

As Amended by House Committee

Session of 2012

HOUSE BILL No. 2697

By Committee on Aging and Long-term Care

2-9

1 AN ACT concerning eligibility requirements for medicaid; allowing a
2 collateral assignment of the proceeds of life insurance policies.

3
4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. (a) The department of health and environment, in
6 conjunction with the department of social and rehabilitation services, shall
7 review and update its rules and regulations establishing eligibility
8 requirements for the Kansas program of medical assistance established in
9 accordance with title XIX of the federal social security act, 42 U.S.C. §
10 1396 et seq. Such review shall include the establishment of a procedure
11 which permits the holder of a life insurance policy which has a cash
12 surrender value to give the Kansas program of medical assistance
13 established in accordance with title XIX of the federal social security act a
14 collateral assignment of the proceeds of such life insurance policy. The
15 collateral assignment may be used by the insured in lieu of any
16 requirement that such life insurance policy be sold in order for the insured
17 to meet any property ownership limitation contained in any eligibility
18 requirement for participation in the Kansas program of medical assistance
19 established in accordance with title XIX of the federal social security act.
20 The collateral assignment shall be for an amount not to exceed the
21 proceeds of such policy necessary to reimburse the Kansas program of
22 medical assistance established in accordance with title XIX of the federal
23 social security act for any amount paid by such program for medical
24 benefits provided to the insured. **The collateral assignment shall be
25 irrevocable as established by a written agreement binding on the
26 holder of the life insurance policy to not affect or otherwise use the
27 cash surrender value of such policy after the irrevocable assignment
28 pursuant to rules and regulations promulgated by the secretary of the
29 department of health and environment.**

30 (b) The department of health and environment is hereby directed to
31 seek any necessary waivers from program requirements of the federal
32 government as may be needed to carry out the provisions of this section
33 and to maximize federal matching and other funds with respect to the
34 provisions of this section. If the department of health and environment
35 determines that one or more waivers from program requirements of the
36 federal government are needed to carry out the provisions of this section,

1 the department of health and environment shall implement the provisions
2 of this section only if such waivers to federal program requirements have
3 been obtained from the federal government.

4 (c) (1) Except as provided in paragraph (2), the review and update of
5 the rules and regulations establishing eligibility requirements for the
6 Kansas program of medical assistance established in accordance with title
7 XIX of the federal social security act, 42 U.S.C. § 1396 et seq., shall be
8 completed and the revisions of such rules and regulations shall be adopted
9 in accordance with the rules and regulations filing act no later than 12
10 calendar months following the date of receipt of the waivers required
11 under subsection (b).

12 (2) If the department of health and environment determines that no
13 waivers are required to implement the provisions of subsection (a), the
14 review and update of the rules and regulations establishing eligibility
15 requirements for the Kansas program of medical assistance established in
16 accordance with title XIX of the federal social security act, 42 U.S.C. §
17 1396 et seq., shall be completed and the revisions of such rules and
18 regulations shall be adopted in accordance with the rules and regulations
19 filing act no later than 12 calendar months following the effective date of
20 this act.

21 Sec. 2. This act shall take effect and be in force from and after its
22 publication in the statute book.

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