

April 14, 2017

The Honorable Vicki Schmidt, Chairperson
Senate Committee on Public Health and Welfare
Statehouse, Room 441-E
Topeka, Kansas 66612

Dear Senator Schmidt:

SUBJECT: Fiscal Note for SB 228 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 228 is respectfully submitted to your committee.

SB 228 would enact the Kansas Medicaid Reform Act to establish requirements for services and supports provided under the Kansas Program of Medical Assistance as administered by the Kansas Department of Health and Environment (KDHE), Division of Health Care Finance. The bill would prohibit certain changes without legislative approval.

The passage of SB 228 would have a fiscal effect for KDHE that cannot be determined because the effects would be dependent on actions and decisions made by parties outside of KDHE, including legislators, service providers, and the Center for Medicare and Medicaid Services (CMS). The potential effects would include:

1. Allowing the quantity of services provided to be determined at the discretion of service providers and their licensed employees would increase the possibility of additional service costs above what is currently provided. Additionally, CMS could deny federal matching funds for unsanctioned services;
2. Allowing limitations on eligibility standards, methodologies, procedures, and services to be determined by providers would be in conflict with CMS guidance, which could put federal matching funds at risk; and,

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3. Allowing any proposed changes to the state Medicaid plan or any waivers to be approved by the Legislature would increase costs and delays. Currently, numerous changes in the Medicaid program are made by KDHE every week to benefit Medicaid members.

Any fiscal effect associated with SB 228 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Dan Thimmesch, Health & Environment
Cody Gwaltney, Aging & Disability Services