Bipartisan Medicaid Expansion Bill Summary

New Section 2 – Full Expansion, Reinsurance Program

- Full Medicaid Expansion up to 138% FPL with 90/10 match to begin no later than January 1, 2021. This provision is separate from the reinsurance program and is not dependent on approval of reinsurance.
- The Kansas Insurance Department will complete a reinsurance waiver and an actuarial study to be submitted to the State Finance Council for approval. If approved by the State Finance Council, the Insurance Department will submit the reinsurance waiver to the Centers for Medicare and Medicaid Services (CMS).
- The reinsurance waiver will be accompanied by an 1115 waiver that would request approval from CMS to transition the 100-138% FPL population from Medicaid to the Exchange. If both waivers are approved, the reinsurance program and the 1115 waiver will be implemented no later than January 1, 2022. If CMS denies either the 1332 or the 1115 waiver, full Medicaid expansion will continue as implemented on January 1, 2021.

New Section 3 – Work Referral Program

- The work referral program requires an evaluation to be done by the Secretary of the Kansas Department of Health and Environment (KDHE) based on the following questions being added to the Medicaid application (requires CMS approval):

  What best describes your current employment situation?
  (If you select option 5, go to the next question. Otherwise skip the next question)
  1. I have a job (jobs) and work 20 or more hours per week.
  2. I have a job (jobs) and work less than 20 hours per week.
  3. I recently lost my job and am looking for another.
  4. I recently lost my job and am not currently looking for another.
  5. My current situation does not let me have a job (go to next question if you select this answer).

  What about your current situation does not let you have a job?
  1. I don’t have a high school diploma or G.E.D.
  2. I don’t have transportation to get to a job.
  3. I need to care for older people in my home.
  4. I need to care for young children in my home.
  5. I need to care for someone with a disability in my home.
  6. I do not feel that I am healthy enough to work.
  7. I am a full-time student.

- The answers to those questions will go through the KEES program and used to determine who should be referred to the KansasWorks program. The KansasWorks program will maintain a unique identifier for these individuals so reports can be made to the legislature on how many individuals gain employment through this program after referral.

New Section 4 – Premiums and Debt Setoff Program

- The Secretary of KDHE shall charge individuals between 100-138% FPL a monthly premium not to exceed $25 per person or $100 per family. Unpaid premiums do not result in lockouts. Instead, they are collected through the established debt setoff program. KDHE will also be allowed to grant hardship exceptions based on criteria set by the Secretary of KDHE.

New Section 5 – Premium Assistance

- Allows KDHE to implement a Premium Assistance program, whereby a certain subset of the Expansion population who has access to commercial insurance through an employer can have the majority of their premium paid for by the Medicaid agency. A cost effectiveness evaluation is performed for any group health insurance policy that is known to be available for the benefit of a Medicaid beneficiary. All information received is evaluated to determine whether or not a particular insurance policy is cost-effective for Kansas Medicaid to buy.

New Section 6 – Privilege Fee and MCOs

- This provision requires the Secretary of KDHE to assess a privilege fee for purposes of operating the managed care delivery system.
- It also precludes the Secretary of KDHE from giving favorable or unfavorable treatment to for-profit or not-for-profit entities, give preference to entities that provide health insurance through the health benefit exchange, and require entities providing services to provide tiered benefit plans with enhanced benefits for individuals who demonstrate healthy behaviors by July 1, 2022.

New Section 7 & 8 – Poison Pill and Non-Severability

- Provides that if the federal match drops below 90%, Medicaid expansion shall terminate. This provision is non-severable from the remainder of the act. All other provisions are severable.

New Section 9 – Privilege Fee and Expansion Privilege Fee Fund

- Requires all moneys received as a product of the privilege fee specific to the Expansion population to be deposited into a new fee fund. The fund will be used strictly to offset the operating costs of Medicaid Expansion; these funds will be tracked separately from the current privilege fee, and the total receipts will be reported to the legislature each year.

New Section 10 & 12 – Cost Savings Report from KDHE

- Requires the Secretary of KDHE to submit reports to the legislature summarizing cost savings achieved by moving covered individuals from the MediKan program to coverage under Medicaid Expansion and additional revenues generated by Medicaid Expansion.

New Section 11 – Inmate Coverage for Counties

- Requires the Secretary of Corrections, upon request from County Sheriffs, to assist with ensuring county inmates receiving outside medical treatment are covered by Medicaid.

New Section 13 – Legislative Post Audit

- Requires Legislative Post Audit to complete an economic impact analysis of Medicaid Expansion within the first two years of expansion.

New Section 14 – Drug Rebates

- Effective July 1, 2021, requires KDHE to deposit all moneys received from drug rebates for the entire Medicaid program into the SGF, as opposed to depositing those moneys into their medical assistance fee fund, which is current practice. KDHE will be required to certify the amount of drug rebates received from the Medicaid program, and this will be a separate line item on a monthly report to the legislature. This money will be used to fund caseload estimates. This section mirrors the contents of SB231 from the 2019 session.

New Section 15 – Medical Assistance Percentage Stabilization Fund

- Creates a fund that will be used to mitigate the impact that fluctuating Federal matching rates have on SGF from year to year. The start-up capital for this fund will be any recoveries from civil action that Kansas is a plaintiff in (Texas v. United States, no. 7:15-cv-00151-O. Beginning in SFY21, any time that the Federal matching rates increase, there will be a deposit from SGF into this fund in the amount that the State would otherwise be "saving" for Title XIX expenses. In years that the Federal matching rate decreases, funds will be transferred out of this account into the SGF to offset the increased caseload costs for Title XIX. This section mirrors the contents of SB2 from the 2019 session.

New Section 16 – Rural Healthcare

- The proposal creates an advisory committee within the Kansas Department of Health and Environment to support rural hospitals in assessing viability and identifying new delivery models, strategic partnerships and implementing financial and delivery system reform to improve the health of rural communities.

New Section 17 – Kansas Insurance Department Reporting

- Requires the Insurance Department to analyze and provide a report to the legislature on any cost shifting from hospitals to commercial health insurance plans as a result of implementation of the Kansas innovative solutions for affordable healthcare act.

New Section 18 – Study of State Based Exchange

- Requires the Insurance Department to make expenditures to (1) study risks and benefits associated with converting the health benefit exchange operated in Kansas under the federal patient protection and affordable care act from a federally facilitated exchange to a state-based exchange, (2) hire a contractor to facilitate such study and report findings of such study to legislature no later than January 11, 2021.

New Section 19 – Uncompensated Care Task Force

- Creates an uncompensated care task force within KDHE in coordination with the Kansas Hospital Association, Kansas Medical Society, Community Care Network of Kansas and other private stakeholders to develop a plan to measure and report uncompensated care incurred in Kansas.

Section 20 – Insurance Department

- Requires the Insurance Department to make expenditures to (1) study risks and benefits associated with converting the health benefit exchange operated in Kansas under the federal patient protection and affordable care act from a federally facilitated exchange to a state-based exchange, (2) hire a contractor to facilitate such study and report findings of such study to legislature no later than January 11, 2021.
- Requires the Insurance Department to develop a 1332 waiver, complete an actuarial study and submit to state finance council for approval within 150 days of the effective date of the act.

Section 21 – KDHE Division Healthcare Finance

- Requires KDHE to submit a plan to CMS to implement the IMD exclusion that is in the 1115 waiver. KDHE will partner with KDADS on the mechanics of the working plan and will submit to CMS for approval by 01/01/21.

Section 22 – State Finance Council

- Appropriates $35 million to the State Finance Council in FY 2022 for the reinsurance program.

Section 23 – KanCare Oversight Committee

- Adds an extra day to the KanCare Oversight Committee to review expansion population.

Section 24 – Privilege Fee

- Cleans up the language from the existing privilege fee statute. Maintains the current privilege fee at 5.77% for all HMOs in the State.

Section 25 through 32 – Annual Hospital Medicaid Expansion Support Surcharge

- Creates an assessment to begin on July 1, 2021 to be collected and remitted to the state for purposes of funding Medicaid Expansion. The funding is capped at $35 million annually. This assessment includes The University of Kansas Health System.

Section 33 – Technical Clean-up

- Repeals certain statutes.

Section 34 – Effective Date

- Upon publication in the register.