

STATE OF KANSAS

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SENATE CHAMBER

MADAM PRESIDENT:

I move to amend **SB 341**, as amended by Senate Committee, on page 1, following line 6, by inserting:

"New Section 1. (a) There is hereby established the KanCare bridge to a healthy Kansas program.

(b) The department of health and environment shall administer the program.

(c) The department shall promote the program and provide information to potential eligible individuals who live in medically underserved rural areas of Kansas.

(d) As used in this act, unless the context requires otherwise, "department" means the department of health and environment.

New Sec. 2. (a) The program serves as an alternative to health care coverage under Title XIX of the federal social security act (42 U.S.C. § 1396 et seq.).

(b) If the percentages of federal medical assistance available to the program for coverage of program participants described in section 1902(a)(10)(A)(i)(VIII) of the federal social security act are less than the percentages provided for in section 1201(b)(1)(A) through (E) of the federal health care and education reconciliation act of 2010, the department shall terminate the program, subject to a phase-out period, as defined in section 14, and amendments thereto.

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

(1) Mental health care services;

(2) inpatient hospital services;

(3) prescription drug coverage, including coverage of a long acting, nonaddictive medication assistance treatment drug if the drug is being prescribed for the treatment of substance abuse;

(4) emergency room services;

(5) physician office services;

(6) diagnostic services;

(7) outpatient services, including therapy services;

(8) comprehensive disease management;

(9) home health services, including case management;

(10) urgent care center services;

(11) preventive care services;

(12) family planning services:

(A) Including contraceptives and sexually transmitted disease testing, as described in federal medicaid law (42 U.S.C. § 1396 et seq.); and

(B) not including abortion or abortifacients;

(13) hospice services;

(14) substance abuse services;

(15) a service determined by the secretary to be required by federal law as a benchmark service under the federal patient protection and affordable care act.

(b) The program may do the following:

(1) Offer coverage for dental and vision services to an individual who participates in the program;

(2) pay at least 50% of the premium cost of dental and vision services coverage described in this subsection.

(c) An individual who receives the dental or vision coverage offered under subsection (b)

shall pay an amount determined by the department for the coverage. The department shall limit the payment to not more than 5% of the individual's annual household income. The payment required under this subsection is in addition to the payment required under section 11(b) (2), and amendments thereto, for coverage under the program.

(d) Vision services offered by the program must include services provided by an optometrist.

(e) The program must comply with any coverage requirements that apply to an accident and sickness insurance policy issued in Kansas.

(f) The program may not permit treatment limitations or financial requirements on the coverage of mental health care services or substance abuse services if similar limitations or requirements are not imposed on the coverage of services for other medical or surgical conditions.

New Sec. 4. (a) The department shall provide to an individual who participates in the program health plan a list of health care services that qualify as preventive care services for the age, gender and preexisting conditions of the individual.

(b) The program shall provide, at no cost to the individual, preventive services required under 42 U.S.C. § 300gg-13. Preventive services not defined under 42 U.S.C. § 300gg-13 are subject to a \$500 cap in any coverage year. Any additional preventive care services covered under the program and received by the individual during the year are subject to the deductible and payment requirements of the program.

New Sec. 5. The following requirements apply to funds appropriated by the legislature to the program health plan:

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

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

(1) Administrative costs; and

(2) any profit made by an insurer or a health maintenance organization under a contract.

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

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

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

- (1) An individual who participates in the federal medicare program (42 U.S.C. § 1395 et seq.);
- or
- (2) an individual who is otherwise eligible for medical assistance.

(c) The eligibility requirements specified in subsection (a) are subject to approval for federal financial participation by the United States department of health and human services.

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

- (1) The individual;
- (2) an employer;
- (3) the state;
- (4) a nonprofit organization if the nonprofit organization is not affiliated with a health care plan;
- (5) an insurer or a health maintenance organization under a contract with the department to

provide health insurance coverage under the program if the payment:

(A) Is to provide a health incentive to the individual;

(B) does not count towards the individual's required minimum payment set forth in section 11, and amendments thereto; and

(C) does not exceed the beneficiaries required contribution.

(b) The minimum funding amount for a health care account is the amount required under section 8, and amendments thereto.

(c) An individual's health care account must be used to pay the individual's deductible for health care services under the program.

(d) An individual may make payments to the individual's health care account as follows:

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

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

(3) another method determined by the department.

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

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

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

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

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

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

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

(B) one dollar.

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

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

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

(2) for six months.

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

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

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

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

(1) Screen for education status;

(2) screen for employment status; and

(3) contain an acknowledgment of the referral.

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

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

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

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

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

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

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

(1) An individual who is no longer eligible for the program or does not renew participation in

the program at the end of the program period shall receive the amount determined under STEP FOUR of subsection (f); or

(2) an individual who is terminated from the program due to nonpayment of a required payment shall receive the amount determined under STEP FIVE of subsection (f).

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

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

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

STEP THREE: divide STEP ONE by STEP TWO;

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

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

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

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

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

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

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



health insurance coverage premiums.

(b) A program established under this section must:

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

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

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

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

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

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

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

(1) The United States department of health and human services; or

(2) federal law or regulation.

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

(a) The time during which a:

(1) Phase-out plan;

(2) demonstration expiration plan; or

(3) similar plan approved by the United States department of health and human services; is in effect for the plan set forth in this act.

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

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

(c) The time beginning upon:

- (1) The department's determination to terminate the program;
- (2) the termination of the program under section 2(b), and amendments thereto; or
- (3) if subsections (a) and (b) do not apply, ending on the effective date of the termination of the program.

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

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

- (1) Submitted to the United States department of health and human services in a timely manner allowing for implementation no later than January 1, 2017; or

- (2) good faith negotiations of the waiver provisions between the United States department of health and human services and the department are not ongoing by January 1, 2017.

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

to the credit of the KanCare bridge to a healthy Kansas premium fee fund.

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

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

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

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

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

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

New Sec. 17. (a) There is hereby created in the state treasury the KanCare bridge to a healthy Kansas program drug rebate fund as a reappropriating fund. The secretary of the department of health

and environment shall remit to the state treasurer, in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, all moneys collected or received by the secretary from drug rebates connected to KanCare bridge to a healthy Kansas program beneficiaries. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the KanCare bridge to a healthy Kansas drug rebate fund.

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

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

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

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

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

(e) The secretary of health and environment shall prepare and deliver to the legislature on or before the first day of each regular legislative session, a report which summarizes all expenditures from

the KanCare bridge to a healthy Kansas program drug rebate fund, fund revenues and recommendations regarding the adequacy of the fund to support KanCare bridge to a healthy Kansas program program expenditures.

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

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

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

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

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

(d) The KanCare bridge to a healthy Kansas privilege fee fund shall be used for the purposes set forth in this act and for no other governmental purposes. It is the intent of the legislature that the

fund shall remain intact and inviolate for the purposes set forth in this act, and moneys in the fund shall not be subject to the provisions of K.S.A. 75-3722, 75-3725a and 75-3726a, and amendments thereto.

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

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

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

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

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

New Sec. 22. The secretary of health and environment shall present to the house appropriations committee and the senate ways and means committee, no later than February 15 of each

year, a report summarizing the costs for the KanCare bridge to a healthy Kansas program and the cost savings and additional revenues identified in sections 16 through 21, and amendments thereto.

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

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

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

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

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

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

(2) three members from the Kansas senate:

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

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

(3) one representative from the Kansas hospital association;

(4) one representative from the Kansas medical society;

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

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

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

(8) one representative from the Kansas dental association;

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

(10) one representative from the Kansas optometric association;

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

(12) one representative of KanCare bridge to a healthy Kansas program consumers from

AARP Kansas.

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

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

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

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

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

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

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

And by renumbering sections accordingly;

Also on page 1, in the title, in line 1, by striking "medical assistance program; relating to"; by striking line 2; in line 3, by striking "thereunder" and inserting "department for health and environment; relating to powers, duties and functions; removing certain limitations under the electronic claims management system; enacting the KanCare bridge to a healthy Kansas program"

Senator \_\_\_\_\_