

*UPDATED
SESSION OF 2017*

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2044

As Amended by House Committee on Health
and Human Services

Brief*

HB 2044, as amended, would require 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 would authorize the Secretary to enter into contracts with certified clubhouse providers and require the contracts be entered into by July 1, 2017, with an expiration date of July 1, 2020. The bill would limit reimbursement under the contracts to \$1,000,000 for any one fiscal year.

The bill would define “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 would be 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

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

to the clubhouse rehabilitation services provided under the bill.

The provisions of the bill would sunset on July 1, 2020.

The bill would be in effect upon publication in the *Kansas Register*.

Background

The bill was introduced by the House Committee on Health and Human Services at the request of Episcopal Social Services, the sponsor of the Breakthrough Club in Wichita. In the House Committee hearing, a representative of Episcopal Social Services, a volunteer of the Breakthrough Club, and two members of the Breakthrough Club testified in favor of the bill. The Episcopal Social Services representative and the Breakthrough Club volunteer generally stated clubhouse programs provide skill building and mental health management for adults with serious mental illness who wish to participate in a structured program with staff and peers and have identified psychosocial rehabilitative goals that can be achieved in a supportive and structured environment. The two Breakthrough Club members shared their personal struggles with severe mental illness and the positive impact the clubhouse program has had in their lives. Written-only proponent testimony was provided by representatives of the Breakthrough Club, the Disability Rights Center of Kansas, and the Kansas Mental Health Coalition.

No neutral or opponent testimony was provided.

The House Committee amended the bill to limit the reimbursement under the contracts with clubhouse providers for each fiscal year.

The fiscal note prepared by the Division of the Budget on the bill, as introduced, was published after the House

Committee action, and a revised fiscal note was subsequently published. The content of both fiscal notes is provided below.

According to the original fiscal note, the Kansas Department of Health and Environment (KDHE) estimated total expenditures of \$7,757,263, including \$3,490,768 from the State General Fund (SGF), in FY 2018 if clubhouse community-based programs were eligible for reimbursement through Medicaid. The estimate for FY 2019 was \$7,912,408, including \$3,560,584 from the SGF. This estimate assumed individual services were provided to 130 members at a rate of \$13.63 for each 15-minute increment for a total of 52 weeks, and group services were provided to 165 members at \$4.37 for each 15-minute increment for a total of 52 weeks. Reimbursements were based upon the assumption of 60 increments (15 hours) per person per week. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2018 Governor's Budget Report*.

Since the original fiscal note was issued, KDHE revised the estimate on the fiscal effect of the bill. According to the revised fiscal note prepared by the Division of the Budget, KDHE estimates total expenditures of \$576,840, including \$259,578 from the SGF in FY 2018 if clubhouse community-based programs were eligible for reimbursement through Medicaid. The estimate for FY 2019 would be \$594,320, including \$267,444 from the SGF. The estimate assumes individual services are provided to 165 members at a rate of \$4.37 for each 15-minute increment for a total of 200 hours in FY 2018 and at a rate of \$4.41 for 168 members for a total of 200 hours in FY 2019. Reimbursements are based upon the assumption of 200 hours per person per year. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2018 Governor's Budget Report*.