

SESSION OF 2004

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE
FOR SENATE BILL NO. 12**

As Amended by House Committee on
Appropriations

Brief*

House Sub. for SB 12 makes technical adjustments to the language enacted in Senate Sub. for HB 2912 to change the assessment payment dates to June 30 and December 31 instead of July 19 and January 18 and change the assessment payment schedule to make payments due after 150 days of increased rates instead of two quarters. These changes still allow for almost two quarters of increased rate payments prior to the assessment, but moves the due date on the assessment up by approximately two weeks. In addition, language making the start date for the assessment plan on either July 1 or January 1, whichever date is designated in the Medicaid plan approved by CMS, is added. These changes guarantee that the increased rates paid to providers will be reimbursed to the state each year without creating a need for state funding, thus maintaining the budget neutrality of the bill.

The bill also adds language to allow 80.0 percent of the hospital assessment payments and 53.0 percent of the health maintenance organization assessment payments, as certified by the director of the budget, to be credited to the health insurance access improvement fund by the state treasurer on the first day of each fiscal year. This change allows the funds to be distributed prior to the collection of the assessment, as required by the bill, and repaid when the assessment is collected on December 31 and June 30 of each fiscal year.

Finally, the bill changes the increased payment for health maintenance organizations from an increased "Medicaid rate" to an increased "Medicaid capitation payment" to more accurately reflect the payment structure to health maintenance organizations, which is a

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

contractual, per person per month rate instead of a fee for service rate.

Background

The bill was introduced in the Appropriations Committee to make necessary technical adjustments. There were was no testimony in opposition to the changes.