HOUSE BILL No. 2697

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

Section 1. (a) The department of health and environment, in conjunction with the department of social and rehabilitation services, shall review and update its rules and regulations establishing eligibility requirements for the Kansas program of medical assistance established in accordance with title XIX of the federal social security act, 42 U.S.C. § 1396 *et seq*. Such review shall include the establishment of a procedure which permits the holder of a life insurance policy which has a cash surrender value to give the Kansas program of medical assistance established in accordance with title XIX of the federal social security act a collateral assignment of the proceeds of such life insurance policy. The collateral assignment may be used by the insured in lieu of any requirement that such life insurance policy be sold in order for the insured to meet any property ownership limitation contained in any eligibility requirement for participation in the Kansas program of medical assistance established in accordance with title XIX of the federal social security act. The collateral assignment shall be for an amount not to exceed the proceeds of such policy necessary to reimburse the Kansas program of medical assistance established in accordance with title XIX of the federal social security act for any amount paid by such program for medical benefits provided to the insured. The collateral assignment shall be irrevocable as established by a written agreement binding on the holder of the life insurance policy to not affect or otherwise use the cash surrender value of such policy after the irrevocable assignment pursuant to rules and regulations promulgated by the secretary of the department of health and environment.

(b) The department of health and environment is hereby directed to seek any necessary waivers from program requirements of the federal government as may be needed to carry out the provisions of this section and to maximize federal matching and other funds with respect to the provisions of this section. If the department of health and environment determines that one or more waivers from program requirements of the federal government are needed to carry out the provisions of this section, the department of health and environment shall implement the provisions of this section only if such waivers to federal program requirements have been obtained from the federal government.

(c) (1) Except as provided in paragraph (2), the review and update of the rules and regulations establishing eligibility requirements for the Kansas program of medical assistance established in accordance with title XIX of the federal social security act, 42 U.S.C. § 1396 *et seq*., shall be completed and the revisions of such rules and regulations shall be adopted in accordance with the rules and regulations filing act no later than 12 calendar months following the date of receipt of the waivers required under subsection (b).

(2) If the department of health and environment determines that no waivers are required to implement the provisions of subsection (a), the review and update of the rules and regulations establishing eligibility requirements for the Kansas program of medical assistance established in accordance with title XIX of the federal social security act, 42 U.S.C. § 1396 *et seq*., shall be completed and the revisions of such rules and regulations shall be adopted in accordance with the rules and regulations filing act no later than 12 calendar months following the effective date of this act.

Sec. 2.   This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

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_____
Speaker of the House.

_____
Chief Clerk of the House.

Passed the SENATE _____

_____
President of the Senate.

_____
Secretary of the Senate.

APPROVED _____

_____
Governor.