

January 31, 2018

The Honorable Daniel Hawkins, Chairperson
House Committee on Health and Human Services
Statehouse, Room 186-N
Topeka, Kansas 66612

Dear Representative Hawkins:

SUBJECT: Fiscal Note for HB 2508 by Representative Bishop, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2508 is respectfully submitted to your committee.

HB 2508 would amend current law by establishing a suspended eligibility status for some Medicaid recipients. Recipients of Medicaid services would be granted suspended eligibility status upon:

1. Admission to Larned State Hospital, Osawatomie State Hospital, Kansas Neurological Institute or Parsons State Hospital and Training Center;
2. Admission to a hospital, nursing facility or other institution with a capacity of more than 16 beds that is primarily engaged in providing diagnosis, treatment or care, including medical attention, nursing care and related services, of persons with mental diseases; or
3. Incarceration in any correctional facility or jail or placement in any juvenile correctional facility.

The Secretary of the Kansas Department of Health and Environment (KDHE) would be required to adopt rules and regulations prior to July 1, 2019 to implement and administer the provisions of the bill. One requirement would be to implement a system and process to receive electronic information from the Kansas Department for Aging and Disability Services (KDADS), the Department of Corrections and county sheriffs to allow KDHE to determine a state Medicaid recipient's status.

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Enactment of HB 2508 would have a fiscal effect on KDHE as the agency would need to make modifications to agency systems and add additional clearinghouse staff. KDHE estimates additional expenditures of \$13.3 million, including \$3.3 million from the State General Fund.

Enactment of HB 2508 could have a fiscal effect on KDADS and the state hospitals due to the increased administrative work associated with reporting admissions and discharges to KDHE. The increase in workload and the cost would be dependent on the number of individuals that are Medicaid recipients at the time of admission to a state hospital. HB 2508 may help expedite discharges from the state hospitals because discharged individuals could immediately resume receiving state Medicaid services and supports in the community, thus avoiding any delays in re-determining eligibility. This could result in KDADS' ability to provide Medicaid services with federal dollars. Any fiscal effect associated with HB 2508 is not reflected in *The FY 2019 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