

**PROPOSED AMENDMENTS TO  
K.S.A. 75-7413 AND 75-7414**

**75-7413.** K.S.A. 2005 Supp. 75-7413 is hereby amended to read as follows: On and after July 1, 2006, except as otherwise provided by this act, all of the following powers, duties and functions of the division of health policy and finance within the department of administration and the director of health policy and finance are hereby transferred to and imposed upon the Kansas health policy authority established by section 1, and amendments thereto:

(a) All of the powers, duties and functions under chapter 39 of the Kansas Statutes Annotated, and amendments thereto, that were transferred by July 1, 2005, to the division of health planning and finance and the director of health planning and finance and that relate to development, implementation and administration of programs that provide medical assistance, health insurance programs or waivers granted thereunder for persons who are needy or uninsured, or both, and that are financed by federal funds or state funds, or both, including the following:

(1) The Kansas program of medical assistance established in accordance with title XIX of the federal social security act, 42 U.S.C. § 1396 et seq., and amendments thereto; and

(2) any program of medical assistance for needy persons financed by state funds only;

(b) all of the powers, duties and functions that were transferred on July 1, 2005, to the division of health planning and finance and the director of health planning and finance with respect to the health benefits program for children established under K.S.A. 38-2001 et seq., and amendments thereto, and developed and submitted in accordance with federal guidelines established under title XXI of the federal social security act, section 4901 of public law 105-33, 42 U.S.C. § 1397aa et seq., and amendments thereto;

(c) the working healthy portion of the ticket to work program under the federal work incentive improvement act and the medicaid infrastructure grants received for the working healthy portion of the ticket to work program;

(d) the medicaid management information system (MMIS);

(e) the restrictive drug formulary, the drug utilization review program, including oversight of the medicaid drug utilization review board, and the electronic claims management system as provided in K.S.A. 39-7,116 through 39-7,121 and K.S.A. 2004 Supp. 39-7,121a through 39-7, 121e, and amendments thereto; and

(f) all of the powers, duties and functions of the associated with designation as the single state agency under title XIX of the federal social security act, 42 U.S.C. § 1396 et seq., and amendments thereto. On and after July 1, 2006, the designation of the division of health and finance as the single state agency for medicaid purposes is hereby transferred to the Kansas health policy authority.

(g) Hearings conducted pursuant to the transfer of powers, duties and functions conveyed through this section shall be conducted in accordance with the Kansas administrative procedures act utilizing a presiding officer from the office of administrative hearings.

**75-7414.** K.S.A. 2005 Supp 75-7414 is hereby amended to read as follows: (a) On and after July 1, 2006, the Kansas health policy authority shall be the successor in every way to the powers, duties and functions of the division of health policy and finance and the director of health policy and finance in which the same were vested prior to July 1, 2006, and that are transferred pursuant to section 14, and amendments thereto. Every act performed in the exercise of such transferred powers, duties and functions by or under the authority of the Kansas health policy authority shall be deemed to have the same force and effect as if performed by the division of health policy and finance and the director of health policy and finance in which such powers, duties and functions were vested prior to July 1, 2006.

(b) On and after July 1, 2006, whenever the division of health policy and finance within the department of administration or the director of health policy and finance, or words of like effect, are referred to or designated by a statute, contract, memorandum of understanding, plan, grant, waiver or other document and such reference is in regard to any of the powers, duties or functions transferred to the Kansas health policy authority pursuant to section 14, and amendments thereto, such reference or designation shall be deemed to apply to the Kansas health policy authority. The provisions of this subsection shall not apply to references to or designations of the division of health policy and finance within the department of administration or the director of health policy and finance, or words of like effect, by the provisions of appropriation acts.

(c) All rules and regulations, orders and directives of the director of health policy and finance that relate to the functions transferred by section 14, and amendments thereto, and that are in effect on July 1, 2006, shall continue to be effective and shall be deemed to be rules and regulations, orders and directives of the Kansas health policy authority until revised, amended, revoked or nullified pursuant to law.

(d) Hearings conducted pursuant to the transfer of powers, duties and functions conveyed through this section shall be conducted in accordance with the Kansas administrative procedures act utilizing a presiding officer from the office of administrative hearings.

## COMMENT

**Currently the Department of Administration and SRS utilize the Office of Administrative Hearings. In July of 2006, the newly created Division of Health Policy and Finance will become independent from the Department of Administration.**

**The proposed amendments to K.S.A. 75-7413 and 75-7414 provide that the administrative hearings the new agency conducts, nearly all of which are Medicaid hearings, will be conducted in accordance with the Kansas Administrative Procedures Act and utilize a presiding officer from the Office of Administrative Hearings.**

**The Chair of the Administrative Procedures Advisory Committee has discussed this change with the Executive Director of the new agency and he approves of the amendment.**