March 1, 2012

The Honorable Marc Rhoades, Chairperson
House Committee on Appropriations
Statehouse, Room 351-S
Topeka, Kansas  66612

Dear Representative Rhoades:

SUBJECT: Fiscal Note for HB 2742 by House Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2742 is respectfully submitted to your committee.

HB 2742 would make several changes to probate, estate, and unclaimed property law that would enhance the Kansas Medicaid Program’s ability to recoup monies from the estates of Medicaid beneficiaries after death. The bill would extend the time deadline for estate recovery for Medicaid to open probate or file a claim from six months to two years; allow the state to use the Small Estates Affidavit; require notice of all probates and notification upon death or termination of trusts; require promulgation of regulations to create a method to value a Life Estate; and grant the Medicaid Program authority to recover lost property held by the State Treasurer.

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<th>Estimated State Fiscal Effect</th>
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Passage of HB 2742 is estimated to increase estate recovery revenue by $1.4 million in FY 2013 and $1.8 million in FY 2014. Of those funds recovered, the federal matching portion would have to be returned to the federal government. In FY 2013 $846,543 of the $1,410,906 recovered would be returned to the federal government. Estate recovery revenue is normally deposited in the Medical Programs Fee Fund of the Department of Health and Environment (KDHE) and used as state funding for the Kansas Medicaid Program. Additional funding
available in that fee fund would reduce State General Fund expenditures by the same amount. Any fiscal effect associated with HB 2742 is not reflected in The FY 2013 Governor’s Budget Report.

Sincerely,

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Jackie Aubert, SRS
    Aaron Dunkel, KDHE
    Dave Halferty, Department on Aging
    Mary Rinehart, Judiciary