HOUSE BILL No. 2270

By Committee on Vision 2020

AN ACT concerning medical assistance; relating to KanCare II expansion and the department of health and environment; amending K.S.A. 2014 Supp. 39-709 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. Sections 1 through 10, and amendments thereto, shall be known and may be cited as the KanCare II expansion act.

New Sec. 2. As used in sections 1 through 10, and amendments thereto:

(a) "Beneficiary" means anyone receiving benefits under the expanded KanCare program;

(b) "KanCare II" means the expansion of KanCare, the state's medicaid managed care program, to include individuals earning up to 138% of the federal poverty level;

(c) "PEAK" means the department of commerce program for promoting employment across Kansas, K.S.A. 74-50,210 through 74-50,216, and amendments thereto; and

(d) "secretary" means the secretary of health and environment.

New Sec. 3. (a) The legislature recognizes that expanding KanCare to cover people earning up to 138% of the federal poverty level is essential to cost-effectively improving the health of an estimated 169,000 Kansans, 100,000 of whom are "working poor." KanCare expansion is also essential for the financial health of rural critical access hospitals, other Kansas hospitals, and health care providers. KanCare expansion is the bridge to receiving an estimated $2.2 billion in federal health care aid between 2016-2020.

(b) The secretary shall establish a tiered Kansas health care administrative support fee.

The tiers shall be as follows:

(1) Tier 1 - hospitals;

(2) tier 2 - safety net clinics and other qualified health care providers that receive federal or state health care payments or both; and

(3) tier 3 - which includes at the secretary's discretion, other recipients of federal or state health care reimbursements and who will benefit from KanCare II.

(c) The secretary shall, by rules and regulations, establish the Kansas
health care administrative support fees based on each service provider identified in subsection (b) and the total revenue data from the medical assistance report from the previous year. For guidance in establishing the support fees, the secretary shall collect no more fees in an amount no greater than 105% of the following annual base amounts: $10.3 million in 2016; $68.4 million in 2017; $72.9 million in 2018; $77.6 million in 2019; and $82.7 million in 2020.

The 5% above the 100% will be used to cover administrative and contract fee costs for verifying and evaluating program performance.

(d) The secretary, in cooperation with the managed care organizations and health care providers, shall evaluate alternative funding options beginning with fiscal year 2019 and make recommendations to the 2017 legislature. Options to be evaluated, include, but are not limited to: (1) A program recognizing growth in health care sector employment equivalent to the department of commerce administered PEAK program; and (2) a program equivalent to the bioscience authority's revenue methodology.

(e) The secretary, in conjunction with the managed care organizations, shall establish:

   (1) A sliding co-pay scale based on an individual's income level. Such scale shall be based on experience in Kansas and other states to maximize patient recognition of the costs associated with treating chronic conditions and the benefits from preventive and managed care;

   (2) a monthly premium payment system for which beneficiaries are eligible, on the basis of a beneficiary payment sliding scale, for KanCare subsidies to pay for private insurance policies through the health care exchange; or

   (3) both models.

(f) The secretary, in cooperation with the managed care organizations, shall establish KanCare II reimbursement rates that recognize holistic
patient-centered case management and health care services by reflecting the value of regular or on-going patient health care monitoring and patient education in reducing costs associated with treating chronic conditions. Beneficiary visits to physician offices, clinics, hospitals or other settings shall largely be based on the health monitoring results, regular check-ups and emergencies. This is not to mean that KanCare participants are not to see physicians, rather that the monitoring and education programs should minimize the need for such visits. Reimbursement rates shall reward monitoring of patient health through home monitoring systems and direct patient education programs overseen by a physician, physician assistant, advanced practice registered nurse or registered nurse.

(g) The secretary, in cooperation with the managed care organizations, shall ensure that the frail elderly, physically disabled, aged, blind and disabled, and other persons with chronic conditions as the secretary shall designate are eligible for tele-health monitoring and education services with no non-medical restrictions related to patient setting, provider type or originating site. Originating site fees shall be included in the reimbursement schedule on an appropriate basis.

(h) The secretary, in cooperation with the managed care organizations, shall establish reimbursement rates that include physician-to-physician specific patient-directed continuing education that is conducted electronically with the patient present, when such consultations with a specialist physician otherwise would result in the patient traveling to the consulting physician's office, clinic or hospital.

(i) Reimbursement rates for tele-health monitoring, education, diagnosis, and other approved services shall be no less than for similar services delivered within a physician's office or clinical or hospital setting. Tele-health rates may be used to encourage fewer visits to higher cost service locations.

(j) The secretary, in cooperation with managed care organizations, shall ensure that, with telemedicine links to other health care professionals, mid-level health care providers or their employing organizations who independently deliver direct patient or client care within hospitals, clinics and other approved health care delivery locations qualify as KanCare II providers.

New Sec. 4. Health care outcomes data, as specified by the secretary, for all services provided to KanCare II beneficiaries shall be provided quarterly to the secretary and analyzed by the Kansas university medical center to identify the most successful patient treatment, monitoring, and education programs in terms of cost-effectiveness in improving health outcomes. Such analysis shall include indications of comparative health care improvement outcome benefits and cost benefits of the sliding co-pay model, the sliding monthly insurance premium payment model, a
combination of the two models and the direct primary care service or concierge-type service. The secretary may identify additional metrics that will be beneficial to evaluating the most cost-effective means of delivering improved health care outcomes through the KanCare II program. Kansas university medical center's analysis results shall be reported quarterly to the secretary and the Robert G. (Bob) Bethell joint committee on home and community based services and KanCare oversight. The secretary shall provide such data annually to the house committee on health and human services and senate committee on public health and welfare. The secretary shall contract with Kansas university medical center for these analytical services using the Kansas health care administrative support fees.

New Sec. 5. Patient-funded or family-funded health care savings accounts, or both, as defined in 26 U.S.C. § 233(d), and amendments thereto, are authorized to assist KanCare II beneficiaries in meeting co-pay obligations under both the sliding co-pay and sliding insurance premium co-pay models described in section 3(d), and amendments thereto.

New Sec. 6. (a) The secretary shall seek waivers for any components of the KanCare II program that are not currently authorized in KanCare.

(b) All programs shall be offered statewide to ensure full federal participation in reimbursing health care providers. If the federal reimbursement rate under the expanded KanCare II costs drop below 90%, the state may re-evaluate its continuation of this act.

New Sec. 7. (a) The secretary shall explore with the managed care organizations the feasibility of establishing an integrated overall treatment price for specific health care delivery situations, instead of billing for each patient encounter and procedure. For example, such integrated prices would reflect the average cost of treating a heart attack or broken leg, rather than billing for every x-ray, consultation or service relating to such treatment. The exploration shall focus on whether health care outcomes will be the same or better under such a program and whether reducing the incentives associated with "over testing" promotes the expectation that overall costs to the beneficiaries and KanCare system will be lower under such a program. The secretary shall report the secretary's recommendation to the legislature by January 1, 2016.

(b) The secretary shall explore with the managed care organizations, private insurance companies, the Kansas medical society, Kansas hospital association, and such other health care stakeholders as the secretary deems appropriate, ways to facilitate better coordination between urban and rural hospitals to improve medical outcomes and reduce costs. The secretary shall report the secretary's recommendation to the legislature by January 1, 2017.

New Sec. 8. The secretary may require a work component for able-bodied beneficiaries under KanCare II. Such work may be in paying
positions or with volunteer organizations. Appropriate documentation of such work experience may be required by the secretary.

New Sec. 9. There is hereby established in the state treasury the Kansas health care administrative support fee fund which shall be administered by the department of health and environment. All moneys that are credited to the Kansas health care administrative support fee fund pursuant to section 3, and amendments thereto, and shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and shall be credited to the Kansas health care administrative support fee fund. All expenditures from the Kansas health care administrative support fee fund shall be in support of KanCare II. All expenditures from the Kansas health care administrative support fee fund shall be made upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary or the secretary's designee.

New Sec. 10. The secretary shall adopt rules and regulations to implement the provisions of this act.

Sec. 11. K.S.A. 2014 Supp. 39-709 is hereby amended to read as follows: 39-709. (a) General eligibility requirements for assistance for which federal moneys are expended. Subject to the additional requirements below, assistance in accordance with plans under which federal moneys are expended may be granted to any needy person who:

1. Has insufficient income or resources to provide a reasonable subsistence compatible with decency and health. Where a husband and wife are living together, the combined income or resources of both shall be considered in determining the eligibility of either or both for such assistance unless otherwise prohibited by law. The secretary, in determining need of any applicant for or recipient of assistance shall not take into account the financial responsibility of any individual for any applicant or recipient of assistance unless such applicant or recipient is such individual's spouse or such individual's minor child or minor stepchild if the stepchild is living with such individual. The secretary in determining need of an individual may provide such income and resource exemptions as may be permitted by federal law. For purposes of eligibility for aid for families with dependent children, for food stamp assistance and for any other assistance provided through the Kansas department for children and families under which federal moneys are expended, the secretary for children and families shall consider one motor vehicle owned by the applicant for assistance, regardless of the value of such vehicle, as exempt personal property and shall consider any equity in any additional motor vehicle owned by the applicant for assistance to be a nonexempt resource of the applicant for assistance.

2. Is a citizen of the United States or is an alien lawfully admitted to the United States and who is residing in the state of Kansas.
(b) Assistance to families with dependent children. Assistance may be granted under this act to any dependent child, or relative, subject to the general eligibility requirements as set out in subsection (a), who resides in the state of Kansas or whose parent or other relative with whom the child is living resides in the state of Kansas. Such assistance shall be known as aid to families with dependent children. Where husband and wife are living together both shall register for work under the program requirements for aid to families with dependent children in accordance with criteria and guidelines prescribed by rules and regulations of the secretary.

(c) Aid to families with dependent children; assignment of support rights and limited power of attorney. By applying for or receiving aid to families with dependent children such applicant or recipient shall be deemed to have assigned to the secretary on behalf of the state any accrued, present or future rights to support from any other person such applicant may have in such person's own behalf or in behalf of any other family member for whom the applicant is applying for or receiving aid. In any case in which an order for child support has been established and the legal custodian and obligee under the order surrenders physical custody of the child to a caretaker relative without obtaining a modification of legal custody and support rights on behalf of the child are assigned pursuant to this section, the surrender of physical custody and the assignment shall transfer, by operation of law, the child's support rights under the order to the secretary on behalf of the state. Such assignment shall be of all accrued, present or future rights to support of the child surrendered to the caretaker relative. The assignment of support rights shall automatically become effective upon the date of approval for or receipt of such aid without the requirement that any document be signed by the applicant, recipient or obligee. By applying for or receiving aid to families with dependent children, or by surrendering physical custody of a child to a caretaker relative who is an applicant or recipient of such assistance on the child's behalf, the applicant, recipient or obligee is also deemed to have appointed the secretary, or the secretary's designee, as an attorney in fact to perform the specific act of negotiating and endorsing all drafts, checks, money orders or other negotiable instruments representing support payments received by the secretary in behalf of any person applying for, receiving or having received such assistance. This limited power of attorney shall be effective from the date the secretary approves the application for aid and shall remain in effect until the assignment of support rights has been terminated in full.

(d) Eligibility requirements for general assistance, the cost of which is not shared by the federal government. (1) General assistance may be granted to eligible persons who do not qualify for financial assistance in a
program in which the federal government participates and who satisfy the additional requirements prescribed by or under this subsection (d).

(A) To qualify for general assistance in any form a needy person must have insufficient income or resources to provide a reasonable subsistence compatible with decency and health and, except as provided for transitional assistance, be a member of a family in which a minor child or a pregnant woman resides or be unable to engage in employment. The secretary shall adopt rules and regulations prescribing criteria for establishing when a minor child may be considered to be living with a family and whether a person is able to engage in employment, including such factors as age or physical or mental condition. Eligibility for general assistance, other than transitional assistance, is limited to families in which a minor child or a pregnant woman resides or to an adult or family in which all legally responsible family members are unable to engage in employment. Where a husband and wife are living together the combined income or resources of both shall be considered in determining the eligibility of either or both for such assistance unless otherwise prohibited by law. The secretary in determining need of any applicant for or recipient of general assistance shall not take into account the financial responsibility of any individual for any applicant or recipient of general assistance unless such applicant or recipient is such individual's spouse or such individual's minor child or a minor stepchild if the stepchild is living with such individual. In determining the need of an individual, the secretary may provide for income and resource exemptions.

(B) To qualify for general assistance in any form a needy person must be a citizen of the United States or an alien lawfully admitted to the United States and must be residing in the state of Kansas.

(2) General assistance in the form of transitional assistance may be granted to eligible persons who do not qualify for financial assistance in a program in which the federal government participates and who satisfy the additional requirements prescribed by or under this subsection (d), but who do not meet the criteria prescribed by rules and regulations of the secretary relating to inability to engage in employment or are not a member of a family in which a minor or a pregnant woman resides.

(3) In addition to the other requirements prescribed under this subsection (d), the secretary shall adopt rules and regulations which establish community work experience program requirements for eligibility for the receipt of general assistance in any form and which establish penalties to be imposed when a work assignment under a community work experience program requirement is not completed without good cause. The secretary may adopt rules and regulations establishing exemptions from any such community work experience program requirements. A first time failure to complete such a work assignment requirement shall result in
ineligibility to receive general assistance for a period fixed by such rules
and regulations of not more than three calendar months. A subsequent
failure to complete such a work assignment requirement shall result in a
period fixed by such rules and regulations of ineligibility of not more than
six calendar months.

(4) If any person is found guilty of the crime of theft under the
provisions of K.S.A. 39-720, and amendments thereto, such person shall
thereby become forever ineligible to receive any form of general
assistance under the provisions of this subsection (d) unless the conviction
is the person's first conviction under the provisions of K.S.A. 39-720, and
amendments thereto, or the law of any other state concerning welfare
fraud. First time offenders convicted of a misdemeanor under the
provisions of such statute shall become ineligible to receive any form of
general assistance for a period of 12 calendar months from the date of
conviction. First time offenders convicted of a felony under the provisions
of such statute shall become ineligible to receive any form of general
assistance for a period of 60 calendar months from the date of conviction.

If any person is found guilty by a court of competent jurisdiction of any
state other than the state of Kansas of a crime involving welfare fraud,
such person shall thereby become forever ineligible to receive any form of
general assistance under the provisions of this subsection (d) unless the
conviction is the person's first conviction under the law of any other state
concerning welfare fraud. First time offenders convicted of a misdemeanor
under the law of any other state concerning welfare fraud shall become
ineligible to receive any form of general assistance for a period of 12
calendar months from the date of conviction. First time offenders
convicted of a felony under the law of any other state concerning welfare
fraud shall become ineligible to receive any form of general assistance for
a period of 60 calendar months from the date of conviction.

(e) Requirements for medical assistance for which federal moneys or
state moneys or both are expended. (1) When the secretary has adopted a
medical care plan under which federal moneys or state moneys or both are
expended, medical assistance in accordance with such plan shall be
granted to any person who is a citizen of the United States or who is an
alien lawfully admitted to the United States and who is residing in the state
of Kansas, whose resources and income do not exceed the levels
prescribed by the secretary. In determining the need of an individual, the
secretary may provide for income and resource exemptions and protected
income and resource levels. Resources from inheritance shall be counted.
A disclaimer of an inheritance pursuant to K.S.A. 59-2291, and
amendments thereto, shall constitute a transfer of resources. The secretary
shall exempt principal and interest held in irrevocable trust pursuant to
subsection (e) of K.S.A. 16-303(c), and amendments thereto, from the
eligibility requirements of applicants for and recipients of medical assistance. Such assistance shall be known as medical assistance.

(2) For the purposes of medical assistance eligibility determinations on or after July 1, 2004, if an applicant or recipient owns property in joint tenancy with some other party and the applicant or recipient of medical assistance has restricted or conditioned their interest in such property to a specific and discrete property interest less than 100%, then such designation will cause the full value of the property to be considered an available resource to the applicant or recipient. Medical assistance eligibility for receipt of benefits under the title XIX of the social security act, commonly known as medicaid, shall not be expanded, as provided for in the patient protection and affordable care act, public law 111-148, 124 stat. 119, and the health care and education reconciliation act of 2010, public law 111-152, 124 stat. 1029, unless the legislature expressly consents to, and approves of, the expansion of medicaid services by an act of the legislature.

For the purposes of medical assistance eligibility determinations on or after January 1, 2016, medical assistance shall also be granted to any adult under 65 years of age, not pregnant and whose income does not exceed 138% of the federal poverty level, to the extent permitted under the provisions of 42 U.S.C. § 1396a.

(3) (A) Resources from trusts shall be considered when determining eligibility of a trust beneficiary for medical assistance. Medical assistance is to be secondary to all resources, including trusts, that may be available to an applicant or recipient of medical assistance.

(B) If a trust has discretionary language, the trust shall be considered to be an available resource to the extent, using the full extent of discretion, the trustee may make any of the income or principal available to the applicant or recipient of medical assistance. Any such discretionary trust shall be considered an available resource unless: (i) At the time of creation or amendment of the trust, the trust states a clear intent that the trust is supplemental to public assistance; and (ii) the trust: (a) Is funded from resources of a person who, at the time of such funding, owed no duty of support to the applicant or recipient of medical assistance; or (b) is funded not more than nominally from resources of a person while that person owed a duty of support to the applicant or recipient of medical assistance.

(C) For the purposes of this paragraph, "public assistance" includes, but is not limited to, medicaid, medical assistance or title XIX of the social security act.

(4) (A) When an applicant or recipient of medical assistance is a party to a contract, agreement or accord for personal services being provided by a nonlicensed individual or provider and such contract, agreement or accord involves health and welfare monitoring, pharmacy assistance, case management, communication with medical, health or other professionals,
or other activities related to home health care, long term care, medical
assistance benefits, or other related issues, any moneys paid under such
contract, agreement or accord shall be considered to be an available
resource unless the following restrictions are met: (i) The contract,
agreement or accord must be in writing and executed prior to any services
being provided; (ii) the moneys paid are in direct relationship with the fair
market value of such services being provided by similarly situated and
trained nonlicensed individuals; (iii) if no similarly situated nonlicensed
individuals or situations can be found, the value of services will be based
on federal hourly minimum wage standards; (iv) such individual providing
the services will report all receipts of moneys as income to the appropriate
state and federal governmental revenue agencies; (v) any amounts due
under such contract, agreement or accord shall be paid after the services
are rendered; (vi) the applicant or recipient shall have the power to revoke
the contract, agreement or accord; and (vii) upon the death of the applicant
or recipient, the contract, agreement or accord ceases.

(B) When an applicant or recipient of medical assistance is a party to
a written contract for personal services being provided by a licensed health
professional or facility and such contract involves health and welfare
monitoring, pharmacy assistance, case management, communication with
medical, health or other professionals, or other activities related to home
health care, long term care, medical assistance benefits or other related
issues, any moneys paid in advance of receipt of services for such
contracts shall be considered to be an available resource.

(5) Any trust may be amended if such amendment is permitted by the
Kansas uniform trust code.

(f) Eligibility for medical assistance of resident receiving medical
care outside state. A person who is receiving medical care including long-
term care outside of Kansas whose health would be endangered by the
postponement of medical care until return to the state or by travel to return
to Kansas, may be determined eligible for medical assistance if such
individual is a resident of Kansas and all other eligibility factors are met.
Persons who are receiving medical care on an ongoing basis in a long-term
medical care facility in a state other than Kansas and who do not return to
a care facility in Kansas when they are able to do so, shall no longer be
eligible to receive assistance in Kansas unless such medical care is not
available in a comparable facility or program providing such medical care
in Kansas. For persons who are minors or who are under guardianship, the
actions of the parent or guardian shall be deemed to be the actions of the
child or ward in determining whether or not the person is remaining
outside the state voluntarily.

(g) Medical assistance; assignment of rights to medical support and
limited power of attorney; recovery from estates of deceased recipients. (1)
(A) Except as otherwise provided in K.S.A. 39-786 and 39-787, and amendments thereto, or as otherwise authorized on and after September 30, 1989, under section 303 of the federal medicare catastrophic coverage act of 1988, whichever is applicable, by applying for or receiving medical assistance under a medical care plan in which federal funds are expended, any accrued, present or future rights to support and any rights to payment for medical care from a third party of an applicant or recipient and any other family member for whom the applicant is applying shall be deemed to have been assigned to the secretary on behalf of the state. The assignment shall automatically become effective upon the date of approval for such assistance without the requirement that any document be signed by the applicant or recipient. By applying for or receiving medical assistance the applicant or recipient is also deemed to have appointed the secretary, or the secretary's designee, as an attorney in fact to perform the specific act of negotiating and endorsing all drafts, checks, money orders or other negotiable instruments, representing payments received by the secretary on behalf of any person applying for, receiving or having received such assistance. This limited power of attorney shall be effective from the date the secretary approves the application for assistance and shall remain in effect until the assignment has been terminated in full. The assignment of any rights to payment for medical care from a third party under this subsection shall not prohibit a health care provider from directly billing an insurance carrier for services rendered if the provider has not submitted a claim covering such services to the secretary for payment. Support amounts collected on behalf of persons whose rights to support are assigned to the secretary only under this subsection and no other shall be distributed pursuant to subsection (d) of K.S.A. 39-756(d), and amendments thereto, except that any amounts designated as medical support shall be retained by the secretary for repayment of the unreimbursed portion of assistance. Amounts collected pursuant to the assignment of rights to payment for medical care from a third party shall also be retained by the secretary for repayment of the unreimbursed portion of assistance.

(B) Notwithstanding the provisions of subparagraph (A), the secretary of health and environment, or the secretary's designee, is hereby authorized to and shall exercise any of the powers specified in subparagraph (A) in relation to performance of such secretary's duties pertaining to medical subrogation, estate recovery or any other duties assigned to such secretary in article 74 of chapter 75 of the Kansas Statutes Annotated, and amendments thereto.

(2) The amount of any medical assistance paid after June 30, 1992, under the provisions of subsection (e) is: (A) A claim against the property or any interest therein belonging to and a part of the estate of any deceased
recipient or, if there is no estate, the estate of the surviving spouse, if any, shall be charged for such medical assistance paid to either or both; and

(B) a claim against any funds of such recipient or spouse in any account under K.S.A. 9-1215, 9-1216, 17-2263, 17-2264, 17-5828 or 17-5829, and amendments thereto. There shall be no recovery of medical assistance correctly paid to or on behalf of an individual under subsection (e) except after the death of the surviving spouse of the individual, if any, and only at a time when the individual has no surviving child who is under 21 years of age or is blind or permanently and totally disabled. Transfers of real or personal property by recipients of medical assistance without adequate consideration are voidable and may be set aside. Except where there is a surviving spouse, or a surviving child who is under 21 years of age or is blind or permanently and totally disabled, the amount of any medical assistance paid under subsection (e) is a claim against the estate in any guardianship or conservatorship proceeding. The monetary value of any benefits received by the recipient of such medical assistance under long-term care insurance, as defined by K.S.A. 40-2227, and amendments thereto, shall be a credit against the amount of the claim provided for such medical assistance under this subsection (g). The secretary of health and environment is authorized to enforce each claim provided for under this subsection (g). The secretary of health and environment shall not be required to pursue every claim, but is granted discretion to determine which claims to pursue. All moneys received by the secretary of health and environment from claims under this subsection (g) shall be deposited in the social welfare fund. The secretary of health and environment may adopt rules and regulations for the implementation and administration of the medical assistance recovery program under this subsection (g).

(3) By applying for or receiving medical assistance under the provisions of article 7 of chapter 39 of the Kansas Statutes Annotated, and amendments thereto, such individual or such individual's agent, fiduciary, guardian, conservator, representative payee or other person acting on behalf of the individual consents to the following definitions of estate and the results therefrom:

(A) If an individual receives any medical assistance before July 1, 2004, pursuant to article 7 of chapter 39 of the Kansas Statutes Annotated, and amendments thereto, which forms the basis for a claim under subsection (g)(2), such claim is limited to the individual's probatable estate as defined by applicable law; and

(B) if an individual receives any medical assistance on or after July 1, 2004, pursuant to article 7 of chapter 39 of the Kansas Statutes Annotated, and amendments thereto, which forms the basis for a claim under subsection (g)(2), such claim shall apply to the individual's medical assistance estate. The medical assistance estate is defined as including all
real and personal property and other assets in which the deceased
individual had any legal title or interest immediately before or at the time
of death to the extent of that interest or title. The medical assistance estate
includes, without limitation assets conveyed to a survivor, heir or assign of
the deceased recipient through joint tenancy, tenancy in common,
survivorship, transfer-on-death deed, payable-on-death contract, life estate,
trust, annuities or similar arrangement.

(4) The secretary of health and environment or the secretary's
designee is authorized to file and enforce a lien against the real property of
a recipient of medical assistance in certain situations, subject to all prior
liens of record and transfers for value to a bona fide purchaser of record.
The lien must be filed in the office of the register of deeds of the county
where the real property is located within one year from the date of death of
the recipient and must contain the legal description of all real property in
the county subject to the lien.

(A) After the death of a recipient of medical assistance, the secretary
of health and environment or the secretary's designee may place a lien on
any interest in real property owned by such recipient.

(B) The secretary of health and environment or the secretary's
designee may place a lien on any interest in real property owned by a
recipient of medical assistance during the lifetime of such recipient. Such
lien may be filed only after notice and an opportunity for a hearing has
been given. Such lien may be enforced only upon competent medical
testimony that the recipient cannot reasonably be expected to be
discharged and returned home. A six-month period of compensated
inpatient care at a nursing home or other medical institution shall
constitute a determination by the department of health and environment
that the recipient cannot reasonably be expected to be discharged and
returned home. To return home means the recipient leaves the nursing or
medical facility and resides in the home on which the lien has been placed
for a continuous period of at least 90 days without being readmitted as an
inpatient to a nursing or medical facility. The amount of the lien shall be
for the amount of assistance paid by the department of health and
environment until the time of the filing of the lien and for any amount paid
thereafter for such medical assistance to the recipient. After the lien is filed
against any real property owned by the recipient, such lien will be
dissolved if the recipient is discharged, returns home and resides upon the
real property to which the lien is attached for a continuous period of at
least 90 days without being readmitted as an inpatient to a nursing or
medical facility. If the recipient is readmitted as an inpatient to a nursing
or medical facility for a continuous period of less than 90 days, another
continuous period of at least 90 days shall be completed prior to
dissolution of the lien.
The lien filed by the secretary of health and environment or the secretary's designee for medical assistance correctly received may be enforced before or after the death of the recipient by the filing of an action to foreclose such lien in the Kansas district court or through an estate probate court action in the county where the real property of the recipient is located. However, it may be enforced only:

(A) After the death of the surviving spouse of the recipient;
(B) when there is no child of the recipient, natural or adopted, who is 20 years of age or less residing in the home;
(C) when there is no adult child of the recipient, natural or adopted, who is blind or disabled residing in the home; or
(D) when no brother or sister of the recipient is lawfully residing in the home, who has resided there for at least one year immediately before the date of the recipient's admission to the nursing or medical facility, and has resided there on a continuous basis since that time.

The lien remains on the property even after a transfer of the title by conveyance, sale, succession, inheritance or will unless one of the following events occur:

(A) The lien is satisfied. The recipient, the heirs, personal representative or assigns of the recipient may discharge such lien at any time by paying the amount of the lien to the secretary of health and environment or the secretary's designee;
(B) the lien is terminated by foreclosure of prior lien of record or settlement action taken in lieu of foreclosure; or
(C) the value of the real property is consumed by the lien, at which time the secretary of health and environment or the secretary's designee may force the sale for the real property to satisfy the lien.

If the secretary for aging and disability services or the secretary of health and environment, or both, or such secretary's designee has not filed an action to foreclose the lien in the Kansas district court in the county where the real property is located within 10 years from the date of the filing of the lien, then the lien shall become dormant, and shall cease to operate as a lien on the real estate of the recipient. Such dormant lien may be revived in the same manner as a dormant judgment lien is revived under K.S.A. 60-2403 et seq., and amendments thereto.

Within seven days of receipt of notice by the secretary for children and families or the secretary's designee of the death of a recipient of medical assistance under this subsection, the secretary for children and families or the secretary's designee shall give notice of such recipient's death to the secretary of health and environment or the secretary's designee.

All rules and regulations adopted on and after July 1, 2013, and prior to July 1, 2014, to implement this subsection shall continue to be
effective and shall be deemed to be duly adopted rules and regulations of
the secretary of health and environment until revised, amended, revoked or
nullified pursuant to law.

(h) Placement under the revised Kansas code for care of children or
revised Kansas juvenile justice code; assignment of support rights and
limited power of attorney. In any case in which the secretary for children
and families pays for the expenses of care and custody of a child pursuant
to K.S.A. 2014 Supp. 38-2201 et seq. or 38-2301 et seq., and amendments
thereof, including the expenses of any foster care placement, an
assignment of all past, present and future support rights of the child in
custody possessed by either parent or other person entitled to receive
support payments for the child is, by operation of law, conveyed to the
secretary. Such assignment shall become effective upon placement of a
child in the custody of the secretary or upon payment of the expenses of
care and custody of a child by the secretary without the requirement that
any document be signed by the parent or other person entitled to receive
support payments for the child. When the secretary pays for the expenses
of care and custody of a child or a child is placed in the custody of the
secretary, the parent or other person entitled to receive support payments
for the child is also deemed to have appointed the secretary, or the
secretary's designee, as attorney in fact to perform the specific act of
negotiating and endorsing all drafts, checks, money orders or other
negotiable instruments representing support payments received by the
secretary on behalf of the child. This limited power of attorney shall be
effective from the date the assignment to support rights becomes effective
and shall remain in effect until the assignment of support rights has been
terminated in full.

(i) No person who voluntarily quits employment or who is fired from
employment due to gross misconduct as defined by rules and regulations
of the secretary or who is a fugitive from justice by reason of a felony
conviction or charge shall be eligible to receive public assistance benefits
in this state. Any recipient of public assistance who fails to timely comply
with monthly reporting requirements under criteria and guidelines
prescribed by rules and regulations of the secretary shall be subject to a
penalty established by the secretary by rules and regulations.

(j) If the applicant or recipient of aid to families with dependent
children is a mother of the dependent child, as a condition of the mother's
eligibility for aid to families with dependent children the mother shall
identify by name and, if known, by current address the father of the
dependent child except that the secretary may adopt by rules and
regulations exceptions to this requirement in cases of undue hardship. Any
recipient of aid to families with dependent children who fails to cooperate
with requirements relating to child support enforcement under criteria and
guidelines prescribed by rules and regulations of the secretary shall be subject to a penalty established by the secretary by rules and regulations which penalty shall progress to ineligibility for the family after three months of noncooperation.

(k) By applying for or receiving child care benefits or food stamps, the applicant or recipient shall be deemed to have assigned, pursuant to K.S.A. 39-756, and amendments thereto, to the secretary on behalf of the state only accrued, present or future rights to support from any other person such applicant may have in such person's own behalf or in behalf of any other family member for whom the applicant is applying for or receiving aid. The assignment of support rights shall automatically become effective upon the date of approval for or receipt of such aid without the requirement that any document be signed by the applicant or recipient. By applying for or receiving child care benefits or food stamps, the applicant or recipient is also deemed to have appointed the secretary, or the secretary's designee, as an attorney in fact to perform the specific act of negotiating and endorsing all drafts, checks, money orders or other negotiable instruments representing support payments received by the secretary in behalf of any person applying for, receiving or having received such assistance. This limited power of attorney shall be effective from the date the secretary approves the application for aid and shall remain in effect until the assignment of support rights has been terminated in full. An applicant or recipient who has assigned support rights to the secretary pursuant to this subsection shall cooperate in establishing and enforcing support obligations to the same extent required of applicants for or recipients of aid to families with dependent children.

(l) (1) A program of drug screening for applicants for cash assistance as a condition of eligibility for cash assistance and persons receiving cash assistance as a condition of continued receipt of cash assistance shall be established, subject to applicable federal law, by the secretary for children and families on and before January 1, 2014. Under such program of drug screening, the secretary for children and families shall order a drug screening of an applicant for or a recipient of cash assistance at any time when reasonable suspicion exists that such applicant for or recipient of cash assistance is unlawfully using a controlled substance or controlled substance analog. The secretary for children and families may use any information obtained by the secretary for children and families to determine whether such reasonable suspicion exists, including, but not limited to, an applicant's or recipient's demeanor, missed appointments and arrest or other police records, previous employment or application for employment in an occupation or industry that regularly conducts drug screening, termination from previous employment due to unlawful use of a controlled substance or controlled substance analog or prior drug screening
records of the applicant or recipient indicating unlawful use of a controlled
substance or controlled substance analog.

(2) Any applicant for or recipient of cash assistance whose drug
screening results in a positive test may request that the drug screening
specimen be sent to a different drug testing facility for an additional drug
screening. Any applicant for or recipient of cash assistance who requests
an additional drug screening at a different drug testing facility shall be
required to pay the cost of drug screening. Such applicant or recipient who
took the additional drug screening and who tested negative for unlawful
use of a controlled substance and controlled substance analog shall be
reimbursed for the cost of such additional drug screening.

(3) Any applicant for or recipient of cash assistance who tests positive
for unlawful use of a controlled substance or controlled substance analog
shall be required to complete a substance abuse treatment program
approved by the secretary for children and families, secretary of labor or
secretary of commerce, and a job skills program approved by the secretary
for children and families, secretary of labor or secretary of commerce.
Subject to applicable federal laws, any applicant for or recipient of cash
assistance who fails to complete or refuses to participate in the substance
abuse treatment program or job skills program as required under this
subsection shall be ineligible to receive cash assistance until completion of
such substance abuse treatment and job skills programs. Upon completion
of both substance abuse treatment and job skills programs, such applicant
for or recipient of cash assistance may be subject to periodic drug
screening, as determined by the secretary for children and families. Upon a
second positive test for unlawful use of a controlled substance or
controlled substance analog, a recipient of cash assistance shall be ordered
to complete again a substance abuse treatment program and job skills
program, and shall be terminated from cash assistance for a period of 12
months, or until such recipient of cash assistance completes both substance
abuse treatment and job skills programs, whichever is later. Upon a third
positive test for unlawful use of a controlled substance or controlled
substance analog, a recipient of cash assistance shall be terminated from
cash assistance, subject to applicable federal law.

(4) If an applicant for or recipient of cash assistance is ineligible for
or terminated from cash assistance as a result of a positive test for
unlawful use of a controlled substance or controlled substance analog, and
such applicant for or recipient of cash assistance is the parent or legal
guardian of a minor child, an appropriate protective payee shall be
designated to receive cash assistance on behalf of such child. Such parent
or legal guardian of the minor child may choose to designate an individual
to receive cash assistance for such parent's or legal guardian's minor child,
as approved by the secretary for children and families. Prior to the
designated individual receiving any cash assistance, the secretary for
children and families shall review whether reasonable suspicion exists that
such designated individual is unlawfully using a controlled substance or
controlled substance analog.

(A) In addition, any individual designated to receive cash assistance
on behalf of an eligible minor child shall be subject to drug screening at
any time when reasonable suspicion exists that such designated individual
is unlawfully using a controlled substance or controlled substance analog.
The secretary for children and families may use any information obtained
by the secretary for children and families to determine whether such
reasonable suspicion exists, including, but not limited to, the designated
individual's demeanor, missed appointments and arrest or other police
records, previous employment or application for employment in an
occupation or industry that regularly conducts drug screening, termination
from previous employment due to unlawful use of a controlled substance
or controlled substance analog or prior drug screening records of the
designated individual indicating unlawful use of a controlled substance or
controlled substance analog.

(B) Any designated individual whose drug screening results in a
positive test may request that the drug screening specimen be sent to a
different drug testing facility for an additional drug screening. Any
designated individual who requests an additional drug screening at a
different drug testing facility shall be required to pay the cost of drug
screening. Such designated individual who took the additional drug
screening and who tested negative for unlawful use of a controlled
substance and controlled substance analog shall be reimbursed for the cost
of such additional drug screening.

(C) Upon any positive test for unlawful use of a controlled substance
or controlled substance analog, the designated individual shall not receive
cash assistance on behalf of the parent's or legal guardian's minor child,
and another designated individual shall be selected by the secretary for
children and families to receive cash assistance on behalf of such parent's
or legal guardian's minor child.

(5) If a person has been convicted under federal or state law of any
offense which is classified as a felony by the law of the jurisdiction and
which has as an element of such offense the manufacture, cultivation,
distribution, possession or use of a controlled substance or controlled
substance analog, and the date of conviction is on or after July 1, 2013,
such person shall thereby become forever ineligible to receive any cash
assistance under this subsection unless such conviction is the person's first
conviction. First-time offenders convicted under federal or state law of any
offense which is classified as a felony by the law of the jurisdiction and
which has as an element of such offense the manufacture, cultivation,
distribution, possession or use of a controlled substance or controlled
substance analog, and the date of conviction is on or after July 1, 2013,
such person shall become ineligible to receive cash assistance for five
years from the date of conviction.

(6) Except for hearings before the Kansas department for children and
families or, the results of any drug screening administered as part of the
drug screening program authorized by this subsection shall be confidential
and shall not be disclosed publicly.

(7) The secretary for children and families may adopt such rules and
regulations as are necessary to carry out the provisions of this subsection.

(8) Any authority granted to the secretary for children and families
under this subsection shall be in addition to any other penalties prescribed
by law.

(9) As used in this subsection:

(A) "Cash assistance" means cash assistance provided to individuals
under the provisions of article 7 of chapter 39 of the Kansas Statutes
Annotated, and amendments thereto, and any rules and regulations adopted
pursuant to such statutes.

(B) "Controlled substance" means the same as in K.S.A. 2014 Supp.

(C) "Controlled substance analog" means the same as in K.S.A. 2014
Supp. 21-5701, and amendments thereto.

Sec. 13. This act shall take effect and be in force from and after its
publication in the statute book.