

**SENATE BILL No. 2**

By Senator Denning

11-7

1 AN ACT establishing the federal medical assistance percentage  
2 stabilization fund; limiting transfers from such fund, specified uses.

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

5 Section 1. (a) There is hereby established in the state treasury the  
6 federal medical assistance percentage stabilization fund, to be  
7 administered by the department of health and environment. All  
8 expenditures from the federal medical assistance percentage stabilization  
9 fund shall be made in accordance with appropriation acts upon warrants of  
10 the director of accounts and reports issued pursuant to vouchers approved  
11 by the secretary of health and environment or the secretary's designee.

12 (b) Notwithstanding the provisions of any other statute, the attorney  
13 general is hereby authorized and directed to remit to the state treasurer, in  
14 accordance with the provisions of K.S.A. 75-4215, and amendments  
15 thereto, any moneys that are recovered by the attorney general on behalf of  
16 the state in the civil action Texas v. United States, no. 7:15-cv-00151-O  
17 (N.D. Tex.). Upon receipt of each such remittance, the state treasurer shall  
18 deposit the entire amount into the state treasury to the credit of the federal  
19 medical assistance percentage stabilization fund.

20 (c) Beginning in fiscal year 2020, all transfers from the federal  
21 medical assistance percentage stabilization fund shall be used during any  
22 fiscal year to fund any additional title XIX costs incurred due to any  
23 decrease to the federal medical assistance percentage for the state of  
24 Kansas.

25 (d) Each fiscal year, on December 1 and June 30, beginning in fiscal  
26 year 2020, the secretary shall determine and certify the estimated amount  
27 of any reduced or increased title XIX costs incurred due to any increase or  
28 decrease to the federal medical assistance percentage for the state of  
29 Kansas in the current fiscal year. The secretary shall certify each such  
30 amount to the director of accounts and reports and shall transmit a copy of  
31 each such certification to the director of the budget and the director of  
32 legislative research. Upon receipt of any such certification indicating  
33 reduced costs, the director of accounts and reports shall transfer such  
34 certified amount of moneys from the state general fund to the federal  
35 medical assistance percentage stabilization fund. Upon receipt of any such  
36 certification indicating increased costs, the director of accounts and reports

1 shall transfer such certified amount of moneys from the federal medical  
2 assistance percentage stabilization fund to the state general fund.

3 (e) The federal medical assistance percentage stabilization fund and  
4 any other moneys transferred pursuant to this section shall be used for the  
5 purposes set forth in this section and for no other governmental purposes.  
6 It is the intent of the legislature that the funds and the moneys deposited in  
7 this fund shall remain intact and inviolate for the purposes set forth in this  
8 section.

9 (f) As used in this section, "moneys that are recovered" includes  
10 damages, penalties, attorney fees, costs, disbursements, refunds, rebates or  
11 any other monetary payment made or paid by any defendant by reason of  
12 any judgment, consent decree or settlement, after payment of any costs or  
13 fees allocated by court order.

14 (g) On or before September 1 of each year, the secretary of health and  
15 environment shall submit an annual report to the legislature and the  
16 legislative budget committee. The report shall include details of actual  
17 expenditures related to adjustments of the federal medical assistance  
18 percentage for the state of Kansas and all certified amounts transferred in  
19 and out of the federal medical assistance percentage stabilization fund.

20 Sec. 2. This act shall take effect and be in force from and after its  
21 publication in the Kansas register.