

HMO Privilege Fee, Medical Assistance Fee Fund, and Amendments to TANF Cash Assistance ATM Transaction Limits; Senate Sub. for HB 2281

Senate Sub. for HB 2281 creates in the State Treasury the Medical Assistance Fee Fund, increases the annual privilege fees paid by every health maintenance organization (HMO), authorizes the Insurance Commissioner (Commissioner) to terminate the operation or the change in the rate of the privilege fee under certain conditions, and amends one section enacted in 2015 Senate Sub. for HB 2258 pertaining to Temporary Assistance for Needy Families (TANF) cash assistance transactions for cash withdrawals from automated teller machines (ATMs).

Medical Assistance Fee Fund; HMO Privilege Fee

The bill creates in the State Treasury the Medical Assistance Fee Fund (Fund); increases the annual privilege fees paid by every HMO for the reporting period beginning January 1, 2015, and ending December 31, 2017, from 1.0 percent per year to 3.31 percent per year of the total of all premiums, subscription charges, or any other term that may be used to describe the charges made by such organization to enrollees; and states the privilege fees paid from July 1, 2015, through June 30, 2018, are deposited in the Fund, instead of the State General Fund (SGF). On and after January 1, 2018, the privilege fee will be 2.0 percent.

The provisions pertaining to the creation of the Fund, its administration, and reporting expire on July 1, 2018.

If the Commissioner determines at any time that the application of the privilege fee, or a change in the rate of the privilege fee, causes a denial of, reduction in, or elimination of federal assistance to the state or to any HMO subject to this act, the Commissioner is authorized to terminate the operation of such privilege fee, or the change in such privilege fee.

From July 1, 2015, through June 30, 2018, all moneys collected or received by the Commissioner from HMOs, including the three KanCare Managed Care Organizations (MCOs), and Medicare provider organizations for fees specified in KSA 2014 Supp. 40-3213 are remitted to the State Treasurer for deposit in the State Treasury to the credit of the Fund. (Those include fees for filing an application for a certificate of authority, filing each annual report, and filing an amendment to the certificate of authority, and privilege fees.)

Moneys in the Fund are to be expended for Medicaid medical assistance payments and for no other governmental purpose. The moneys in the Fund are not subject to allotments by the Governor, certificates of indebtedness, or transfers by the Secretary of Health and Environment.

The Secretary of Health and Environment is required to prepare and deliver to the Legislature, on or before the first day of each regular legislative session, a report summarizing all expenditures from the Fund, Fund revenues, and recommendations regarding the adequacy of the Fund to support necessary medical assistance programs.

TANF Assistance and Requirements—Amendment

The Secretary for Children and Families is authorized to raise or rescind the ATM withdrawal limit in order to ensure continued appropriation of the TANF Block Grant through compliance with the provisions of the Middle Class Tax Relief and Job Creation Act of 2012 that govern adequate access to cash assistance. [See also the bill summary for Senate Sub. for HB 2258.]