

HOUSE BILL No. 2552

By Committee on Health and Human Services

1-31

1 AN ACT concerning the Kansas medical assistance program ~~contracts~~
2 ~~with managed care organizations~~; **amending K.S.A. 2013 Supp. 39-**
3 **709 and repealing the existing section**};

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

6 Section 1. (a) Any contract between the Kansas medical assistance
7 program and any managed care organization serving the state of Kansas
8 shall require the processing and ~~payment~~ **full payment of the allowed**
9 **amount** or processing and denial by the managed care organization of all
10 clean claims within 30 days after receipt of the clean claim, and the
11 processing and ~~payment~~ **full payment of the allowed amount** or
12 processing and denial by the managed care organization of all claims
13 within 90 days after receipt of the claim. The contract shall also include a
14 late payment provision that requires the managed care organization to pay
15 interest to the provider at the rate of 12% per annum for each month that
16 the managed care organization has neither processed and ~~paid~~ **fully paid**
17 **the allowed amount** nor processed and denied a submitted claim or clean
18 claim after the time limits set forth in this section. **The Kansas medical**
19 **assistance program shall also require managed care organizations to**
20 **include a provision outlining the provider's rights under this section in**
21 **the managed care organization's contracts with providers. A provider**
22 **that has a claim that remains unpaid by a managed care organization**
23 **after the time limits set forth in this section may bring a direct cause**
24 **of action against the managed care organization for the interest**
25 **provided for in this section in addition to the amount of the unpaid**
26 **claim.**

27 (b) For the purposes of this section, the terms "claim" and "clean
28 claim" shall be assigned the same meanings as provided by 42 C.F.R. §
29 447.45(b).

30 (c) The secretary of health and environment shall adopt rules and
31 regulations to carry out the provisions of this section, and amendments
32 thereto.

33 *{Sec. 2. K.S.A. 2013 Supp. 39-709 is hereby amended to read as*
34 *follows: 39-709. (a) General eligibility requirements for assistance for*

1 *which federal moneys are expended. Subject to the additional*
2 *requirements below, assistance in accordance with plans under which*
3 *federal moneys are expended may be granted to any needy person who:*

4 *(1) Has insufficient income or resources to provide a reasonable*
5 *subsistence compatible with decency and health. Where a husband and*
6 *wife are living together, the combined income or resources of both shall*
7 *be considered in determining the eligibility of either or both for such*
8 *assistance unless otherwise prohibited by law. The secretary, in*
9 *determining need of any applicant for or recipient of assistance shall not*
10 *take into account the financial responsibility of any individual for any*
11 *applicant or recipient of assistance unless such applicant or recipient is*
12 *such individual's spouse or such individual's minor child or minor*
13 *stepchild if the stepchild is living with such individual. The secretary in*
14 *determining need of an individual may provide such income and*
15 *resource exemptions as may be permitted by federal law. For purposes of*
16 *eligibility for aid for families with dependent children, for food stamp*
17 *assistance and for any other assistance provided through the Kansas*
18 *department for children and families under which federal moneys are*
19 *expended, the secretary for children and families shall consider one*
20 *motor vehicle owned by the applicant for assistance, regardless of the*
21 *value of such vehicle, as exempt personal property and shall consider*
22 *any equity in any additional motor vehicle owned by the applicant for*
23 *assistance to be a nonexempt resource of the applicant for assistance.*

24 *(2) Is a citizen of the United States or is an alien lawfully admitted*
25 *to the United States and who is residing in the state of Kansas.*

26 *(b) Assistance to families with dependent children. Assistance may*
27 *be granted under this act to any dependent child, or relative, subject to*
28 *the general eligibility requirements as set out in subsection (a), who*
29 *resides in the state of Kansas or whose parent or other relative with*
30 *whom the child is living resides in the state of Kansas. Such assistance*
31 *shall be known as aid to families with dependent children. Where*
32 *husband and wife are living together both shall register for work under*
33 *the program requirements for aid to families with dependent children in*
34 *accordance with criteria and guidelines prescribed by rules and*
35 *regulations of the secretary.*

36 *(c) Aid to families with dependent children; assignment of support*
37 *rights and limited power of attorney. By applying for or receiving aid to*
38 *families with dependent children such applicant or recipient shall be*
39 *deemed to have assigned to the secretary on behalf of the state any*
40 *accrued, present or future rights to support from any other person such*
41 *applicant may have in such person's own behalf or in behalf of any*
42 *other family member for whom the applicant is applying for or receiving*
43 *aid. In any case in which an order for child support has been established*

1 *and the legal custodian and obligee under the order surrenders physical*
2 *custody of the child to a caretaker relative without obtaining a*
3 *modification of legal custody and support rights on behalf of the child*
4 *are assigned pursuant to this section, the surrender of physical custody*
5 *and the assignment shall transfer, by operation of law, the child's*
6 *support rights under the order to the secretary on behalf of the state.*
7 *Such assignment shall be of all accrued, present or future rights to*
8 *support of the child surrendered to the caretaker relative. The*
9 *assignment of support rights shall automatically become effective upon*
10 *the date of approval for or receipt of such aid without the requirement*
11 *that any document be signed by the applicant, recipient or obligee. By*
12 *applying for or receiving aid to families with dependent children, or by*
13 *surrendering physical custody of a child to a caretaker relative who is an*
14 *applicant or recipient of such assistance on the child's behalf, the*
15 *applicant, recipient or obligee is also deemed to have appointed the*
16 *secretary, or the secretary's designee, as an attorney in fact to perform*
17 *the specific act of negotiating and endorsing all drafts, checks, money*
18 *orders or other negotiable instruments representing support payments*
19 *received by the secretary in behalf of any person applying for, receiving*
20 *or having received such assistance. This limited power of attorney shall*
21 *be effective from the date the secretary approves the application for aid*
22 *and shall remain in effect until the assignment of support rights has*
23 *been terminated in full.*

24 *(d) Eligibility requirements for general assistance, the cost of which*
25 *is not shared by the federal government. (1) General assistance may be*
26 *granted to eligible persons who do not qualify for financial assistance in*
27 *a program in which the federal government participates and who satisfy*
28 *the additional requirements prescribed by or under this subsection (d).*

29 *(A) To qualify for general assistance in any form a needy person*
30 *must have insufficient income or resources to provide a reasonable*
31 *subsistence compatible with decency and health and, except as provided*
32 *for transitional assistance, be a member of a family in which a minor*
33 *child or a pregnant woman resides or be unable to engage in*
34 *employment. The secretary shall adopt rules and regulations prescribing*
35 *criteria for establishing when a minor child may be considered to be*
36 *living with a family and whether a person is able to engage in*
37 *employment, including such factors as age or physical or mental*
38 *condition. Eligibility for general assistance, other than transitional*
39 *assistance, is limited to families in which a minor child or a pregnant*
40 *woman resides or to an adult or family in which all legally responsible*
41 *family members are unable to engage in employment. Where a husband*
42 *and wife are living together the combined income or resources of both*
43 *shall be considered in determining the eligibility of either or both for*

1 *such assistance unless otherwise prohibited by law. The secretary in*
2 *determining need of any applicant for or recipient of general assistance*
3 *shall not take into account the financial responsibility of any individual*
4 *for any applicant or recipient of general assistance unless such*
5 *applicant or recipient is such individual's spouse or such individual's*
6 *minor child or a minor stepchild if the stepchild is living with such*
7 *individual. In determining the need of an individual, the secretary may*
8 *provide for income and resource exemptions.*

9 *(B) To qualify for general assistance in any form a needy person*
10 *must be a citizen of the United States or an alien lawfully admitted to the*
11 *United States and must be residing in the state of Kansas.*

12 *(2) General assistance in the form of transitional assistance may be*
13 *granted to eligible persons who do not qualify for financial assistance in*
14 *a program in which the federal government participates and who satisfy*
15 *the additional requirements prescribed by or under this subsection (d),*
16 *but who do not meet the criteria prescribed by rules and regulations of*
17 *the secretary relating to inability to engage in employment or are not a*
18 *member of a family in which a minor or a pregnant woman resides.*

19 *(3) In addition to the other requirements prescribed under this*
20 *subsection (d), the secretary shall adopt rules and regulations which*
21 *establish community work experience program requirements for*
22 *eligibility for the receipt of general assistance in any form and which*
23 *establish penalties to be imposed when a work assignment under a*
24 *community work experience program requirement is not completed*
25 *without good cause. The secretary may adopt rules and regulations*
26 *establishing exemptions from any such community work experience*
27 *program requirements. A first time failure to complete such a work*
28 *assignment requirement shall result in ineligibility to receive general*
29 *assistance for a period fixed by such rules and regulations of not more*
30 *than three calendar months. A subsequent failure to complete such a*
31 *work assignment requirement shall result in a period fixed by such rules*
32 *and regulations of ineligibility of not more than six calendar months.*

33 *(4) If any person is found guilty of the crime of theft under the*
34 *provisions of K.S.A. 39-720, and amendments thereto, such person shall*
35 *thereby become forever ineligible to receive any form of general*
36 *assistance under the provisions of this subsection (d) unless the*
37 *conviction is the person's first conviction under the provisions of K.S.A.*
38 *39-720, and amendments thereto, or the law of any other state*
39 *concerning welfare fraud. First time offenders convicted of a*
40 *misdemeanor under the provisions of such statute shall become*
41 *ineligible to receive any form of general assistance for a period of 12*
42 *calendar months from the date of conviction. First time offenders*
43 *convicted of a felony under the provisions of such statute shall become*

1 *ineligible to receive any form of general assistance for a period of 60*
2 *calendar months from the date of conviction. If any person is found*
3 *guilty by a court of competent jurisdiction of any state other than the*
4 *state of Kansas of a crime involving welfare fraud, such person shall*
5 *thereby become forever ineligible to receive any form of general*
6 *assistance under the provisions of this subsection (d) unless the*
7 *conviction is the person's first conviction under the law of any other*
8 *state concerning welfare fraud. First time offenders convicted of a*
9 *misdemeanor under the law of any other state concerning welfare fraud*
10 *shall become ineligible to receive any form of general assistance for a*
11 *period of 12 calendar months from the date of conviction. First time*
12 *offenders convicted of a felony under the law of any other state*
13 *concerning welfare fraud shall become ineligible to receive any form of*
14 *general assistance for a period of 60 calendar months from the date of*
15 *conviction.*

16 *(e) Requirements for medical assistance for which federal moneys*
17 *or state moneys or both are expended. (1) When the secretary has*
18 *adopted a medical care plan under which federal moneys or state*
19 *moneys or both are expended, medical assistance in accordance with*
20 *such plan shall be granted to any person who is a citizen of the United*
21 *States or who is an alien lawfully admitted to the United States and who*
22 *is residing in the state of Kansas, whose resources and income do not*
23 *exceed the levels prescribed by the secretary. In determining the need of*
24 *an individual, the secretary may provide for income and resource*
25 *exemptions and protected income and resource levels. Resources from*
26 *inheritance shall be counted. A disclaimer of an inheritance pursuant to*
27 *K.S.A. 59-2291, and amendments thereto, shall constitute a transfer of*
28 *resources. The secretary shall exempt principal and interest held in*
29 *irrevocable trust pursuant to subsection (c) of K.S.A. 16-303, and*
30 *amendments thereto, from the eligibility requirements of applicants for*
31 *and recipients of medical assistance. Such assistance shall be known as*
32 *medical assistance.*

33 *(2) For the purposes of medical assistance eligibility determinations*
34 *on or after July 1, 2004, if an applicant or recipient owns property in*
35 *joint tenancy with some other party and the applicant or recipient of*
36 *medical assistance has restricted or conditioned their interest in such*
37 *property to a specific and discrete property interest less than 100%, then*
38 *such designation will cause the full value of the property to be*
39 *considered an available resource to the applicant or recipient. Medical*
40 *assistance eligibility for receipt of benefits under the title XIX of the social*
41 *security act, commonly known as medicaid, shall not be expanded, as*
42 *provided for in the patient protection and affordable care act, public law*
43 *111-148, 124 stat. 119, and the health care and education reconciliation*

1 act of 2010, public law 111-152, 124 stat. 1029, unless the legislature
2 expressly consents to, and approves of, the expansion of medicaid services
3 by an act of the legislature.

4 (3) (A) Resources from trusts shall be considered when determining
5 eligibility of a trust beneficiary for medical assistance. Medical
6 assistance is to be secondary to all resources, including trusts, that may
7 be available to an applicant or recipient of medical assistance.

8 (B) If a trust has discretionary language, the trust shall be
9 considered to be an available resource to the extent, using the full extent
10 of discretion, the trustee may make any of the income or principal
11 available to the applicant or recipient of medical assistance. Any such
12 discretionary trust shall be considered an available resource unless: (i)
13 At the time of creation or amendment of the trust, the trust states a clear
14 intent that the trust is supplemental to public assistance; and (ii) the
15 trust: (a) Is funded from resources of a person who, at the time of such
16 funding, owed no duty of support to the applicant or recipient of medical
17 assistance; or (b) is funded not more than nominally from resources of a
18 person while that person owed a duty of support to the applicant or
19 recipient of medical assistance.

20 (C) For the purposes of this paragraph, "public assistance"
21 includes, but is not limited to, medicaid, medical assistance or title XIX
22 of the social security act.

23 (4) (A) When an applicant or recipient of medical assistance is a
24 party to a contract, agreement or accord for personal services being
25 provided by a nonlicensed individual or provider and such contract,
26 agreement or accord involves health and welfare monitoring, pharmacy
27 assistance, case management, communication with medical, health or
28 other professionals, or other activities related to home health care, long
29 term care, medical assistance benefits, or other related issues, any
30 moneys paid under such contract, agreement or accord shall be
31 considered to be an available resource unless the following restrictions
32 are met: (i) The contract, agreement or accord must be in writing and
33 executed prior to any services being provided; (ii) the moneys paid are in
34 direct relationship with the fair market value of such services being
35 provided by similarly situated and trained nonlicensed individuals; (iii)
36 if no similarly situated nonlicensed individuals or situations can be
37 found, the value of services will be based on federal hourly minimum
38 wage standards; (iv) such individual providing the services will report all
39 receipts of moneys as income to the appropriate state and federal
40 governmental revenue agencies; (v) any amounts due under such
41 contract, agreement or accord shall be paid after the services are
42 rendered; (vi) the applicant or recipient shall have the power to revoke
43 the contract, agreement or accord; and (vii) upon the death of the

1 *applicant or recipient, the contract, agreement or accord ceases.*

2 *(B) When an applicant or recipient of medical assistance is a party*
3 *to a written contract for personal services being provided by a licensed*
4 *health professional or facility and such contract involves health and*
5 *welfare monitoring, pharmacy assistance, case management,*
6 *communication with medical, health or other professionals, or other*
7 *activities related to home health care, long term care, medical assistance*
8 *benefits or other related issues, any moneys paid in advance of receipt of*
9 *services for such contracts shall be considered to be an available*
10 *resource.*

11 *(5) Any trust may be amended if such amendment is permitted by*
12 *the Kansas uniform trust code.*

13 *(f) Eligibility for medical assistance of resident receiving medical*
14 *care outside state. A person who is receiving medical care including*
15 *long-term care outside of Kansas whose health would be endangered by*
16 *the postponement of medical care until return to the state or by travel to*
17 *return to Kansas, may be determined eligible for medical assistance if*
18 *such individual is a resident of Kansas and all other eligibility factors*
19 *are met. Persons who are receiving medical care on an ongoing basis in*
20 *a long-term medical care facility in a state other than Kansas and who*
21 *do not return to a care facility in Kansas when they are able to do so,*
22 *shall no longer be eligible to receive assistance in Kansas unless such*
23 *medical care is not available in a comparable facility or program*
24 *providing such medical care in Kansas. For persons who are minors or*
25 *who are under guardianship, the actions of the parent or guardian shall*
26 *be deemed to be the actions of the child or ward in determining whether*
27 *or not the person is remaining outside the state voluntarily.*

28 *(g) Medical assistance; assignment of rights to medical support and*
29 *limited power of attorney; recovery from estates of deceased recipients.*

30 *(1) Except as otherwise provided in K.S.A. 39-786 and 39-787, and*
31 *amendments thereto, or as otherwise authorized on and after September*
32 *30, 1989, under section 303 of the federal medicare catastrophic*
33 *coverage act of 1988, whichever is applicable, by applying for or*
34 *receiving medical assistance under a medical care plan in which federal*
35 *funds are expended, any accrued, present or future rights to support and*
36 *any rights to payment for medical care from a third party of an applicant*
37 *or recipient and any other family member for whom the applicant is*
38 *applying shall be deemed to have been assigned to the secretary on*
39 *behalf of the state. The assignment shall automatically become effective*
40 *upon the date of approval for such assistance without the requirement*
41 *that any document be signed by the applicant or recipient. By applying*
42 *for or receiving medical assistance the applicant or recipient is also*
43 *deemed to have appointed the secretary, or the secretary's designee, as*

1 *an attorney in fact to perform the specific act of negotiating and*
2 *endorsing all drafts, checks, money orders or other negotiable*
3 *instruments, representing payments received by the secretary in behalf*
4 *of any person applying for, receiving or having received such assistance.*
5 *This limited power of attorney shall be effective from the date the*
6 *secretary approves the application for assistance and shall remain in*
7 *effect until the assignment has been terminated in full. The assignment*
8 *of any rights to payment for medical care from a third party under this*
9 *subsection shall not prohibit a health care provider from directly billing*
10 *an insurance carrier for services rendered if the provider has not*
11 *submitted a claim covering such services to the secretary for payment.*
12 *Support amounts collected on behalf of persons whose rights to support*
13 *are assigned to the secretary only under this subsection and no other*
14 *shall be distributed pursuant to subsection (d) of K.S.A. 39-756, and*
15 *amendments thereto, except that any amounts designated as medical*
16 *support shall be retained by the secretary for repayment of the*
17 *unreimbursed portion of assistance. Amounts collected pursuant to the*
18 *assignment of rights to payment for medical care from a third party shall*
19 *also be retained by the secretary for repayment of the unreimbursed*
20 *portion of assistance.*

21 *(2) The amount of any medical assistance paid after June 30, 1992,*
22 *under the provisions of subsection (e) is (A) a claim against the property*
23 *or any interest therein belonging to and a part of the estate of any*
24 *deceased recipient or, if there is no estate, the estate of the surviving*
25 *spouse, if any, shall be charged for such medical assistance paid to*
26 *either or both, and (B) a claim against any funds of such recipient or*
27 *spouse in any account under K.S.A. 9-1215, 9-1216, 17-2263, 17-2264,*
28 *17-5828 or 17-5829, and amendments thereto. There shall be no*
29 *recovery of medical assistance correctly paid to or on behalf of an*
30 *individual under subsection (e) except after the death of the surviving*
31 *spouse of the individual, if any, and only at a time when the individual*
32 *has no surviving child who is under 21 years of age or is blind or*
33 *permanently and totally disabled. Transfers of real or personal property*
34 *by recipients of medical assistance without adequate consideration are*
35 *voidable and may be set aside. Except where there is a surviving spouse,*
36 *or a surviving child who is under 21 years of age or is blind or*
37 *permanently and totally disabled, the amount of any medical assistance*
38 *paid under subsection (e) is a claim against the estate in any*
39 *guardianship or conservatorship proceeding. The monetary value of any*
40 *benefits received by the recipient of such medical assistance under long-*
41 *term care insurance, as defined by K.S.A. 40-2227, and amendments*
42 *thereto, shall be a credit against the amount of the claim provided for*
43 *such medical assistance under this subsection (g). The secretary is*

1 *authorized to enforce each claim provided for under this subsection (g).*
2 *The secretary shall not be required to pursue every claim, but is granted*
3 *discretion to determine which claims to pursue. All moneys received by*
4 *the secretary from claims under this subsection (g) shall be deposited in*
5 *the social welfare fund. The secretary may adopt rules and regulations*
6 *for the implementation and administration of the medical assistance*
7 *recovery program under this subsection (g).*

8 (3) *By applying for or receiving medical assistance under the*
9 *provisions of article 7 of chapter 39 of the Kansas Statutes Annotated,*
10 *and amendments thereto, such individual or such individual's agent,*
11 *fiduciary, guardian, conservator, representative payee or other person*
12 *acting on behalf of the individual consents to the following definitions of*
13 *estate and the results therefrom:*

14 (A) *If an individual receives any medical assistance before July 1,*
15 *2004, pursuant to article 7 of chapter 39 of the Kansas Statutes*
16 *Annotated, and amendments thereto, which forms the basis for a claim*
17 *under subsection (g)(2), such claim is limited to the individual's*
18 *probable estate as defined by applicable law; and*

19 (B) *if an individual receives any medical assistance on or after July*
20 *1, 2004, pursuant to article 7 of chapter 39 of the Kansas Statutes*
21 *Annotated, and amendments thereto, which forms the basis for a claim*
22 *under subsection (g)(2), such claim shall apply to the individual's*
23 *medical assistance estate. The medical assistance estate is defined as*
24 *including all real and personal property and other assets in which the*
25 *deceased individual had any legal title or interest immediately before or*
26 *at the time of death to the extent of that interest or title. The medical*
27 *assistance estate includes, without limitation assets conveyed to a*
28 *survivor, heir or assign of the deceased recipient through joint tenancy,*
29 *tenancy in common, survivorship, transfer-on-death deed, payable-on-*
30 *death contract, life estate, trust, annuities or similar arrangement.*

31 (4) *The secretary of health and environment or the secretary's*
32 *designee is authorized to file and enforce a lien against the real property*
33 *of a recipient of medical assistance in certain situations, subject to all*
34 *prior liens of record and transfers for value to a bona fide purchaser of*
35 *record. The lien must be filed in the office of the register of deeds of the*
36 *county where the real property is located within one year from the date*
37 *of death of the recipient and must contain the legal description of all*
38 *real property in the county subject to the lien.*

39 (A) *After the death of a recipient of medical assistance, the*
40 *secretary of health and environment or the secretary's designee may*
41 *place a lien on any interest in real property owned by such recipient.*

42 (B) *The secretary of health and environment or the secretary's*
43 *designee may place a lien on any interest in real property owned by a*

1 *recipient of medical assistance during the lifetime of such recipient.*
2 *Such lien may be filed only after notice and an opportunity for a hearing*
3 *has been given. Such lien may be enforced only upon competent medical*
4 *testimony that the recipient cannot reasonably be expected to be*
5 *discharged and returned home. A six-month period of compensated*
6 *inpatient care at a nursing home or other medical institution shall*
7 *constitute a determination by the department of health and environment*
8 *that the recipient cannot reasonably be expected to be discharged and*
9 *returned home. To return home means the recipient leaves the nursing*
10 *or medical facility and resides in the home on which the lien has been*
11 *placed for a continuous period of at least 90 days without being*
12 *readmitted as an inpatient to a nursing or medical facility. The amount*
13 *of the lien shall be for the amount of assistance paid by the department*
14 *of health and environment until the time of the filing of the lien and for*
15 *any amount paid thereafter for such medical assistance to the recipient.*
16 *After the lien is filed against any real property owned by the recipient,*
17 *such lien will be dissolved if the recipient is discharged, returns home*
18 *and resides upon the real property to which the lien is attached for a*
19 *continuous period of at least 90 days without being readmitted as an*
20 *inpatient to a nursing or medical facility. If the recipient is readmitted as*
21 *an inpatient to a nursing or medical facility for a continuous period of*
22 *less than 90 days, another continuous period of at least 90 days shall be*
23 *completed prior to dissolution of the lien.*

24 (5) *The lien filed by the secretary of health and environment or the*
25 *secretary's designee for medical assistance correctly received may be*
26 *enforced before or after the death of the recipient by the filing of an*
27 *action to foreclose such lien in the Kansas district court or through an*
28 *estate probate court action in the county where the real property of the*
29 *recipient is located. However, it may be enforced only:*

30 (A) *After the death of the surviving spouse of the recipient;*

31 (B) *when there is no child of the recipient, natural or adopted, who*
32 *is 20 years of age or less residing in the home;*

33 (C) *when there is no adult child of the recipient, natural or adopted,*
34 *who is blind or disabled residing in the home; or*

35 (D) *when no brother or sister of the recipient is lawfully residing in*
36 *the home, who has resided there for at least one year immediately before*
37 *the date of the recipient's admission to the nursing or medical facility,*
38 *and has resided there on a continuous basis since that time.*

39 (6) *The lien remains on the property even after a transfer of the*
40 *title by conveyance, sale, succession, inheritance or will unless one of*
41 *the following events occur:*

42 (A) *The lien is satisfied. The recipient, the heirs, personal*
43 *representative or assigns of the recipient may discharge such lien at any*

1 *time by paying the amount of the lien to the secretary or the secretary's*
2 *designee;*

3 *(B) the lien is terminated by foreclosure of prior lien of record or*
4 *settlement action taken in lieu of foreclosure; or*

5 *(C) the value of the real property is consumed by the lien, at which*
6 *time the secretary or the secretary's designee may force the sale for the*
7 *real property to satisfy the lien.*

8 *(7) If the secretary for aging and disability services or the secretary*
9 *of health and environment, or both, or such secretary's designee has not*
10 *filed an action to foreclose the lien in the Kansas district court in the*
11 *county where the real property is located within 10 years from the date*
12 *of the filing of the lien, then the lien shall become dormant, and shall*
13 *cease to operate as a lien on the real estate of the recipient. Such*
14 *dormant lien may be revived in the same manner as a dormant judgment*
15 *lien is revived under K.S.A. 60-2403 et seq., and amendments thereto.*

16 *(8) Within seven days of receipt of notice by the secretary for*
17 *children and families or the secretary's designee of the death of a*
18 *recipient of medical assistance under this subsection, the secretary for*
19 *children and families or the secretary's designee shall give notice of*
20 *such recipient's death to the secretary of health and environment or the*
21 *secretary's designee.*

22 *(h) Placement under the revised Kansas code for care of children*
23 *or revised Kansas juvenile justice code; assignment of support rights and*
24 *limited power of attorney. In any case in which the secretary for children*
25 *and families pays for the expenses of care and custody of a child*
26 *pursuant to K.S.A. 2013 Supp. 38-2201 et seq. or 38-2301 et seq., and*
27 *amendments thereto, including the expenses of any foster care*
28 *placement, an assignment of all past, present and future support rights*
29 *of the child in custody possessed by either parent or other person entitled*
30 *to receive support payments for the child is, by operation of law,*
31 *conveyed to the secretary. Such assignment shall become effective upon*
32 *placement of a child in the custody of the secretary or upon payment of*
33 *the expenses of care and custody of a child by the secretary without the*
34 *requirement that any document be signed by the parent or other person*
35 *entitled to receive support payments for the child. When the secretary*
36 *pays for the expenses of care and custody of a child or a child is placed*
37 *in the custody of the secretary, the parent or other person entitled to*
38 *receive support payments for the child is also deemed to have appointed*
39 *the secretary, or the secretary's designee, as attorney in fact to perform*
40 *the specific act of negotiating and endorsing all drafts, checks, money*
41 *orders or other negotiable instruments representing support payments*
42 *received by the secretary on behalf of the child. This limited power of*
43 *attorney shall be effective from the date the assignment to support rights*

1 *becomes effective and shall remain in effect until the assignment of*
2 *support rights has been terminated in full.*

3 *(i) No person who voluntarily quits employment or who is fired*
4 *from employment due to gross misconduct as defined by rules and*
5 *regulations of the secretary or who is a fugitive from justice by reason of*
6 *a felony conviction or charge shall be eligible to receive public*
7 *assistance benefits in this state. Any recipient of public assistance who*
8 *fails to timely comply with monthly reporting requirements under*
9 *criteria and guidelines prescribed by rules and regulations of the*
10 *secretary shall be subject to a penalty established by the secretary by*
11 *rules and regulations.*

12 *(j) If the applicant or recipient of aid to families with dependent*
13 *children is a mother of the dependent child, as a condition of the*
14 *mother's eligibility for aid to families with dependent children the*
15 *mother shall identify by name and, if known, by current address the*
16 *father of the dependent child except that the secretary may adopt by*
17 *rules and regulations exceptions to this requirement in cases of undue*
18 *hardship. Any recipient of aid to families with dependent children who*
19 *fails to cooperate with requirements relating to child support*
20 *enforcement under criteria and guidelines prescribed by rules and*
21 *regulations of the secretary shall be subject to a penalty established by*
22 *the secretary by rules and regulations which penalty shall progress to*
23 *ineligibility for the family after three months of noncooperation.*

24 *(k) By applying for or receiving child care benefits or food stamps,*
25 *the applicant or recipient shall be deemed to have assigned, pursuant to*
26 *K.S.A. 39-756, and amendments thereto, to the secretary on behalf of the*
27 *state only accrued, present or future rights to support from any other*
28 *person such applicant may have in such person's own behalf or in*
29 *behalf of any other family member for whom the applicant is applying*
30 *for or receiving aid. The assignment of support rights shall*
31 *automatically become effective upon the date of approval for or receipt*
32 *of such aid without the requirement that any document be signed by the*
33 *applicant or recipient. By applying for or receiving child care benefits or*
34 *food stamps, the applicant or recipient is also deemed to have appointed*
35 *the secretary, or the secretary's designee, as an attorney in fact to*
36 *perform the specific act of negotiating and endorsing all drafts, checks,*
37 *money orders or other negotiable instruments representing support*
38 *payments received by the secretary in behalf of any person applying for,*
39 *receiving or having received such assistance. This limited power of*
40 *attorney shall be effective from the date the secretary approves the*
41 *application for aid and shall remain in effect until the assignment of*
42 *support rights has been terminated in full. An applicant or recipient who*
43 *has assigned support rights to the secretary pursuant to this subsection*

1 *shall cooperate in establishing and enforcing support obligations to the*
2 *same extent required of applicants for or recipients of aid to families*
3 *with dependent children.*

4 *(l) (1) A program of drug screening for applicants for cash*
5 *assistance as a condition of eligibility for cash assistance and persons*
6 *receiving cash assistance as a condition of continued receipt of cash*
7 *assistance shall be established, subject to applicable federal law, by the*
8 *secretary for children and families on or before January 1, 2014. Under*
9 *such program of drug screening, the secretary for children and families*
10 *shall order a drug screening of an applicant for or a recipient of cash*
11 *assistance at any time when reasonable suspicion exists that such*
12 *applicant for or recipient of cash assistance is unlawfully using a*
13 *controlled substance or controlled substance analog. The secretary for*
14 *children and families may use any information obtained by the secretary*
15 *for children and families to determine whether such reasonable*
16 *suspicion exists, including, but not limited to, an applicant's or*
17 *recipient's demeanor, missed appointments and arrest or other police*
18 *records, previous employment or application for employment in an*
19 *occupation or industry that regularly conducts drug screening,*
20 *termination from previous employment due to unlawful use of a*
21 *controlled substance or controlled substance analog or prior drug*
22 *screening records of the applicant or recipient indicating unlawful use*
23 *of a controlled substance or controlled substance analog.*

24 *(2) Any applicant for or recipient of cash assistance whose drug*
25 *screening results in a positive test may request that the drug screening*
26 *specimen be sent to a different drug testing facility for an additional*
27 *drug screening. Any applicant for or recipient of cash assistance who*
28 *requests an additional drug screening at a different drug testing facility*
29 *shall be required to pay the cost of drug screening. Such applicant or*
30 *recipient who took the additional drug screening and who tested*
31 *negative for unlawful use of a controlled substance and controlled*
32 *substance analog shall be reimbursed for the cost of such additional*
33 *drug screening.*

34 *(3) Any applicant for or recipient of cash assistance who tests*
35 *positive for unlawful use of a controlled substance or controlled*
36 *substance analog shall be required to complete a substance abuse*
37 *treatment program approved by the secretary for children and families,*
38 *secretary of labor or secretary of commerce, and a job skills program*
39 *approved by the secretary for children and families, secretary of labor or*
40 *secretary of commerce. Subject to applicable federal laws, any applicant*
41 *for or recipient of cash assistance who fails to complete or refuses to*
42 *participate in the substance abuse treatment program or job skills*
43 *program as required under this subsection shall be ineligible to receive*

1 *cash assistance until completion of such substance abuse treatment and*
2 *job skills programs. Upon completion of both substance abuse treatment*
3 *and job skills programs, such applicant for or recipient of cash*
4 *assistance may be subject to periodic drug screening, as determined by*
5 *the secretary for children and families. Upon a second positive test for*
6 *unlawful use of a controlled substance or controlled substance analog, a*
7 *recipient of cash assistance shall be ordered to complete again a*
8 *substance abuse treatment program and job skills program, and shall be*
9 *terminated from cash assistance for a period of 12 months, or until such*
10 *recipient of cash assistance completes both substance abuse treatment*
11 *and job skills programs, whichever is later. Upon a third positive test for*
12 *unlawful use of a controlled substance or controlled substance analog, a*
13 *recipient of cash assistance shall be terminated from cash assistance,*
14 *subject to applicable federal law.*

15 *(4) If an applicant for or recipient of cash assistance is ineligible*
16 *for or terminated from cash assistance as a result of a positive test for*
17 *unlawful use of a controlled substance or controlled substance analog,*
18 *and such applicant for or recipient of cash assistance is the parent or*
19 *legal guardian of a minor child, an appropriate protective payee shall be*
20 *designated to receive cash assistance on behalf of such child. Such*
21 *parent or legal guardian of the minor child may choose to designate an*
22 *individual to receive cash assistance for such parent's or legal*
23 *guardian's minor child, as approved by the secretary for children and*
24 *families. Prior to the designated individual receiving any cash*
25 *assistance, the secretary for children and families shall review whether*
26 *reasonable suspicion exists that such designated individual is unlawfully*
27 *using a controlled substance or controlled substance analog.*

28 *(A) In addition, any individual designated to receive cash assistance*
29 *on behalf of an eligible minor child shall be subject to drug screening at*
30 *any time when reasonable suspicion exists that such designated*
31 *individual is unlawfully using a controlled substance or controlled*
32 *substance analog. The secretary for children and families may use any*
33 *information obtained by the secretary for children and families to*
34 *determine whether such reasonable suspicion exists, including, but not*
35 *limited to, the designated individual's demeanor, missed appointments*
36 *and arrest or other police records, previous employment or application*
37 *for employment in an occupation or industry that regularly conducts*
38 *drug screening, termination from previous employment due to unlawful*
39 *use of a controlled substance or controlled substance analog or prior*
40 *drug screening records of the designated individual indicating unlawful*
41 *use of a controlled substance or controlled substance analog.*

42 *(B) Any designated individual whose drug screening results in a*
43 *positive test may request that the drug screening specimen be sent to a*

1 *different drug testing facility for an additional drug screening. Any*
2 *designated individual who requests an additional drug screening at a*
3 *different drug testing facility shall be required to pay the cost of drug*
4 *screening. Such designated individual who took the additional drug*
5 *screening and who tested negative for unlawful use of a controlled*
6 *substance and controlled substance analog shall be reimbursed for the*
7 *cost of such additional drug screening.*

8 *(C) Upon any positive test for unlawful use of a controlled*
9 *substance or controlled substance analog, the designated individual*
10 *shall not receive cash assistance on behalf of the parent's or legal*
11 *guardian's minor child, and another designated individual shall be*
12 *selected by the secretary for children and families to receive cash*
13 *assistance on behalf of such parent's or legal guardian's minor child.*

14 *(5) If a person has been convicted under federal or state law of any*
15 *offense which is classified as a felony by the law of the jurisdiction and*
16 *which has as an element of such offense the manufacture, cultivation,*
17 *distribution, possession or use of a controlled substance or controlled*
18 *substance analog, and the date of conviction is on or after July 1, 2013,*
19 *such person shall thereby become forever ineligible to receive any cash*
20 *assistance under this subsection unless such conviction is the person's*
21 *first conviction. First-time offenders convicted under federal or state law*
22 *of any offense which is classified as a felony by the law of the*
23 *jurisdiction and which has as an element of such offense the*
24 *manufacture, cultivation, distribution, possession or use of a controlled*
25 *substance or controlled substance analog, and the date of conviction is*
26 *on or after July 1, 2013, such person shall become ineligible to receive*
27 *cash assistance for five years from the date of conviction.*

28 *(6) Except for hearings before the Kansas department for children*
29 *and families or, the results of any drug screening administered as part of*
30 *the drug screening program authorized by this subsection shall be*
31 *confidential and shall not be disclosed publicly.*

32 *(7) The secretary for children and families may adopt such rules*
33 *and regulations as are necessary to carry out the provisions of this*
34 *subsection.*

35 *(8) Any authority granted to the secretary for children and families*
36 *under this subsection shall be in addition to any other penalties*
37 *prescribed by law.*

38 *(9) As used in this subsection:*

39 *(A) "Cash assistance" means cash assistance provided to*
40 *individuals under the provisions of article 7 of chapter 39 of the Kansas*
41 *Statutes Annotated, and amendments thereto, and any rules and*
42 *regulations adopted pursuant to such statutes.*

43 *(B) "Controlled substance" means the same as in K.S.A. 2013*

1 *Supp. 21-5701, and amendments thereto, and 21 U.S.C. § 802.*

2 *(C) "Controlled substance analog" means the same as in K.S.A.*
3 *2013 Supp. 21-5701, and amendments thereto.*

4 *Sec. 3. K.S.A. 2013 Supp. 39-709 is hereby repealed.}*

5 *Sec. ~~2~~ {4.}* This act shall take effect and be in force from and after its
6 publication in the statute book.