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**MEMORANDUM**

To: House Committee on Children and Seniors  
From: Kyle Hamilton, Assistant Revisor of Statutes  
Date: February 13, 2019  
Subject: Bill Brief on HB 2149

HB 2149 would implement a state requirement for the timely determination of Medicaid eligibility. Federal regulations currently require that states have measures in place both for the timely determination of Medicaid eligibility and the prompt payment of Medicaid claims. K.S.A. 2018 Supp. 39-709f was enacted in 2014 and created a state requirement that managed care organizations process KanCare claims in accordance with federal law and included a late payment penalty.

HB 2149 would require any contract between KDHE and a contractor providing Medicaid services to include timeliness and performance standards for determining eligibility that are in accordance with federal law. 42 C.F.R. § 435.912 states that the determination of eligibility for any applicant may not exceed: 1.) 90 days, for applicants who apply for Medicaid on the basis of disability; or 2.) 45 days for all other applications. The bill would also include a monetary penalty that would apply to untimely determinations of eligibility of applicants receiving care from a nursing facility. The penalty would be equal to 1% of the state-established per day reimbursement rate for the applicant for each day of noncompliance. If the untimely determination of eligibility was not a result of unusual circumstances, as described in federal law, the penalty amount would be tripled. Under federal law, unusual circumstances include 1.) situations when an agency cannot reach a decision because the applicant or an examining physician delays or fails to take a certain action; and 2.) when there is an administrative or other emergency beyond the agency's control.

HB 2149 would become effective upon publication in the Kansas register.