

March 6, 2017

The Honorable Vicki Schmidt, Chairperson
Senate Committee on Public Health and Welfare
Statehouse, Room 441-E
Topeka, Kansas 66612

Dear Senator Schmidt:

SUBJECT: Fiscal Note for SB 195 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 195 is respectfully submitted to your committee.

SB 195 would amend current law by establishing a suspended eligibility status for some Medicaid recipients. Recipients of Medicaid services would be granted suspended eligibility status upon:

1. Admission to Larned State Hospital, Osawatomie State Hospital, Kansas Neurological Institute, Parsons State Hospital and Training Center, or any non-state entity operating on the Rainbow Mental Health Facility premises;
2. Admission to a hospital, nursing facility or other institution with a capacity of more than 16 beds that is primarily engaged in providing diagnosis, treatment or care, including medical attention, nursing care related services, of persons with mental diseases; or,
3. Incarceration in any correctional facility or jail or placement in any juvenile correctional facility.

When a recipient is admitted to any of the above listed facilities, the Kansas Department for Aging and Disability Services (KDADS) would notify the Kansas Department of Health and Environment (KDHE) to suspend the recipient's Medicaid eligibility. Upon the recipient's discharge from the facility, KDADS would notify KDHE that the recipient is eligible for Medicaid services. The bill would require similar processes be adopted by the Department of Corrections for individuals incarcerated in a state correctional facility for adults or juveniles and by sheriffs operating jails incarcerating individuals receiving state Medicaid services.

Enactment of SB 195 could have a fiscal effect on KDADS and the state hospitals because of the increased administrative work associated with reporting admissions and

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discharges to KDHE. The increase in workload, and associated costs, would be dependent on the number of individuals that are Medicaid recipients at the time of admission to a state hospital or other facility listed in the bill. SB 195 may help expedite discharges from the state hospitals because these individuals could immediately resume receiving state Medicaid services and supports in the community, avoiding any delays in re-determining eligibility. The Department of Corrections indicates that the fiscal effect of the bill would be negligible because the Department currently employs discharge planners who assist inmates who are near release apply for Medicaid benefits. Any fiscal effect associated with SB 195 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Cody Gwaltney, Aging & Disability Services
Dan Thimmesch, Health & Environment
Linda Kelly, Corrections