a) The department of health and environment, in
6 conjunction with the department of social and rehabilitation services, shall
7 review and update its rules and regulations establishing eligibility
8 requirements for the Kansas program of medical assistance established in
9 accordance with title XIX of the federal social security act, 42 U.S.C. §
10 1396 *et seq.* Such review shall include the establishment of a procedure
11 which permits the holder of a life insurance policy which has a cash
12 surrender value to give the Kansas program of medical assistance
13 established in accordance with title XIX of the federal social security act a
14 collateral assignment of the proceeds of such life insurance policy. The
15 collateral assignment may be used by the insured in lieu of any
16 requirement that such life insurance policy be sold in order for the insured
17 to meet any property ownership limitation contained in any eligibility
18 requirement for participation in the Kansas program of medical assistance
19 established in accordance with title XIX of the federal social security act.
20 The collateral assignment shall be for an amount not to exceed the
21 proceeds of such policy necessary to reimburse the Kansas program of
22 medical assistance established in accordance with title XIX of the federal
23 social security act for any amount paid by such program for medical
24 benefits provided to the insured.

25 (b) The department of health and environment is hereby directed to
26 seek any necessary waivers from program requirements of the federal
27 government as may be needed to carry out the provisions of this section
28 and to maximize federal matching and other funds with respect to the
29 provisions of this section. If the department of health and environment
30 determines that one or more waivers from program requirements of the
31 federal government are needed to carry out the provisions of this section,
32 the department of health and environment shall implement the provisions
33 of this section only if such waivers to federal program requirements have
34 been obtained from the federal government.

35 (c) (1) Except as provided in paragraph (2), the review and update of
36 the rules and regulations establishing eligibility requirements for the

1 Kansas program of medical assistance established in accordance with title
2 XIX of the federal social security act, 42 U.S.C. § 1396 *et seq.*, shall be
3 completed and the revisions of such rules and regulations shall be adopted
4 in accordance with the rules and regulations filing act no later than 12
5 calendar months following the date of receipt of the waivers required
6 under subsection (b).

7 (2) If the department of health and environment determines that no
8 waivers are required to implement the provisions of subsection (a), the
9 review and update of the rules and regulations establishing eligibility
10 requirements for the Kansas program of medical assistance established in
11 accordance with title XIX of the federal social security act, 42 U.S.C. §
12 1396 *et seq.*, shall be completed and the revisions of such rules and
13 regulations shall be adopted in accordance with the rules and regulations
14 filing act no later than 12 calendar months following the effective date of
15 this act.

16 Sec. 2. This act shall take effect and be in force from and after its
17 publication in the statute book.
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