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RON RYCKMAN, SR.
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HB 2166- Senate Public Health and Welfare Committee

Thank you, Chairwoman Pilcher-Cook for allowing this bill on Kansas Medicaid Estate Recovery to be heard today in the Public Health and Welfare Committee. I am a proponent for this bill and this will be a written testimony, as it will increase efficiencies and save Kansas taxpayers money

I ran for Representative to be a good steward of Kansans money, and this bill is designed to do just that. I first became aware of this issue after being contacted by a constituent who had dealings with Estate Recovery and noticed that limitations in the law made their work more difficult and was costing Kansas taxpayers recoveries. I reached out to KDHE and their Estate Recovery Contractor to ask for ideas on what can be done to improve the program. The result of those inquiries were contained in HB 2166, and the ideas were further refined and improved upon in the Substitute bill before you today.

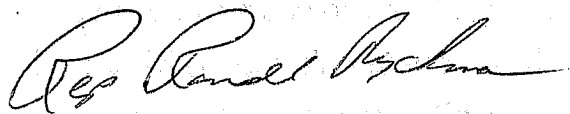
As we all know, the Kansas Medicaid program provides medical assistance to those in need, but does not come without significant costs to both the state and federal government. Medicaid Estate Recovery is a requirement in both state and federal law that helps to fund the Medicaid program. You can think of this as a method where the users of the services are charged for the costs of their care after they pass away. With Estate Recovery, the amounts paid out by Medicaid are repaid to the State out of any remaining assets after the recipients death, however if they are impoverished when they die, there is no recovery. There are no recoveries sought during the lifetime of the person receiving assistance. I am told that many of these recoveries involve houses and real estate, but also include

any monies left in bank accounts owned by Medicaid recipients. These assets are not currently being fully recovered by our Kansas program due to missing elements in our laws. By correcting these and having a robust Estate Recovery Program we can help to reduce the financial burdens on the general taxpayer.

I won't go into a lot of specifics on the underlying provisions in the bill as there are others here ready to testify to those, but I would suggest that this bill if passed will bring additional fairness to the system by giving Kansas Estate Recovery the tools it needs to pursue collections across the state and will result in increased revenues for our Medicaid program. If passed, Estate Recovery will be able to secure a lien interest on real estate that is currently going uncollected and will be able to recover abandoned property held at the State Treasures office to apply to the medical assistance claim. These are common sense reforms that are good for Kansas taxpayers.

Substitute House Bill 2166 will level the playing field and give the Kansas Estate Recovery program the ability to pursue collections on more cases where the family of the deceased has avoided recovery by hiding assets or using estate planning methods. It is common sense and good government to ask the heavier users of state services to help fund the costs of the program which lessens the burden on the general taxpayer. Estate Recovery is particularly fair because no recipient is asked to pay anything back during their lifetime, only out of remaining assets after they die.

Thank you for your time, and I will stand for questions.



Rep. Ronald Ryckman