



**Kansas Legislative Research Department**

*Providing nonpartisan, objective research and fiscal analysis for the Kansas Legislature since 1934*

68-West-Statehouse | 300 SW 10th Ave. | Topeka, Kansas 66612-1504  
(785) 296-3181

kslegres@klrd.ks.gov

kslegislature.org/klrd

February 18, 2020

## **SUMMARY OF HB 2522**

HB 2522 would establish the Rural Hospital Innovation Grant Program (Program) and appropriate the Rural Hospital Innovation Grant Fund (Fund). The goal of the Program would be to strengthen healthcare systems and increase access to healthcare services in eligible counties. Grants awarded under the program would be intended to help communities access resources to improve current healthcare delivery models. Examples of applicable resources would include a market study of community healthcare needs, new technology and infrastructure, including telemedicine delivery methods, and additional medical personnel.

The Program would be administered by the Kansas Department of Health and Environment (KDHE) and be eligible to any Kansas county, with the exceptions of Douglas, Johnson, Sedgwick, Shawnee, and Wyandotte counties. When applying for a grant, counties would include a description of the hospital for which the money would be expended, the amount of money requested, a description of the needs of the hospital, the type of assistance the grant would fund, and how the grant would support the hospital in meeting its needs.

Each grantee would enter into a contract before the money is awarded, requiring the grantee spend money according to terms approved by KDHE, and each grantee would provide KDHE with a report detailing the impact of the grant on the health outcomes of the affected communities. Any grantee not fulfilling the terms of the contract would be required to repay all money. Each awarded grant would require the grantee match the amount of state money with private stakeholder money at the rate of \$2 of private stakeholder money to every \$1 of state money. All match money received by KDHE would be remitted to the State Treasurer and deposited to credit the Rural Hospital Innovation Grant Fund.

On July 1, 2020, \$10.0 million would be transferred from the State General Fund to the Fund. Any money deposited into the Fund would be used for purposes related to the Hospital Innovation Grant Program.

On or before October 1 each year, each grantee would prepare and submit a report to KDHE outlining the purpose of the grant money and how the money was spent. On or before Feb 1 each year, KDHE would compile the information received from each county and submit a report to the Governor and Legislature, including information on any grants awarded and information on applications that were denied. The Program would sunset July 1, 2024, at which time all money in the Fund would be transferred back to the State General Fund.

According to the fiscal note prepared by the Division of the Budget, \$30.0 million would be available for the Program, including \$10.0 million transferred from the State General Fund and \$20.0 million from private stakeholder funds raised through the state match requirement. KDHE estimates \$100,000 in yearly costs, including funding for a program manager position and other operating expenditures.