

SESSION OF 2018

SUPPLEMENTAL NOTE ON SENATE BILL NO. 436

As Recommended by Senate Committee on
Public Health and Welfare

Brief*

SB 436 would require the Kansas Department of Health and Environment (KDHE) and any managed care organization (MCO) providing services under the Kansas Medical Assistance Program (Program) to provide coverage for tobacco cessation treatments as follows:

- The Program would be required to provide coverage and reimbursement to any participating healthcare provider for tobacco cessation treatments for any Kansas Medicaid recipient, including:
 - Any U.S. Food and Drug Administration-approved medication prescribed as a tobacco cessation treatment; and
 - Individual, group, or telephone counseling for tobacco cessation;
- A recipient of Medicaid services would not be limited in the number of covered tobacco cessation attempts for counseling treatments, but would be limited to four covered tobacco cessation attempts per year for medication treatments;
- KDHE and any MCO would not be allowed to impose prior authorization requirements upon any treatments prescribed or ordered by a participating

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

healthcare provider for tobacco cessation purposes; and

- KDHE and any MCO would not be allowed to impose any copayment or other out-of-pocket cost sharing for tobacco cessation treatments for a Kansas Medicaid recipient, including any deductible.

KDHE would be required to implement and administer the provisions in the bill consistent with applicable federal laws and regulations and would be required to submit to the U.S. Centers for Medicare and Medicaid Services any state Medicaid plan amendment, waiver request, or other approval request necessary to implement the provisions in the bill.

KDHE also would be required to adopt rules and regulations as may be necessary to implement and administer these provisions.

Background

The bill was introduced in the Senate Committee on Ways and Means at the request of Senator Schmidt on behalf of the Senate Committee on Public Health and Welfare. No conferees appeared in the Senate Committee on Public Health and Welfare hearing. Proponent written-only testimony was submitted by a representative of the Kansas Academy of Family Physicians.

The contents of SB 436 are identical to the contents of SB 316, as amended.

SB 316

The bill was introduced in the Senate Committee on Public Health and Welfare at the request of Senator Bollier. In the Senate Committee hearing, proponent testimony was provided by representatives of the Kansas Mental Health

Coalition, Kansas University Medical Center, and National Alliance on Mental Illness. The proponents generally stated it often takes multiple attempts for an individual to stop smoking and, by removing limits on medications and allowing cessation counseling for all Medicaid recipients, more Kansans would have access to treatment that is the most effective for helping people stay tobacco free.

Written-only proponent testimony was provided by representatives of the American Heart Association, Association of Community Mental Health Centers of Kansas, Cancer Action Network, Healthy Communities Wyandotte, Kansas Academy of Family Physicians, Kansas Association of Addiction Professionals, Kansas Association for the Medically Underserved, Kansas Health Foundation, Kansas University Cancer Center, Kansas University School of Medicine, March of Dimes, Oral Health Kansas, Shawnee Mission Medical Center, and Tobacco Free Kansas Coalition.

No other testimony was provided.

The Senate Committee amended the bill to clarify tobacco cessation counseling treatments would be unlimited and to limit medication treatments to four tobacco cessation attempts per year.

Fiscal Effects

According to the fiscal note prepared by the Division of the Budget on SB 316, as introduced, 4,788 non-pregnant beneficiaries currently have a diagnosis of tobacco dependence and, if all 4,788 beneficiaries participate in a counseling session (cost between \$9.50 and \$16.24), KDHE estimates additional expenditures of \$57,104 from all funding sources, including \$24,834 from the State General Fund (SGF).

The fiscal note further states 3,315 beneficiaries currently use tobacco cessation prescriptions at a cost of

\$1,418,043 and, if these beneficiaries also utilize the two-prescription combination strategy, the incremental cost would be \$1,418,053. If the remaining 1,473 beneficiaries with a tobacco dependency diagnosis utilize the two-prescription combination strategy, additional expenditures would total \$1,260,207 and the net impact of increased utilization for these populations would be \$2,678,260 from all funding sources, including \$1,164,775 from SGF. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2019 Governor's Budget Report*.

According to the fiscal note prepared by the Division of the Budget on SB 436, the fiscal effect of the bill would be the same as what was reported for SB 316, as introduced.