

SENATE BILL No. 639

By Committee on Ways and Means

2-28

AN ACT concerning children's health insurance benefits; relating to eligibility requirements; amending K.S.A. 2001 Supp. 38-2001 and repealing the existing section.

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

Section 1. K.S.A. 2001 Supp. 38-2001 is hereby amended to read as follows: 38-2001. (a) The secretary of social and rehabilitation services shall develop and submit a plan consistent with federal guidelines established under section 4901 of public law 105-33 (42 U.S.C. 1397aa *et seq.*; title XXI).

(b) The plan developed under subsection (a) shall be a capitated managed care plan covering Kansas children from zero to 19 years which:

(1) Contains benefit levels at least equal to those for the early and periodic screening, diagnosis and treatment program;

(2) provides for presumptive eligibility for children where applicable;

(3) provides continuous eligibility for 12 months once a formal determination is made that a child is eligible subject to subsection (e);

(4) has performance based contracting with measurable outcomes indicating age appropriate utilization of plan services to include, but not limited to, such measurable services as immunizations, vision, hearing and dental exams, emergency room utilization, annual physical exams and asthma;

(5) shall use the same prior authorization standards and requirements as used for health care services under medicaid to further the goal of seamlessness of coverage between the two programs; and

(6) will provide targeted low-income children, as defined under section 4901 of public law 105-33 (42 U.S.C. 1397aa, *et seq.*), coverage subject to appropriations.

(c) The secretary is authorized to contract with entities authorized to transact health insurance business in this state to implement the health insurance coverage plan pursuant to subsection (a) providing for several plan options to enrollees which are coordinated with federal and state child health care programs, except that when contracting to provide managed mental health care services the secretary shall assure that contracted entities demonstrate the ability to provide a full array of mental health

1 services in accordance with the early and periodic screening, diagnosis
2 and treatment plan. The secretary shall not develop a request for proposal
3 process which excludes community mental health centers from the op-
4 portunity to bid for managed mental health care services.

5 (d) When developing and implementing the plan in subsection (a),
6 the secretary to the extent authorized by law:

7 (1) Shall include provisions that encourage contracting insurers to
8 utilize and coordinate with existing community health care institutions
9 and providers;

10 (2) may work with public health care providers and other community
11 resources to provide educational programs promoting healthy lifestyles
12 and appropriate use of the plan's health services;

13 (3) shall plan for outreach and maximum enrollment of eligible chil-
14 dren through cooperation with local health departments, schools, child
15 care facilities and other community institutions and providers;

16 (4) shall provide for a simplified enrollment plan;

17 (5) shall provide cost sharing as allowed by law;

18 (6) *shall consider depreciation on equipment, vehicles or other prop-*
19 *erty owned by a self-employed person as an income producing cost when*
20 *calculating the cost of production of income for eligibility requirements;*

21 (7) shall not count the caring program for children, the Kansas health
22 insurance association plan or any charity health care plan as insurance
23 under subsection (e)(1); and

24 ~~(7)~~ (8) may provide for payment of health insurance premiums, in-
25 cluding contributions to a medical savings account if applicable, if it is
26 determined cost effective, taking into account the number of children to
27 be served and the benefits to be provided.

28 (e) A child shall not be eligible for coverage and shall lose coverage
29 under the plan developed under subsection (a) if such child's family has
30 not paid the enrollee's applicable share of any premium due.

31 If the family pays all of the delinquent premiums owed during the year,
32 such child will again be eligible for coverage for the remaining months
33 of the continuous eligibility period.

34 (f) The plan developed under section 4901 of public law 105-33 (42
35 U.S.C. 1397aa *et seq.*, and amendments thereto) is not an entitlement
36 program. The availability of the plan benefits shall be subject to funds
37 appropriated. The secretary shall not utilize waiting lists, but shall monitor
38 costs of the program and make necessary adjustments to stay within the
39 program's appropriations.

40 Sec. 2. K.S.A. 2001 Supp. 38-2001 is hereby repealed.

41 Sec. 3. This act shall take effect and be in force from and after its
42 publication in the statute book.