

Medicaid Expansion—KanCare Bridge to a Healthy Kansas Program; Reimbursement for Clubhouse Rehabilitation Services; HB 2044

HB 2044 establishes the KanCare Bridge to a Healthy Kansas Program (Program). The Kansas Department of Health and Environment (KDHE) is required to administer and promote the Program and provide information to potential eligible individuals who live in medically underserved areas of the state. The bill modifies the eligibility requirements for the Kansas Medical Assistance Program, on or after January 1, 2018, to include any non-pregnant adult under 65 years of age who is a U.S. citizen or legal resident and who has been a resident of Kansas for at least 12 months, whose income does not exceed 133 percent of the federal poverty level (FPL), to the extent allowed under the federal Social Security Act as it exists on the effective date of the bill, and subject to the requirements of the Program. The bill requires referral to workforce training programs, creates a Program Drug Rebate Fund and a Program Privilege Fee Fund, creates a health insurance coverage premium assistance program, addresses federal denial and approval of financial participation, requires submission of a waiver request to the federal government, requires various Program reports to the Legislature, and creates a Program Working Group.

Additionally, the bill requires the Secretary of Health and Environment (Secretary) to include reimbursement for clubhouse rehabilitation services within the Medicaid program on and after the effective date of the bill, subject to the limits of appropriations. The bill authorizes the Secretary to enter into contracts with certified clubhouse providers and requires the contracts be entered into by July 1, 2017, with an expiration date of July 1, 2020. The bill limits reimbursement under the contracts to \$1.0 million for any one fiscal year. The bill defines “clubhouse” and requires a report be made to select legislative committees.

The bill takes effect upon publication in the *Kansas Register*.

KanCare Bridge to a Healthy Kansas Program

Workforce Training Program Referral

The bill includes provisions for the referral of certain non-disabled adults to the state’s existing workforce training programs and work search resources, as outlined in the bill. The bill provides exemptions from the referral for:

- Full-time students for each year they are enrolled in a postsecondary education institution or technical school; and
- At the discretion of KDHE, for parents with minor children in the home.

Program Application

The bill requires the Program application to screen applicants for education status and employment status, and requires applicants to acknowledge KDHE referrals to workforce training programs and work search resources.

Health Insurance Coverage Premium Assistance Program

The bill allows KDHE to establish a health insurance coverage premium assistance program for individuals with an annual household income of not more than 133 percent of FPL or for individuals eligible for health insurance coverage through an employer but who cannot afford the premiums.

A premium assistance program must contain eligibility requirements similar to those for the Program and provide that an individual's payment for a health insurance coverage premium cannot exceed 2 percent of the individual's annual income.

Federal Denial of Approval and Financial Participation

If a denial of federal approval and federal financial participation that applies to any part of the Program occurs, KDHE is not prohibited from implementing any other part of the program that is federally approved for federal financial participation or does not require federal approval or federal financial participation—except, if at any point the federal match for non-pregnant adults under 65 years of age and with income not exceeding 133 percent of FPL is less than the enhanced federal match rate under the federal Health Care and Education Reconciliation Act of 2010, as it exists on the effective date of this bill, KDHE is required to terminate the Program over a 12-month period, beginning on the first day the federal medical assistance percentage falls below such amount.

KDHE is allowed to make changes to the Program if required by the U.S. Department of Health and Human Services (HHS) or federal statute or regulation.

Waiver Request

KDHE is required to produce and submit a waiver request to HHS to implement the Program with services to begin on or before January 1, 2018.

Program Drug Rebate Fund

The bill creates the KanCare Bridge to a Healthy Kansas Program Drug Rebate Fund (Rebate Fund) as a reappropriating fund. All moneys collected or received by the Secretary from drug rebates connected to Program beneficiaries must be deposited in the Rebate Fund and such funds must be expended for the sole purpose of Medicaid medical assistance payments for Program beneficiaries. The bill requires the Rebate Fund remain intact and inviolate and not subject to transfers and allotments. The bill provides for the monthly transfer of interest earnings, as outlined in the bill, from the State General Fund (SGF) to the Rebate Fund.

Rebate Fund Report to Legislature

On or before January 8, 2018, and on or before the first day of the regular legislative session each year thereafter, the Secretary is required to prepare and deliver a report to the Legislature summarizing all expenditures from the Rebate Fund, Rebate Fund revenues, and recommendations regarding the adequacy of the Rebate Fund to support necessary Program expenditures.

Program Privilege Fee Fund

The bill creates the KanCare Bridge to a Healthy Kansas Program Privilege Fee Fund (Privilege Fee Fund) as a reappropriating fund. All moneys collected or received by the Secretary from privilege fees connected to Program beneficiaries must be deposited in the Privilege Fee Fund and such funds must be expended for the sole purpose of Medicaid medical assistance payments for Program beneficiaries. The bill requires the Privilege Fee Fund remain intact and inviolate and not subject to transfers and allotments. The bill provides for the monthly transfer of interest earnings, as outlined in the bill, from the SGF to the Privilege Fee Fund.

Privilege Fee Fund Report to Legislature

On or before January 8, 2018, and on or before the first day of the regular legislative session each year thereafter, the Secretary is required to prepare and deliver a report to the Legislature summarizing all expenditures from the Privilege Fee Fund, Privilege Fee Fund revenues, and recommendations regarding the adequacy of the Privilege Fee Fund to support necessary Program expenditures.

Program Cost Savings Report to the Legislature

On or before January 8, 2018, and on or before the first day of the regular legislative session each year thereafter, the Secretary is required to prepare and deliver a report to the Legislature summarizing the cost savings achieved by the State from the movement of beneficiaries from the KanCare program to the Program, including, but not limited to, the MediKan program, the medically needy spend-down program, and the breast and cervical cancer program. The bill provides the method for calculating the cost savings.

Inmate Inpatient Hospitalization Cost Savings Report to the Legislature

On or before January 8, 2018, and on or before the first day of the regular legislative session each year thereafter, the Secretary of Corrections is required to prepare and deliver a report to the Legislature identifying the cost savings achieved by the State from the use of the Program to cover inmate inpatient hospitalization.

KDHE Annual Report to Legislative Committees

On or before February 15 of each year, the Secretary is required to present a report to the House Committee on Appropriations and the Senate Committee on Ways and Means summarizing the costs for the Program and the cost savings and additional savings identified in previously mentioned annual reports to the Legislature on the Drug Rebate Fund and the Privilege Fee Fund and the report on Program cost savings.

Program Working Group

The bill establishes the KanCare Bridge to a Healthy Kansas Working Group (Program Working Group) that is charged with identifying non-SGF sources to fund any Program shortfall identified by the Secretary in the annual report to the Legislative Committees.

The Program Working Group has the following membership:

- Two House members appointed by the Speaker of the House of Representatives;
- One House member appointed by the Minority Leader of the House of Representatives;
- Two Senate members appointed by the President of the Senate;
- One Senate member appointed by the Minority Leader of the Senate;
- One representative from each of the following:
 - Kansas Hospital Association;
 - Kansas Medical Society;
 - Kansas Association for the Medically Underserved;
 - Kansas Academy of Family Physicians;
 - Association of Community Mental Health Centers of Kansas;
 - Kansas Dental Association;
 - Kansas Emergency Medical Services Association;
 - Kansas Optometric Association; and
 - Kansas Pharmacists Association; and
- One representative of Program consumers from Alliance for a Healthy Kansas.

The members of the Program Working Group are to elect the chairperson from members of the Program Working Group who are members of the House of Representatives in even-numbered years and from members of the Program Working Group who are members of the Senate in odd-numbered years.

Kansas Legislative Research Department staff is required to provide assistance as requested by the Program Working Group.

Legislative members of the Program Working Group are to receive compensation and travel expenses and subsistence expenses or allowances, as provided by KSA 75-3212, for attending a meeting of the Program Working Group or a subcommittee meeting thereof. Non-legislative members do not receive compensation, subsistence allowance, mileage, or associated expenses from the State for attending a meeting or subcommittee meeting of the Program Working Group.

The Program Working Group is required to meet no less than two times in a calendar year. Nine members constitute a quorum, of which the bill requires at least four to be legislative members of the Program Working Group. Additionally, on or before March 15 of each year, the Program Working Group is required to report to the Legislature recommendations for funding the Program, as necessary.

Clubhouse Rehabilitation Services

The bill defines “clubhouse” to mean a community-based psychosocial rehabilitation program in which a member, with staff assistance, is engaged in operating all aspects of the clubhouse, including food service, clerical, reception, janitorial, and other member services, such as employment training, housing assistance, and educational support. A clubhouse program is designed to alleviate emotional and behavior problems with the goal of transitioning to a less restrictive level of care, reintegrating the member into the community, and increasing social connectedness beyond a clinical or employment setting.

On or before January 1, 2020, the Secretary is required to report to the Senate Committee on Public Health and Welfare and the House Committee on Health and Human Services information, findings, and recommendations related to the clubhouse rehabilitation services provided under the bill.

The provisions of the bill related to clubhouse rehabilitation services sunset on July 1, 2020.