

February 15, 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 153 by Senate Committee on Public Health and Welfare

In accordance with KSA 75-3715a, the following fiscal note concerning SB 153 is respectfully submitted to your committee.

SB 153 would require any managed care organization (MCO) that provides state Medicaid services to procure the services of one or more community-based organizations to provide targeted case management (TCM) services to recipients of home and community based services under the Kansas program of medical assistance administered by the Kansas Department of Health and Environment. The TCM services would include assessment of the recipient's needs; development of a service plan; referral and related activities that link the recipient with providers and resources; and monitoring and follow-up services. The bill would take effect after its publication in the statute book.

There are two issues for consideration when estimating the fiscal effect of SB 153. First, based on the change in the provision of targeted case management services and the inherent potential for conflict of interest, it is likely that there would be a substantial increase in the cost of plans of care. An estimate of that increase cannot be made. Second, the MCOs currently contract out TCM services for individuals on the Developmentally Disabled and Serious Emotionally Disturbed waivers. Contracting out the TCM services for the other waiver programs could cost up to \$13.0 million. It is unknown whether MCO administrative costs could be reduced by the same amount because the MCOs would still have the duty of care coordination as required in the KanCare contracts.

Sincerely,



Shawn Sullivan,  
Director of the Budget

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