

**SENATE BILL No. 355**

By Committee on Ways and Means

1-17

1 AN ACT concerning health and healthcare; relating to health insurance  
2 coverage; expanding medical assistance eligibility; enacting the cutting  
3 healthcare costs for all Kansans act; directing the department of health  
4 and environment to study certain medicaid expansion topics; adding  
5 meeting days to the Robert G. (Bob) Bethell joint committee on home  
6 and community based services and KanCare oversight to monitor  
7 implementation of expanded medical assistance eligibility; amending  
8 K.S.A. 39-7,160, 40-3213, 65-6207, 65-6210, 65-6211, 65-6212 and  
9 65-6217 and K.S.A. 2023 Supp. 65-6208, 65-6209 and 65-6218 and  
10 repealing the existing sections.

11

12 *Be it enacted by the Legislature of the State of Kansas:*

13 New Section 1. (a) Sections 1 through 13, and amendments thereto,  
14 shall be known and may be cited as the cutting healthcare costs for all  
15 Kansans act.

16 (b) The legislature expressly consents to expand eligibility for receipt  
17 of benefits under the Kansas program of medical assistance, as required by  
18 K.S.A. 39-709(e)(2), and amendments thereto, by the passage and  
19 enactment of the act, subject to all requirements and limitations established  
20 in the act.

21 (c) The secretary of health and environment shall adopt rules and  
22 regulations as necessary to implement and administer the act.

23 (d) As used in sections 1 through 13, and amendments thereto, unless  
24 otherwise specified:

25 (1) "138% of the federal poverty level," or words of like effect,  
26 includes a 5% income disregard permitted under the federal patient  
27 protection and affordable care act.

28 (2) "Act" means the cutting healthcare costs for all Kansans act.

29 New Sec. 2. (a) The secretary of health and environment shall submit  
30 to the United States centers for medicare and medicaid services any state  
31 plan amendment, waiver request or other approval request necessary to  
32 implement the act. At least 10 calendar days prior to submission of any  
33 such approval request to the United States centers for medicare and  
34 medicaid services, the secretary of health and environment shall submit  
35 such approval request application to the state finance council.

36 (b) For purposes of eligibility determinations under the Kansas

1 program of medical assistance on and after January 1, 2025, medical  
2 assistance shall be granted to any adult under 65 years of age who is not  
3 pregnant and whose income meets the limitation established in subsection  
4 (c), as permitted under the provisions of 42 U.S.C. § 1396a, as it exists on  
5 the effective date of the act, and subject to a 90% federal medical  
6 assistance percentage and all requirements and limitations established in  
7 the act.

8 (c) The secretary of health and environment shall submit to the  
9 United States centers for medicare and medicaid services any approval  
10 request necessary to provide medical assistance eligibility to individuals  
11 described in subsection (b) whose modified adjusted gross income does  
12 not exceed 138% of the federal poverty level.

13 New Sec. 3. (a) The secretary of health and environment shall require  
14 each applicant for coverage under the act to provide employment  
15 verification at the time of initial application or renewal application. Such  
16 verification shall be a prerequisite for coverage under the act.

17 (b) "Employment verification" means documentation demonstrating  
18 employment during the preceding 12 months that meets the eligibility  
19 requirements of the act. "Employment verification" includes, but is not  
20 limited to:

- 21 (1) Federal form W-2 wage and tax statement;
- 22 (2) a pay stub demonstrating gross income;
- 23 (3) employment records;
- 24 (4) federal form 1099 demonstrating payments for contract labor;
- 25 (5) compliance with the requirements of K.S.A. 39-709(b), and  
26 amendments thereto; and
- 27 (6) any other documentation as determined by the secretary of health  
28 and environment.

29 (c) The following individuals shall be exempt from the requirements  
30 of this subsection:

31 (1) A full-time student enrolled in a postsecondary educational  
32 institution or technical college, as defined by K.S.A. 74-3201b, and  
33 amendments thereto, for each year the student is enrolled in such  
34 educational setting;

35 (2) a parent or guardian of a dependent child under 18 years of age or  
36 a parent or guardian of an incapacitated adult;

37 (3) an individual who is mentally or physically unfit for employment,  
38 as defined by the secretary of health and environment, or has a pending  
39 application for supplemental security income or social security disability  
40 insurance;

41 (4) an individual who has a permanent partial disability, as such term  
42 is used in K.S.A. 44-510e, and amendments thereto;

43 (5) an individual who is engaged in volunteer work for at least 20

1 hours per week at a nonprofit organization, as such term is defined in  
2 K.S.A. 17-1779, and amendments thereto;

3 (6) an individual experiencing homelessness, as such term is defined  
4 in 42 U.S.C. 11302, as in effect on the effective date of this act;

5 (7) an individual who served in the active military, naval, air or space  
6 service and was discharged or released from such military service under  
7 conditions other than dishonorable;

8 (8) an individual who is not more than 22 years of age and in the  
9 custody of the secretary of children and families on the date that the  
10 individual reached 18 years of age; and

11 (9) any individual who the secretary determines is experiencing  
12 hardship.

13 New Sec. 4. (a) The secretary of health and environment may  
14 establish a health insurance coverage premium assistance program for  
15 individuals who meet the following requirements:

16 (1) The individual has an annual income that is 100% or greater than,  
17 but does not exceed 138% of, the federal poverty level, based on the  
18 modified adjusted gross income provisions set forth in section 2001(a)(1)  
19 of the federal patient protection and affordable care act; and

20 (2) the individual is eligible for health insurance coverage through an  
21 employer but cannot afford the health insurance coverage premiums, as  
22 determined by the secretary of health and environment.

23 (b) A program established under this section shall:

24 (1) Contain eligibility requirements that are the same as in sections 2  
25 and 3, and amendments thereto; and

26 (2) provide that an individual's payment for a health insurance  
27 coverage premium may not exceed 2% of the individual's modified  
28 adjusted gross income, not to exceed 2% of the household's modified  
29 adjusted gross income in the aggregate with any premium charged to any  
30 other household member participating in the premium assistance program.

31 New Sec. 5. (a) Except to the extent prohibited by 42 U.S.C. §  
32 1396u-2(a)(2), as it exists on the effective date of this act, the secretary of  
33 health and environment shall administer medical assistance benefits using  
34 a managed care delivery system using organizations subject to assessment  
35 of the privilege fee under K.S.A. 40-3213, and amendments thereto. If the  
36 United States centers for medicare and medicaid services determines that  
37 the assessment of a privilege fee provided in K.S.A. 40-3213, and  
38 amendments thereto, is unlawful or otherwise invalid, then the secretary of  
39 health and environment shall administer state medicaid services using a  
40 managed care delivery system.

41 (b) In awarding a contract for an entity to administer state medicaid  
42 services using a managed care delivery system, the secretary of health and  
43 environment shall:

1 (1) Not provide favorable or unfavorable treatment in awarding a  
2 contract based on an entity's for-profit or not-for-profit tax status;

3 (2) give preference in awarding a contract to an entity that provides  
4 health insurance coverage plans on the health benefit exchange in Kansas  
5 established under the federal patient protection and affordable care act; and

6 (3) require that any entity administering state medicaid services  
7 provide tiered benefit plans with enhanced benefits for covered individuals  
8 who demonstrate healthy behaviors, as determined by the secretary of  
9 health and environment, to be implemented on or before July 1, 2026.

10 New Sec. 6. If the federal medical assistance percentage for coverage  
11 of medical assistance participants described in section 1902(a)(10)(A)(i)  
12 (VIII) of the federal social security act, 42 U.S.C. § 1396a, as it exists on  
13 the effective date of this act, becomes lower than 90%, then the secretary  
14 of health and environment shall terminate coverage under the act over a  
15 12-month period, beginning on the first day that the federal medical  
16 assistance percentage becomes lower than 90%. No individual shall be  
17 newly enrolled for coverage under the act after such date.

18 New Sec. 7. (a) Section 6, and amendments thereto, shall be  
19 nonseverable from the remainder of the act. If the provisions of section 6,  
20 and amendments thereto, are not approved by the United States centers for  
21 medicare and medicaid services, then the act shall be null and void and  
22 shall have no force and effect.

23 (b) A denial of federal approval or federal financial participation that  
24 applies to any provision of the act not enumerated in subsection (a) shall  
25 not prohibit the secretary of health and environment from implementing  
26 any other provision of the act.

27 New Sec. 8. (a) On or before January 10, 2026, and on or before the  
28 first day of the regular session of the legislature each year thereafter, the  
29 secretary of health and environment shall prepare and deliver a report to  
30 the legislature that summarizes the cost savings achieved by the state from  
31 the movement of covered individuals from the KanCare program to  
32 coverage under the act, including, but not limited to, the MediKan  
33 program, the medically needy spend-down program and the breast and  
34 cervical cancer program.

35 (b) State cost savings shall be determined by calculating the cost of  
36 providing services to covered individuals in the KanCare program less the  
37 cost of services provided to covered individuals under the act.

38 (c) If the secretary of health and environment implements other  
39 initiatives using cost savings achieved through the implementation of the  
40 act, the secretary shall include such initiatives as part of the report required  
41 in subsection (a).

42 New Sec. 9. (a) The secretary of corrections and the secretary of  
43 health and environment shall coordinate with a county sheriff or such

1 sheriff's deputy who requests assistance in facilitating medicaid coverage  
2 for any individual committed to a county jail or correctional facility  
3 during any time period that such individual is eligible for coverage under  
4 state or federal law.

5 (b) If an individual is enrolled in medicaid when such individual is  
6 committed to a county jail or correctional facility, such medicaid status  
7 shall not be suspended or terminated based on such individual's  
8 incarceration for a minimum of 30 days. After 30 days, medicaid coverage  
9 may be suspended, but not terminated, up to the maximum amount of time  
10 permitted by state and federal law.

11 (c) The secretary of health and environment shall coordinate with a  
12 county sheriff or such sheriff's deputy and the department of corrections to  
13 assist any individual who is committed to a county jail or correctional  
14 facility in applying for medicaid coverage prior to such individual's release  
15 from custody if such individual is likely to meet the requirements for  
16 medicaid coverage to allow adequate time for medicaid coverage to begin  
17 promptly upon release.

18 (d) The secretary of health and environment shall adopt any rules and  
19 regulations and supporting policies and procedures as necessary to  
20 implement and administer this section prior to January 1, 2025.

21 New Sec. 10. On or before February 15, 2026, and on or before  
22 February 15 of each year thereafter, the secretary of health and  
23 environment shall present a report to the house of representatives standing  
24 committee on appropriations and the senate standing committee on ways  
25 and means that summarizes the costs of the act and the cost savings and  
26 additional revenues generated during the preceding fiscal year.

27 New Sec. 11. (a) The department of health and environment shall  
28 remit all moneys received by the department of health and environment  
29 from drug rebates associated with medical assistance enrollees to the state  
30 treasurer in accordance with the provisions of K.S.A. 75-4215, and  
31 amendments thereto. Upon receipt of each such remittance, the state  
32 treasurer shall deposit the entire amount into the state treasury to the credit  
33 of the state general fund.

34 (b) The department of health and environment shall certify the  
35 amount of moneys received by such agency from drug rebates associated  
36 with medical assistance enrollees on a monthly basis and shall transmit  
37 each such certification to the director of legislative research and the  
38 director of the budget.

39 (c) Upon receipt of each such certification, the director of legislative  
40 research and the director of the budget shall include such certified amount  
41 on any monthly report prepared by the legislative research department or  
42 the division of the budget that details state general fund receipts as a  
43 separate item entitled "drug rebates" under a category of other revenue

1 sources.

2 (d) This section shall take effect and be in force on and after July 1,  
3 2025.

4 New Sec. 12. (a) There is hereby established the rural health advisory  
5 committee.

6 (b) The rural health advisory committee shall consist of 15 members  
7 appointed by the governor. The membership shall be comprised of  
8 individuals with a variety of backgrounds including medicine, education,  
9 farming, finance, business and individuals representing community  
10 interests in rural Kansas.

11 (c) The governor shall designate one of the appointed members to be  
12 chairperson of the committee. The members of the advisory committee  
13 shall select a vice chairperson from the membership of the advisory  
14 committee.

15 (d) Upon first appointment, five of the members shall serve for a term  
16 of one year, five of the members shall be appointed for a term of two years  
17 and five of the members shall be appointed for term of three years, as  
18 designated by the governor. The member designated as chairperson shall  
19 serve for a term of three years. Subsequent appointees shall serve terms of  
20 three years.

21 (e) (1) The advisory committee may meet at any time and at any  
22 place within the state on the call of the chairperson. The advisory  
23 committee shall meet regularly, but shall meet at least once every calendar  
24 quarter.

25 (2) A quorum of the advisory committee shall be eight voting  
26 members. All actions of the advisory committee shall be adopted by a  
27 majority of those voting members present when there is a quorum.

28 (f) The advisory committee shall:

29 (1) Advise the governor and other state agencies on rural health  
30 issues;

31 (2) recommend and evaluate mechanisms to encourage greater  
32 cooperation between rural communities and rural health providers;

33 (3) recommend and evaluate approaches to rural health issues that are  
34 sensitive to the needs of local communities;

35 (4) develop methods to identify individuals who are underserved by  
36 the Kansas rural healthcare system; and

37 (5) beginning in 2025, provide an annual report to the governor  
38 containing the advice, recommendations and conclusions of the advisory  
39 committee.

40 (g) The secretary of health and environment shall facilitate the work  
41 of the committee by providing access to meeting space and other necessary  
42 staff and office support. The secretary of health and environment may  
43 adopt any rules and regulations and supporting policies and procedures

1 that are necessary to support the work of the advisory committee.

2 New Sec. 13. The cutting healthcare costs for all Kansans act shall  
3 not provide coverage for abortion services, except in cases where coverage  
4 is mandated by federal law and federal financial participation is available.

5 Sec. 14. K.S.A. 39-7,160 is hereby amended to read as follows: 39-  
6 7,160. (a) There is hereby established the Robert G. (Bob) Bethell joint  
7 committee on home and community based services and KanCare  
8 oversight. The joint committee shall review the number of individuals who  
9 are transferred from state or private institutions and long-term care  
10 facilities to the home and community based services and the associated  
11 cost savings and other outcomes of the money-follows-the-person  
12 program. The joint committee shall review the funding targets  
13 recommended by the interim report submitted for the 2007 legislature by  
14 the joint committee on legislative budget and use them as guidelines for  
15 future funding planning and policy making. The joint committee shall have  
16 oversight of savings resulting from the transfer of individuals from state or  
17 private institutions to home and community based services. As used in  
18 K.S.A. 39-7,159 through 39-7,162, and amendments thereto, "savings"  
19 means the difference between the average cost of providing services for  
20 individuals in an institutional setting and the cost of providing services in a  
21 home and community based setting. The joint committee shall study and  
22 determine the effectiveness of the program and cost-analysis of the state  
23 institutions or long-term care facilities based on the success of the transfer  
24 of individuals to home and community based services. The joint  
25 committee shall consider the issues of whether sufficient funding is  
26 provided for enhancement of wages and benefits of direct individual care  
27 workers and their staff training and whether adequate progress is being  
28 made to transfer individuals from the institutions and to move them from  
29 the waiver waiting lists to receive home and community based services.  
30 The joint committee shall review and ensure that any proceeds resulting  
31 from the successful transfer be applied to the system of provision of  
32 services for long-term care and home and community based services. The  
33 joint committee shall monitor and study the implementation and operations  
34 of the home and community based service programs, the children's health  
35 insurance program, the program for the all-inclusive care of the elderly  
36 and the state medicaid programs including, but not limited to, access to  
37 and quality of services provided and any financial information and  
38 budgetary issues. Any state agency shall provide data and information on  
39 KanCare programs, including, but not limited to, pay for performance  
40 measures, quality measures and enrollment and disenrollment in specific  
41 plans, KanCare provider network data and appeals and grievances made to  
42 the KanCare ombudsman, to the joint committee, as requested.

43 (b) The joint committee shall consist of 11 members of the legislature

1 appointed as follows: (1) Two members of the house committee on health  
2 and human services appointed by the speaker of the house of  
3 representatives; (2) one member of the house committee on health and  
4 human services appointed by the minority leader of the house of  
5 representatives; (3) two members of the senate committee on public health  
6 and welfare appointed by the president of the senate; (4) one member of  
7 the senate committee on public health and welfare appointed by the  
8 minority leader of the senate; (5) two members of the house of  
9 representatives appointed by the speaker of the house of representatives,  
10 one of whom shall be a member of the house committee on appropriations;  
11 (6) one member of the house of representatives appointed by the minority  
12 leader of the house of representatives; and (7) two members of the senate  
13 appointed by the president of the senate, one of whom shall be a member  
14 of the senate committee on ways and means.

15 (c) Members shall be appointed for terms coinciding with the  
16 legislative terms for which such members are elected or appointed. All  
17 members appointed to fill vacancies in the membership of the joint  
18 committee and all members appointed to succeed members appointed to  
19 membership on the joint committee shall be appointed in the manner  
20 provided for the original appointment of the member succeeded.

21 (d) (1) The members originally appointed as members of the joint  
22 committee shall meet upon the call of the member appointed by the  
23 speaker of the house of representatives, who shall be the first chairperson,  
24 within 30 days of the effective date of this act. The vice-chairperson of the  
25 joint committee shall be appointed by the president of the senate.  
26 Chairperson and vice-chairperson shall alternate annually between the  
27 members appointed by the speaker of the house of representatives and the  
28 president of the senate. The ranking minority member shall be from the  
29 same chamber as the chairperson. ~~On and after the effective date of this act~~  
30 *Except as provided in paragraph (2), the joint committee shall meet at*  
31 *least once in January and once in April when the legislature is in regular*  
32 *session and at least once for two consecutive days during each of the third*  
33 *and fourth calendar quarters, on the call of the chairperson, but not to*  
34 *exceed six meetings in a calendar year, except additional meetings may be*  
35 *held on call of the chairperson when urgent circumstances exist which*  
36 *require such meetings. Six members of the joint committee shall constitute*  
37 *a quorum.*

38 (2) *During calendar year 2025 and calendar year 2026, the joint*  
39 *committee shall meet for one additional day per meeting pursuant to*  
40 *paragraph (1) in order to monitor the implementation of the cutting*  
41 *healthcare costs for all Kansans act and to review the following topics*  
42 *relating to such implementation: Payment integrity and eligibility audits;*  
43 *outcomes related to section 3, and amendments thereto; health outcomes*



1 *for individuals covered under the act; budget projections and actual*  
2 *expenditures related to implementation of the act; and expenses incurred*  
3 *by hospitals arising from charity care and services provided to patients*  
4 *who are unwilling or unable to pay for such services.*

5 (e) (1) At the beginning of each regular session of the legislature, the  
6 committee shall submit to the president of the senate, the speaker of the  
7 house of representatives, the house committee on health and human  
8 services and the senate committee on public health and welfare a written  
9 report on numbers of individuals transferred from the state or private  
10 institutions to the home and community based services including the  
11 average daily census in the state institutions and long-term care facilities,  
12 savings resulting from the transfer certified by the secretary for aging and  
13 disability services in a quarterly report filed in accordance with K.S.A. 39-  
14 7,162, and amendments thereto, and the current balance in the home and  
15 community based services savings fund of the Kansas department for  
16 aging and disability services.

17 (2) Such report submitted under this subsection shall also include, but  
18 not be limited to, the following information on the KanCare program:

19 (A) Quality of care and health outcomes of individuals receiving state  
20 medicaid services under the KanCare program, as compared to the  
21 provision of state medicaid services prior to January 1, 2013;

22 (B) integration and coordination of health care procedures for  
23 individuals receiving state medicaid services under the KanCare program;

24 (C) availability of information to the public about the provision of  
25 state medicaid services under the KanCare program, including, but not  
26 limited to, accessibility to health services, expenditures for health services,  
27 extent of consumer satisfaction with health services provided and  
28 grievance procedures, including quantitative case data and summaries of  
29 case resolution by the KanCare ombudsman;

30 (D) provisions for community outreach and efforts to promote the  
31 public understanding of the KanCare program;

32 (E) comparison of the actual medicaid costs expended in providing  
33 state medicaid services under the KanCare program after January 1, 2013,  
34 to the actual costs expended under the provision of state medicaid services  
35 prior to January 1, 2013, including the manner in which such cost  
36 expenditures are calculated;

37 (F) comparison of the estimated costs expended in a managed care  
38 system of providing state medicaid services under the KanCare program  
39 after January 1, 2013, to the actual costs expended under the KanCare  
40 program of providing state medicaid services after January 1, 2013;

41 (G) comparison of caseload information for individuals receiving  
42 state medicaid services prior to January 1, 2013, to the caseload  
43 information for individuals receiving state medicaid services under the

1 KanCare program after January 1, 2013; and

2 (H) all written testimony provided to the joint committee regarding  
3 the impact of the provision of state medicaid services under the KanCare  
4 program upon residents of adult care homes.

5 (3) The joint committee shall consider the external quality review  
6 reports and quality assessment and performance improvement program  
7 plans of each managed care organization providing state medicaid services  
8 under the KanCare program in the development of the report submitted  
9 under this subsection.

10 (4) The report submitted under this subsection shall be published on  
11 the official website of the legislative research department.

12 (f) Members of the committee shall have access to any medical  
13 assistance report and caseload data generated by the Kansas department of  
14 health and environment division of health care finance. Members of the  
15 committee shall have access to any report submitted by the Kansas  
16 department of health and environment division of health care finance to  
17 the centers for medicare and medicaid services of the United States  
18 department of health and human services.

19 (g) Members of the committee shall be paid compensation, travel  
20 expenses and subsistence expenses or allowance as provided in K.S.A. 75-  
21 3212, and amendments thereto, for attendance at any meeting of the joint  
22 committee or any subcommittee meeting authorized by the committee.

23 (h) In accordance with K.S.A. 46-1204, and amendments thereto, the  
24 legislative coordinating council may provide for such professional services  
25 as may be requested by the joint committee.

26 (i) The joint committee may make recommendations and introduce  
27 legislation as it deems necessary in performing its functions.

28 Sec. 15. K.S.A. 40-3213 is hereby amended to read as follows: 40-  
29 3213. (a) Every health maintenance organization and medicare provider  
30 organization subject to this act shall pay to the commissioner the following  
31 fees:

32 (1) For filing an application for a certificate of authority, \$150;

33 (2) for filing each annual report, \$50; *and*

34 (3) for filing an amendment to the certificate of authority, \$10.

35 (b) Every health maintenance organization subject to this act shall  
36 pay annually to the commissioner at the time such organization files its  
37 annual report, a privilege fee in an amount equal to ~~the following~~  
38 ~~percentages~~ 5.77% of the total of all premiums, subscription charges or  
39 any other term that may be used to describe the charges made by such  
40 organization to enrollees: ~~3.31% during the reporting period beginning~~  
41 ~~January 1, 2015, and ending December 31, 2017; and 5.77% on and after~~  
42 ~~January 1, 2018.~~ In such computations all such organizations shall be  
43 entitled to deduct therefrom any premiums or subscription charges

1 returned on account of cancellations and dividends returned to enrollees. If  
2 the commissioner shall determine at any time that the application of the  
3 privilege fee, or a change in the rate of the privilege fee, would cause a  
4 denial of, reduction in or elimination of federal financial assistance to the  
5 state or to any health maintenance organization subject to this act, the  
6 commissioner is hereby authorized to terminate the operation of such  
7 privilege fee or the change in such privilege fee.

8 (c) For the purpose of insuring the collection of the privilege fee  
9 provided for by subsection (b), every health maintenance organization  
10 subject to this act and required by subsection (b) to pay such privilege fee  
11 shall at the time it files its annual report, as required by K.S.A. 40-3220,  
12 and amendments thereto, make a return, generated by or at the direction of  
13 its chief officer or principal managing director, under penalty of K.S.A.  
14 21-5824, and amendments thereto, to the commissioner, stating the amount  
15 of all premiums, assessments and charges received by the health  
16 maintenance organization, whether in cash or notes, during the year ending  
17 on the last day of the preceding calendar year. Upon the receipt of such  
18 returns the commissioner of insurance shall verify such returns and  
19 reconcile the fees pursuant to subsection (f) upon such organization on the  
20 basis and at the rate provided in this section.

21 (d) Premiums or other charges received by an insurance company  
22 from the operation of a health maintenance organization subject to this act  
23 shall not be subject to any fee or tax imposed under the provisions of  
24 K.S.A. 40-252, and amendments thereto.

25 (e) Fees charged under this section shall be remitted to the state  
26 treasurer in accordance with the provisions of K.S.A. 75-4215, and  
27 amendments thereto. Upon receipt of each such remittance, the state  
28 treasurer shall deposit the entire amount in the state treasury to the credit  
29 of the medical assistance fee fund created by K.S.A. 40-3236, and  
30 amendments thereto.

31 (f) (1) ~~On and after January 1, 2018,~~ In addition to any other filing or  
32 return required by this section, each health maintenance organization shall  
33 submit a report to the commissioner on or before March 31 and September  
34 30 of each year containing an estimate of the total amount of all premiums,  
35 subscription charges or any other term that may be used to describe the  
36 charges made by such organization to enrollees that the organization  
37 expects to collect during the current calendar year. Upon filing each March  
38 31 report, the organization shall submit payment equal to  $\frac{1}{2}$  of the  
39 privilege fee that would be assessed by the commissioner for the current  
40 calendar year based upon the organization's reported estimate. Upon filing  
41 each September 30 report, the organization shall submit payment equal to  
42 the balance of the privilege fee that would be assessed by the  
43 commissioner for the current calendar year based upon the organization's

1 reported estimates.

2 (2) Any amount of privilege fees actually owed by a health  
3 maintenance organization during any calendar year in excess of estimated  
4 privilege fees paid shall be assessed by the commissioner and shall be due  
5 and payable upon issuance of such assessment.

6 (3) Any amount of estimated privilege fees paid by a health  
7 maintenance organization during any calendar year in excess of privilege  
8 fees actually owed shall be reconciled when the commissioner assesses  
9 privilege fees in the ensuing calendar year. The commissioner shall credit  
10 such excess amount against future privilege fee assessments. Any such  
11 excess amount paid by a health maintenance organization that is no longer  
12 doing business in Kansas and that no longer has a duty to pay the privilege  
13 fee shall be refunded by the commissioner from funds appropriated by the  
14 legislature for such purpose.

15 Sec. 16. K.S.A. 65-6207 is hereby amended to read as follows: 65-  
16 6207. As used in K.S.A. 65-6207 ~~to through 65-6220, inclusive,~~ and  
17 amendments thereto, ~~the following have the meaning respectively ascribed~~  
18 ~~thereto,~~ unless the context requires otherwise:

19 (a) *"Annual hospital medicaid expansion surcharge" means the*  
20 *product of the number of unduplicated medicaid expansion enrollees*  
21 *multiplied by \$233.*

22 (b) *"Assessment revenues" means the revenues generated directly by*  
23 *the assessment and surcharge imposed by K.S.A. 65-6208 and 65-6213,*  
24 *and amendments thereto, any penalty assessments and all interest credited*  
25 *to the fund under this act and any federal matching funds obtained*  
26 *through the use of such assessments, surcharges, penalties and interest*  
27 *amounts.*

28 (c) "Department" means the Kansas department for aging and  
29 disability services or the ~~Kansas~~ department of health and environment, or  
30 both.

31 ~~(b)~~(d) "Fund" means the health care access improvement fund.

32 ~~(e)~~(e) "Health maintenance organization" ~~has the meaning~~ *means the*  
33 *same as provided in K.S.A. 40-3202, and amendments thereto.*

34 ~~(d)~~(f) "Hospital" ~~has the meaning~~ *means the same as provided in*  
35 *K.S.A. 65-425, and amendments thereto.*

36 ~~(e)~~(g) "Hospital provider" means a person licensed by the department  
37 of health and environment to operate, conduct or maintain a hospital,  
38 regardless of whether the person is a federal medicaid provider.

39 ~~(f)~~(h) "Pharmacy provider" means an area, premises or other site  
40 where drugs are offered for sale, where there are pharmacists, as defined in  
41 K.S.A. 65-1626, and amendments thereto, and where prescriptions, as  
42 defined in K.S.A. 65-1626, and amendments thereto, are compounded and  
43 dispensed.

1       (g) ~~"Assessment revenues" means the revenues generated directly by~~  
2 ~~the assessments imposed by K.S.A. 65-6208 and 65-6213, and~~  
3 ~~amendments thereto, any penalty assessments and all interest credited to~~  
4 ~~the fund under this act, and any federal matching funds obtained through~~  
5 ~~the use of such assessments, penalties and interest amounts~~

6       (i) *"Unduplicated medicaid expansion enrollee" means each*  
7 *individual who becomes eligible for and enrolls in the Kansas program of*  
8 *medical assistance under K.S.A. 39-709, and amendments thereto, and is*  
9 *eligible for a 90% federal medical assistance percentage pursuant to 42*  
10 *U.S.C. § 1396d(y)(1).*

11       Sec. 17. K.S.A. 2023 Supp. 65-6208 is hereby amended to read as  
12 follows: 65-6208. (a) Subject to the provisions of K.S.A. 65-6209, and  
13 amendments thereto, an annual assessment on services is imposed on each  
14 hospital provider in an amount not less than 1.83% of each hospital's net  
15 inpatient operating revenue and not greater than 3% of each hospital's net  
16 inpatient and outpatient operating revenue, as determined by the healthcare  
17 access improvement panel in consultation with the department of health  
18 and environment, for the hospital's fiscal year three years prior to the  
19 assessment year. In the event that a hospital does not have a complete 12-  
20 month fiscal year in such third prior fiscal year, the assessment under this  
21 section shall be \$200,000 until such date that such hospital has completed  
22 the hospital's first 12-month fiscal year. Upon completing such first 12-  
23 month fiscal year, such hospital's assessment under this section shall be the  
24 amount not less than 1.83% of each hospital's net inpatient operating  
25 revenue and not greater than 3% of such hospital's net inpatient and  
26 outpatient operating revenue, as determined by the healthcare access  
27 improvement panel in consultation with the department of health and  
28 environment, for such first completed 12-month fiscal year.

29       (b) (1) *On and after January 1, 2027, an annual hospital medicaid*  
30 *expansion support surcharge shall be imposed on each hospital provider*  
31 *in an amount equal to its proportionate share as determined by the*  
32 *healthcare access improvement panel in accordance with K.S.A. 65-*  
33 *6218(d), and amendments thereto, except that such surcharge shall not*  
34 *exceed \$35,000,000 for any calendar year and no surcharge shall be*  
35 *imposed for any period after the federal medical assistance percentage*  
36 *described in 42 U.S.C. § 1396d(y)(1) is lower than 90%. Upon final*  
37 *approval by the United States centers for medicare and medicaid services,*  
38 *notice of the amount of such surcharge shall be transmitted by the*  
39 *healthcare access improvement panel to the department. Upon receipt of*  
40 *such notice, the department shall promptly provide notice to each hospital*  
41 *provider in accordance with K.S.A. 65-6211(b), and amendments thereto.*

42       (2) *The department of health and environment shall submit to the*  
43 *United States centers for medicare and medicaid services any approval*

1 *request necessary to implement the surcharge authorized by this*  
2 *subsection and shall not impose such surcharge prior to receiving*  
3 *approval by the United States centers for medicare and medicaid services*  
4 *and publishing such approval.*

5 (c) Nothing in this act shall be construed to authorize any home rule  
6 unit or other unit of local government to license for revenue or impose a  
7 tax or assessment upon hospital providers or a tax or assessment measured  
8 by the income or earnings of a hospital provider.

9 ~~(e)~~(d) (1) The department of health and environment shall submit to  
10 the United States centers for medicare and medicaid services any approval  
11 request necessary to implement the amendments made to subsection (a) by  
12 section 1 of chapter 7 of the 2020 Session Laws of Kansas and this act. If  
13 the department has submitted such a request pursuant to section 80(l) of  
14 chapter 68 of the 2019 Session Laws of Kansas or section 1 of chapter 7 of  
15 the 2020 Session Laws of Kansas, then the department may continue such  
16 request, or modify such request to conform to the amendments made to  
17 subsection (a) by section 1 of chapter 7 of the 2020 Session Laws of  
18 Kansas and this act, to fulfill the requirements of this paragraph.

19 (2) The secretary of health and environment shall certify to the  
20 secretary of state the receipt of such approval and cause notice of such  
21 approval to be published in the Kansas register.

22 (3) The amendments made to subsection (a) by section 1 of chapter 7  
23 of the 2020 Session Laws of Kansas and this act shall take effect on and  
24 after January 1 or July 1 immediately following such publication of such  
25 approval.

26 Sec. 18. K.S.A. 2023 Supp. 65-6209 is hereby amended to read as  
27 follows: 65-6209. (a) A hospital provider that is a state agency, the  
28 authority, as defined in K.S.A. 76-3304, and amendments thereto, a state  
29 educational institution, as defined in K.S.A. 76-711, and amendments  
30 thereto, a critical access hospital, as defined in K.S.A. 65-468, and  
31 amendments thereto, or a rural emergency hospital licensed under the rural  
32 emergency hospital act, K.S.A. 2023 Supp. 65-481 et seq., and  
33 amendments thereto, is exempt from the assessment imposed by K.S.A.  
34 65-6208(a), and amendments thereto, *but not the surcharge imposed by*  
35 *K.S.A. 65-6208(b), and amendments thereto.*

36 (b) A hospital operated by the department in the course of performing  
37 its mental health or developmental disabilities functions is exempt from  
38 the assessment imposed by K.S.A. 65-6208(a), and amendments thereto,  
39 *but not the surcharge imposed by K.S.A. 65-6208(b), and amendments*  
40 *thereto.*

41 Sec. 19. K.S.A. 65-6210 is hereby amended to read as follows: 65-  
42 6210. (a) The assessment imposed by K.S.A. 65-6208(a), and amendments  
43 thereto, for any state fiscal year to which this statute applies shall be due

1 and payable in equal installments on or before June 30 and December 31,  
2 commencing with whichever date first occurs after the hospital has  
3 received payments for 150 days after the effective date of the payment  
4 methodology approved by the centers for medicare and medicaid services.  
5 *The surcharge imposed by K.S.A. 65-6208(b), and amendments thereto, for*  
6 *any state fiscal year to which this statute applies shall be due and payable*  
7 *in installments on or before June 30 and December 31, commencing with*  
8 *June 30, 2027. The payment made by each hospital provider on or before*  
9 *June 30 shall be in an amount not less than  $\frac{1}{3}$  of such hospital provider's*  
10 *proportionate share determined in accordance with K.S.A. 65-6218(d),*  
11 *and amendments thereto. The payment made by each hospital provider on*  
12 *or before December 31 shall be the remainder of the amount owed for*  
13 *such hospital provider's proportionate share. No installment payment of*  
14 *an assessment under this act shall be due and payable, however, until after:*

15 (1) The hospital provider receives written notice from the department  
16 that the payment methodologies to hospitals required under this act have  
17 been approved by the centers for medicare and medicaid services of the  
18 United States department of health and human services under 42 C.F.R. §  
19 433.68 for the assessment imposed by K.S.A. 65-6208, and amendments  
20 thereto, has been granted by the centers for medicare and medicaid  
21 services of the United States department of health and human services; and

22 (2) in the case of a hospital provider, the hospital has received  
23 payments for 150 days after the effective date of the payment methodology  
24 approved by the centers for medicare and medicaid services.

25 (b) The department is authorized to establish delayed payment  
26 schedules for hospital providers that are unable to make installment  
27 payments when due under this section due to financial difficulties, as  
28 determined by the department.

29 (c) If a hospital provider fails to pay the full amount of an installment  
30 when due, including any extensions granted under this section, there shall  
31 be added to the assessment *or surcharge* imposed by K.S.A. 65-6208(a) *or*  
32 *(b), and amendments thereto, unless waived by the department for*  
33 *reasonable cause, a penalty assessment equal to the lesser of:*

34 (1) An amount equal to 5% of the installment amount not paid on or  
35 before the due date plus 5% of the portion thereof remaining unpaid on the  
36 last day of each month thereafter; or

37 (2) an amount equal to 100% of the installment amount not paid on or  
38 before the due date.

39 For purposes of subsection (c), payments will be credited first to unpaid  
40 installment amounts, rather than to penalty or interest amounts, beginning  
41 with the most delinquent installment.

42 (d) The effective date for the payment methodology applicable to  
43 hospital providers approved by the centers for medicare and medicaid

1 services shall be the date of July 1 or January 1, whichever date is  
2 designated in the state plan submitted by the department of health and  
3 environment for approval by the centers for medicare and medicaid  
4 services.

5 Sec. 20. K.S.A. 65-6211 is hereby amended to read as follows: 65-  
6 6211. (a) After December 31 of each year, except as otherwise provided in  
7 this subsection, and on or before March 31 of the succeeding year, the  
8 department shall send a notice of assessment *imposed under K.S.A. 65-  
9 6208(a), and amendments thereto*, to every hospital provider subject to  
10 assessment under this act. ~~(b)~~—The hospital provider notice of assessment  
11 shall notify the hospital provider of its assessment for the state fiscal year  
12 commencing on the next July 1.

13 *(b) On or before April 30 and October 31 of each year, the*  
14 *department shall send a notice of surcharge imposed under K.S.A. 65-  
15 6208(b), and amendments thereto, to each hospital provider subject to the*  
16 *surcharge. The department shall send the first such notice on or before*  
17 *April 30, 2027.*

18 (c) If a hospital provider operates, conducts or maintains more than  
19 one licensed hospital in the state, the hospital provider shall pay ~~the any~~  
20 *assessment or surcharge imposed under K.S.A. 65-6208(a) or (b), and*  
21 *amendments thereto*, for each hospital separately.

22 (d) Notwithstanding any other provision in this act, in the case of a  
23 person who ceases to operate, conduct or maintain a hospital ~~in respect of~~  
24 *for which the person is subject to assessment in K.S.A. 65-6208(a), and*  
25 *amendments thereto, as a hospital provider, the assessment for the state*  
26 *fiscal year in which the cessation occurs shall be adjusted by multiplying*  
27 *the assessment computed under K.S.A. 65-6208(a), and amendments*  
28 *thereto, by a fraction, the numerator of which is the number of the days*  
29 *during the year during which the provider operates, conducts or maintains*  
30 *a hospital and the denominator of which is 365. Immediately upon ceasing*  
31 *to operate, conduct or maintain a hospital, the person shall pay the*  
32 *adjusted assessment for that state fiscal year, to the extent not previously*  
33 *paid.*

34 (e) *Notwithstanding any other provision in this act, in the case of a*  
35 *person who ceases to operate, conduct or maintain a hospital for which*  
36 *the person is subject to surcharge in K.S.A. 65-6208(b), and amendments*  
37 *thereto, as a hospital provider, the surcharge for the six-month period in*  
38 *which the cessation occurs shall be adjusted by multiplying the surcharge*  
39 *computed under K.S.A. 65-6208(b), and amendments thereto, by a*  
40 *fraction, the numerator of which is the number of the days during the six*  
41 *months during which the provider operates, conducts or maintains a*  
42 *hospital and the denominator of which is the days in the same six-month*  
43 *period. Immediately upon ceasing to operate, conduct or maintain a*



1 *hospital, the person shall pay the adjusted assessment for that six-month*  
2 *period, to the extent not previously paid.*

3 (f) Notwithstanding any other provision in this act, a person who  
4 commences operating, conducting or maintaining a hospital shall pay the  
5 assessment computed under ~~subsection (a) of~~ K.S.A. 65-6208(a), and  
6 amendments thereto, in installments on the due dates stated in the notice  
7 and on the regular installment due dates for the state fiscal year occurring  
8 after the due dates of the initial notice.

9 Sec. 21. K.S.A. 65-6212 is hereby amended to read as follows: 65-  
10 6212. (a) The assessment imposed by K.S.A. 65-6208(a), and amendments  
11 thereto, shall not take effect or shall cease to be imposed and any moneys  
12 remaining in the fund attributable to assessments imposed under K.S.A.  
13 65-6208(a), and amendments thereto, shall be refunded to hospital  
14 providers in proportion to the amounts paid by them if the payments to  
15 hospitals required under ~~subsection (a) of~~ K.S.A. 65-6218(a), and  
16 amendments thereto, are changed or are not eligible for federal matching  
17 funds under title XIX or XXI of the federal social security act.

18 (b) The assessment *and surcharge* imposed by K.S.A. 65-6208(a)  
19 *and (b)*, and amendments thereto, shall not take effect or shall cease to be  
20 imposed if the assessment is determined to be an impermissible tax under  
21 title XIX of the federal social security act. Moneys in the health care  
22 access improvement fund *or the hospital medicaid expansion support*  
23 *surcharge fund* derived from assessments *or surcharges* imposed prior  
24 thereto shall be disbursed in accordance with ~~subsection (a) of~~ K.S.A. 65-  
25 6218(a) *or (b)*, and amendments thereto, to the extent that federal  
26 matching is not reduced due to the impermissibility of the assessments *or*  
27 *surcharges*, and any remaining moneys shall be refunded to hospital  
28 providers in proportion to the amounts paid by them.

29 Sec. 22. K.S.A. 65-6217 is hereby amended to read as follows: 65-  
30 6217. (a) There is hereby created in the state treasury the health care  
31 access improvement fund, ~~which~~. *Such fund* shall be administered by the  
32 secretary of health and environment. All moneys received for the  
33 assessments imposed by K.S.A. 65-6208(a) and 65-6213, and amendments  
34 thereto, including any penalty assessments imposed thereon, shall be  
35 remitted to the state treasurer in accordance with K.S.A. 75-4215, and  
36 amendments thereto. Upon receipt of each such remittance, the state  
37 treasurer shall deposit the entire amount in the state treasury to the credit  
38 of the health care access improvement fund. All expenditures from the  
39 health care access improvement fund shall be made in accordance with  
40 appropriation acts upon warrants of the director of accounts and reports  
41 issued pursuant to vouchers approved by the secretary of health and  
42 environment or the secretary's designee.

43 (b) *There is hereby created in the state treasury the hospital medicaid*

1 *expansion support surcharge fund to be administered by the secretary of*  
 2 *health and environment. All moneys received for the surcharge imposed by*  
 3 *K.S.A. 65-6208(b), and amendments thereto, including any penalty*  
 4 *assessments imposed thereon, shall be remitted to the state treasurer in*  
 5 *accordance with K.S.A. 75-4215, and amendments thereto. Upon receipt of*  
 6 *each such remittance, the state treasurer shall deposit the entire amount*  
 7 *into the state treasury to the credit of the hospital medicaid expansion*  
 8 *support surcharge fund. All expenditures from the hospital medicaid*  
 9 *expansion support surcharge fund shall be made in accordance with*  
 10 *appropriation acts upon warrants of the director of accounts and reports*  
 11 *issued pursuant to vouchers approved by the secretary of health and*  
 12 *environment or the secretary's designee.*

13 *(c) The ~~fund~~ funds shall not be used to replace any moneys*  
 14 *appropriated by the legislature for the department's medicaid program.*

15 *~~(e)(d)~~ The ~~fund~~ funds are created for the purpose of receiving*  
 16 *moneys in accordance with this act and disbursing moneys only for the*  
 17 *purpose of improving health care delivery and related health activities,*  
 18 *notwithstanding any other provision of law.*

19 *~~(d)~~(e) On or before the 10<sup>th</sup> day of each month, the director of*  
 20 *accounts and reports shall transfer from the state general fund to the health*  
 21 *care access improvement fund and the hospital medicaid expansion*  
 22 *support surcharge fund interest earnings based on:*

23 *(1) The average daily balance of moneys in the ~~health care access~~*  
 24 *improvement ~~each such~~ fund for the preceding month; and*

25 *(2) the net earnings rate of the pooled money investment portfolio for*  
 26 *the preceding month.*

27 *~~(e)(f)~~ The ~~fund~~ funds shall consist of the following:*

28 *(1) All moneys collected or received by the department from the*  
 29 *hospital provider assessment and surcharge and the health maintenance*  
 30 *organization assessment imposed by this act;*

31 *(2) any interest or penalty levied in conjunction with the*  
 32 *administration of this act; and*

33 *(3) all other moneys received for the ~~fund~~ funds from any other*  
 34 *source.*

35 *~~(f)~~(g) (1) On July 1 of each fiscal year, the director of accounts and*  
 36 *reports shall record a debit to the state treasurer's receivables for the health*  
 37 *care access improvement fund and shall record a corresponding credit to*  
 38 *the health care access improvement fund in an amount certified by the*  
 39 *director of the budget ~~which~~ that shall be equal to the sum of 80% of the*  
 40 *moneys estimated by the director of the budget to be received from the*  
 41 *assessment imposed on hospital providers pursuant to K.S.A. 65-6208(a),*  
 42 *and amendments thereto, and credited to the health care access*  
 43 *improvement fund during such fiscal year, plus 53% of the moneys*

1 estimated by the director of the budget to be received from the assessment  
2 imposed on health maintenance organizations pursuant to K.S.A. 65-6213,  
3 and amendments thereto, and credited to the health care access  
4 improvement fund during such fiscal year, except that such amount shall  
5 be proportionally adjusted during such fiscal year with respect to any  
6 change in the moneys estimated by the director of the budget to be  
7 received for such assessments *under K.S.A. 65-6208(a) and 65-6213, and*  
8 *amendments thereto*, deposited in the state treasury and credited to the  
9 health care access improvement fund during such fiscal year. Among other  
10 appropriate factors, the director of the budget shall take into consideration  
11 the estimated and actual receipts from such assessments for the current  
12 fiscal year and the preceding fiscal year in determining the amount to be  
13 certified under this ~~subsection (f)~~ *paragraph*. All moneys received for the  
14 assessments imposed pursuant to K.S.A. 65-6208(a) and 65-6213, and  
15 amendments thereto, deposited in the state treasury and credited to the  
16 health care access improvement fund during a fiscal year shall reduce the  
17 amount debited and credited to the health care access improvement fund  
18 under this ~~subsection (f)~~ *paragraph* for such fiscal year.

19 (2) *On July 1 of each fiscal year, the director of accounts and reports*  
20 *shall record a debit to the state treasurer's receivables for the hospital*  
21 *medicaid expansion support surcharge fund and shall record a*  
22 *corresponding credit to the hospital medicaid expansion support*  
23 *surcharge fund in an amount certified by the director of the budget that*  
24 *shall be equal to 100% of the moneys estimated by the director of the*  
25 *budget to be received from any surcharge imposed on hospital providers in*  
26 *accordance with K.S.A. 65-6208(b), and amendments thereto, and credited*  
27 *to the hospital medicaid expansion support surcharge fund during such*  
28 *fiscal year, except that such amount shall be proportionally adjusted*  
29 *during such fiscal year with respect to any change in the moneys estimated*  
30 *by the director of the budget to be received for such surcharge in*  
31 *accordance with K.S.A. 65-6208(b), and amendments thereto, deposited in*  
32 *the state treasury and credited to the hospital medicaid expansion support*  
33 *surcharge fund during such fiscal year. Among other appropriate factors,*  
34 *the director of the budget shall take into consideration the estimated and*  
35 *actual receipts from such surcharge for the current fiscal year and the*  
36 *preceding fiscal year in determining the amount to be certified under this*  
37 *paragraph. All moneys received for the surcharge imposed under K.S.A.*  
38 *65-6208(b), and amendments thereto, deposited in the state treasury and*  
39 *credited to the hospital medicaid expansion support surcharge fund during*  
40 *a fiscal year shall reduce the amount debited and credited to the hospital*  
41 *medicaid expansion support surcharge fund under this paragraph for such*  
42 *fiscal year.*

43 (3) On June 30 of each fiscal year, the director of accounts and

1 reports shall adjust the amounts debited and credited to the state treasurer's  
2 receivables and to the health care access improvement fund *and the*  
3 *hospital medicaid expansion support surcharge fund* pursuant to this  
4 subsection~~(f)~~, to reflect all moneys actually received for the assessments  
5 *and surcharge* imposed pursuant to K.S.A. 65-6208 and 65-6213, and  
6 amendments thereto, deposited in the state treasury and credited to the  
7 health care access improvement fund *and the hospital medicaid expansion*  
8 *support surcharge fund* during the current fiscal year.

9 ~~(3)~~(4) The director of accounts and reports shall notify the state  
10 treasurer of all amounts debited and credited to the health care access  
11 improvement fund *and the hospital medicaid expansion support surcharge*  
12 *fund* pursuant to this subsection~~(f)~~ and all reductions and adjustments  
13 thereto made pursuant to this subsection~~(f)~~. The state treasurer shall enter  
14 all such amounts debited and credited and shall make reductions and  
15 adjustments thereto on the books and records kept and maintained for the  
16 health care access improvement fund by the state treasurer in accordance  
17 with the notice thereof.

18 Sec. 23. K.S.A. 2023 Supp. 65-6218 is hereby amended to read as  
19 follows: 65-6218. (a) (1) Assessment revenues generated from the hospital  
20 provider assessments *under K.S.A. 65-6208(a), and amendments thereto,*  
21 shall be disbursed as follows:

22 (A) Not less than 80% of assessment revenues shall be disbursed to  
23 hospital providers through a combination of medicaid access improvement  
24 payments and increased medicaid rates on designated diagnostic related  
25 groupings, procedures or codes;

26 (B) not more than 20% of assessment revenues shall be disbursed to  
27 providers who are persons licensed to practice medicine and surgery or  
28 dentistry through increased medicaid rates on designated procedures and  
29 codes; and

30 (C) not more than 3.2% of hospital provider assessment revenues  
31 shall be used to fund healthcare access improvement programs in  
32 undergraduate, graduate or continuing medical education, including the  
33 medical student loan act.

34 (2) On July 1 of each year, the department of health and environment,  
35 with approval of the healthcare access improvement panel, shall make  
36 adjustments to the disbursement of moneys in accordance with this  
37 subsection to cause such disbursements to be paid solely from moneys  
38 appropriated from the healthcare access improvement fund. The healthcare  
39 access improvement fund shall not be supplemented by appropriations  
40 from the state general fund for the purpose of making disbursements under  
41 this subsection.

42 (b) *Surcharge revenues generated from the hospital medicaid*  
43 *expansion support surcharge under K.S.A. 65-6208(b), and amendments*

1 *thereto, shall be disbursed to offset the costs to the state related to*  
2 *medicaid expansion beneficiaries as calculated in K.S.A. 65-6207(a), and*  
3 *amendments thereto.*

4 (c) For the purposes of administering and selecting the disbursements  
5 described in ~~subsections~~ *subsection (a)—and—(b), oversight of the*  
6 *calculation of the annual hospital medicaid expansion support payment*  
7 *and any surcharge under K.S.A. 65-6208(b), and amendments thereto, the*  
8 *healthcare access improvement panel is hereby established. The panel shall*  
9 *consist of the following: Three members appointed by the Kansas hospital*  
10 *association, two members appointed by the Kansas medical society, one*  
11 *member appointed by each health maintenance organization that has a*  
12 *medicaid managed care contract with the department of health and*  
13 *environment, one member appointed by the community care network of*  
14 *Kansas, one member appointed by the president of the senate, one member*  
15 *appointed by the speaker of the house of representatives, one member*  
16 *from the office of the medicaid inspector general appointed by the attorney*  
17 *general and one representative of the department of health and*  
18 *environment appointed by the governor. The panel shall elect a*  
19 *chairperson from among the members appointed by the Kansas hospital*  
20 *association. A representative of the panel shall be required to make an*  
21 *annual report to the legislature regarding the collection and distribution of*  
22 *all funds received and distributed under this act, and such report shall*  
23 *include analysis demonstrating that disbursements made in accordance*  
24 *with subsection (a) are budget neutral to the state general fund.*

25 ~~(e)~~(d) *The panel shall use the following procedure to approve*  
26 *collection of surcharge revenues under K.S.A. 65-6208(b), and*  
27 *amendments thereto, for each calendar year beginning with calendar year*  
28 *2027 based upon the total number of unduplicated medicaid expansion*  
29 *enrollees for such year:*

30 (1) *By March 31 and September 30, the department shall certify to*  
31 *the panel the total number of unduplicated medicaid expansion enrollees*  
32 *using data from the most recent end-of- month report.*

33 (2) *The panel shall review the number certified by the department,*  
34 *consult with the department regarding any proposed deletions and certify*  
35 *the final number of unduplicated medicaid expansion enrollees by April 15*  
36 *and October 15.*

37 (3) *Each hospital's share of the annual hospital medicaid expansion*  
38 *support surcharge shall be determined by the panel based upon such*  
39 *hospital's proportion of total hospital revenues. The panel shall certify to*  
40 *the department the amount of each hospital's surcharge by April 30 and*  
41 *October 31. The surcharge for any hospital that has not yet filed a*  
42 *medicare cost report shall pay the lowest surcharge payable by its hospital*  
43 *licensure category as defined by K.S.A. 65-425, and amendments thereto.*

1       (4) *For purposes of this subsection, the total surcharge revenues to*  
2 *be certified for any calendar year shall not exceed \$35,000,000, and any*  
3 *annual hospital medicaid expansion support surcharge in excess of*  
4 *\$35,000,000 shall be disregarded.*

5       (5) *As used in this subsection:*

6       (A) *"Total hospital revenues" means the sum of inpatient and*  
7 *outpatient revenues for all hospital providers as reflected in the applicable*  
8 *medicare cost report.*

9       (B) *"Applicable medicare cost report" means, for calendar year*  
10 *2025, such report filed by each hospital for calendar year 2023 or, if the*  
11 *hospital did not file a medicare cost report for calendar year 2023, the*  
12 *first year that the hospital filed a medicare cost report. For each calendar*  
13 *year after 2025, the applicable medicare cost report shall advance by one*  
14 *year.*

15       (+) (e) The department of health and environment shall submit to the  
16 United States centers for medicare and medicaid services any approval  
17 request necessary to implement the amendments made to this section by  
18 ~~this act~~ *section 2 of chapter 7 of the 2020 Session Laws of Kansas*. If the  
19 department has submitted such a request pursuant to section 80(1) of  
20 chapter 68 of the 2019 Session Laws of Kansas, then the department may  
21 continue such request, or modify such request to conform to the  
22 amendments made to subsections (a) and (b) by this act, to fulfill the  
23 requirements of this paragraph.

24       (2) (f) The secretary of health and environment shall certify to the  
25 secretary of state the receipt of such approval and cause notice of such  
26 approval to be published in the Kansas register.

27       (3) ~~The amendments made to subsections (a) and (b) by this act shall~~  
28 ~~take effect on and after January 1 or July 1 immediately following such~~  
29 ~~publication of such approval.~~

30       Sec. 24. K.S.A. 39-7,160, 40-3213, 65-6207, 65-6210, 65-6211, 65-  
31 6212 and 65-6217 and K.S.A. 2023 Supp. 65-6208, 65-6209 and 65-6218  
32 are hereby repealed.

33       Sec. 25. This act shall take effect and be in force from and after its  
34 publication in the Kansas register.