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LEGISLATURE *of* THE STATE *of* KANSAS
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MEMORANDUM

To: House Committee on Appropriations
From: Scott Abbott, Assistant Revisor
Date: Wednesday, February 10, 2021
Re: House Bill No. 2174

House Bill No. 2174 was sponsored by the House Appropriations committee. The bill is identical to 2020 HB 2522, as amended by the House Appropriations committee.

HB 2174 would establish the rural hospital innovation grant program for the purpose of strengthening and improving the healthcare system and increasing access to healthcare services in counties other than Douglas, Johnson, Sedgwick, Shawnee and Wyandotte counties. The program would be administered by the department of health and environment.

Grants awarded would be for the purpose of providing transitional assistance to a hospital in an eligible county, including changing the hospital's current healthcare delivery model to a model more appropriate for the community. Assistance eligible for grant moneys would include a market study of healthcare services needed and provided in the community, acquiring and implementing new technological tools and infrastructure, and acquiring the services of appropriate personnel.

Under the program, eligible counties would be able to apply for a grant and would include in the application a description of the hospital to receive the grant moneys, a statement of the amount of grant moneys requested, a description of the needs of the hospital, and any other information required by the secretary. Prior to awarding any grant moneys, the secretary of health and environment would enter into a written agreement with the county to require the county to expend the grand moneys to provide assistance to a hospital, report to the secretary within one year detailing the effect of the grant moneys on health and other outcomes in the county, repay all grant moneys if the county fails to satisfy any material term or condition of the agreement, and any other terms and conditions required by the secretary.

HB 2174 would transfer \$10,000,000 from the state general fund to a newly created rural hospital innovation grant fund. Any grant award under the program would require the county to match every \$1 of state moneys with \$2 of moneys pledged by a private stakeholder.

The program and fund would be established upon the bill's effective date, July 1, 2021, and would expire on July 1, 2025.