



KHA's Capitol Comments

October 13, 2025

Joint Bob Bethell Home and Community Based Services and KanCare Oversight Committee Meets

Today, the Joint Committee on Robert G. (Bob) Bethell Home and Community Based Services and KanCare Oversight met.

The committee heard from the Long-Term Care Ombudsman office about investigations between Oct. 1, 2023, and Sept. 30, 2024. The committee heard about the number of complaints, where the complaints came from and the percentages that were resolved to the satisfaction of the residents. Conferee Haely Ordoyne, also gave an overview of the trainings offered, and the asks of the legislature including:

- Requests for increases in Kansas Department of Aging and Disability surveyor staff.
- Requests to require notification to the resident and the resident's representative of any involuntary transfer or discharge to include the reasons for the move in writing and common language with a copy sent to the Office of the State Long-Term Care Ombudsman.
- Amend state residents' rights language to include the right to a pharmacist of the resident's choice, eliminating a fee or financial penalty or incentive for choosing a pharmacy other than the facility preferred pharmacy.
- An increase in Personal Needs Allowance.

Next, the Kansas Inspector General appeared before the committee. OIG Steven Anderson reported on a recently released [audit](#) related to prior authorization, made public on Oct. 2. Report findings included:

- Delays in the peer-to-peer process which can take up to seven days.
- Higher rates of denials create further need for additional peer-to-peer reviews.
- Administrative burden on hospitals and providers causing further delays in critical care.
- Many health care settings must hire additional staff just to deal with the administrative processes related to prior authorization.
- Medicaid beneficiaries are placed in observation status when they should be considered in-patient.

- Managed Care Organizations are using Milliman care guidelines, known as MCG criteria, to deny inpatient status.
- There is a lack of consistency in how MCO's are determining levels of post-acute care.
- Conflict of interest was highlighted as the MCO's owned the screening tool used for prior authorizations.
- Hospitals are sometimes waiting extended periods for responses from MCO's resulting in more patients being in high level care settings.
- The report highlighted that one MCO had more than 50 percent of their prior authorizations requests that resulted in denials.

The OIG further reported on initial results and findings with Home and Community-Based Services Audit, Pregnant Woman Eligibility Audit and pharmacy benefit manager and pharmacy dispensing fees with more information coming later.

The Kansas Division of Post Audit presented the outcomes of the Office of Inspector General. The July 2025 report can be found [here](#).

The committee heard MCO updates:

- Sunflower Health Plans: [Presentation](#). Highlighted the Partners in Care Behavioral Health Monitoring program.
- United Healthcare: [Presentation](#)
- Healthy Blue: [Presentation](#)

Each MCO responded with how they are ensuring there are no delays in peer-to-peer reviews, that they review each case individually and how they are working to address the Inspector General concerns.

Next, the committee heard from leadership at the Kansas Department of Health and Environment. The committee heard from Secretary Janet Stanek about the measles outbreak and budget impacts and the Rural Health Transformation Program. Deputy Secretary of Agency Integration and State Medicaid Director Christine Osterlund testified about impacts from H.R. 1. Osterlund shared that state impacts on immigrant eligibility included at least 2,235 members who will lose eligibility with immigrant eligibility saving the state and federal government \$9,574,961.77. Prior medical for the Children's Health Insurance Program, moving from 90 days to 60 days, had estimated impacts between 1,107 to 11,144 CHIP members. It will cost the state between \$366,082 to \$5.4 million annually, depending on how many individuals are reported. Eligibility redetermination for older adults and people with disabilities impacts 1,913 enrollees in fiscal year 2027, and 3,844 in fiscal year 2028. This will include a fiscal impact that will save the state and federal government just over \$5 million in 2027 and estimated \$10.3 million in 2028 in payments primarily made to hospitals and long-term care. Osterlund identified this may not quantify some of the changes with providers of long-term care who would be more hesitant to accept patients.

Other H.R. 1 components mentioned included:

- State directed payments;
- Federal payments to prohibited entities;
- HCBS expansion, waiving of erroneous payments;
- Verification systems, disenrollment;
- Continuous eligibility for caretakers; and
- Residency checks for other states.

KDHE staff discussed mobile anesthesia restrictions from Medicaid positions for Certified Registered Nurse Anesthetists, and treatment in place model with Emergency Medical Services reimbursement. Osterlund did include a response to the OIG Audit on prior authorization that highlighted that KanCare 3.0 MCO contracts require regular review for utilization management or a mini-audit. The agency said a review of services that could have Prior Authorization removed include:

- Services under \$1,000 that benefit member, provider, state and MCO; and
 - Services that trend around 90 percent approval.
- KDHE staff are now doing their first on-site audit review for program integrity with focus on:
- Compliance with state and federal coverage policies;
 - Early and periodic screenings, diagnostic and treatments reporting;
 - In-lieu-of-services reporting;
 - Home health; and
 - Durable medical equipment.

The committee heard KDHE is considering a DME policy update to address rental caps, and reimbursement rates for DME services that currently manually priced.

The Kansas Department of Aging and Disability Services also provided updates to the committee. The agency reported on contract staffing at state hospitals and reimbursements for patients awaiting state hospital admission including a total of \$3.3 million in pay outs to hospitals and counties to patient observation and transportation costs. The committee also heard from the agency on surveyor positions that are vacant, salary and benefits, rural emergency hospitals and skilled nursing facility licensing.

The committee next heard from organizations and individuals throughout the afternoon. The committee will meet again tomorrow, Oct. 14.

Legislative Coordinating Council Meets

Today the Kansas Legislative Coordinating Council met, chaired by Senate President Ty Masterson (R-Andover). The committee made appointments to the legislative budget committee to include Senator Rick Kloos (R-Topeka). The committee reviewed Kansas legislative research to summarize major budget adjustments and include additional funds for a possible

special legislative session. The special session would likely focus on efforts to re-district ahead of the national mid-term elections. The Office of Revisor of Statutes indicated that they are working to fill some attorney positions and noted some local governments have increased beyond what the state agencies and the Revisor's Office have budgeted. The Kansas Legislative Administrative Services Office was represented before the committee by Tom Day, who highlighted the revised budget adjustments.

The committee also set prices for legislative packets and Kansas statutes annotated and updated newsletter allotments for legislators for mailings and allowing a process for a direct to vendor payment option.

The Coordinating Council received an update on the legislative Chief Information Technology Officer following a reposting of the position. Additionally, Senate President Masterson updated the council on the work of the steering committee on the Kansas Legislative Modernization System. He expressed frustration that deadlines aren't being met by the committee, and a go-live date will not happen this upcoming session. The steering committee will create new recommendations with regards to the state legislative relationship with Propylon. Committee members agreed and asked when bill drafting will begin for the 2026 session, which will be in the old system.

Special Committee on Taxation Meets

Today, the Special Committee on Taxation met, chaired by Senator Caryn Tyson (R-Parker). The committee heard from the Kansas Department of Revenue, the Legislative Division of Post Audit and the Kansas Legislative Research Department. Additionally, the committee heard from County Commissioners, citizens and business owners about valuation uniformity concerns. The committee heard information about the Oklahoma Constitutional Property Valuation Growth Cap. They also heard about machinery and equipment exemptions, and litigation and local impacts. The committee made the following recommendations to be considered further in the 2026 session:

- Continue down the path of looking at freezing sales tax apportionment;
- Review county-wide sales tax authority and if that should be increased without needing legislative approval;
- Review mass appraisal process and its application across counties;
- Board of Tax Appeals processes and staffing and possibly putting in place a property tax advocate;
- Progression of and source of authority for property tax exemption;
- Review of sales tax exemptions and inclusion of transparency and creating an endowed permanent fund to provide for future tax relief, as proposed by 2025 [HCR 5014](#);
- Review of energy industry exemptions;
- Examine the renewable energy generating property becoming subject to property tax following the expiration of tax exemptions; and
- Study issues relating to motor fuels taxes, taxation of electric vehicle charging stations, and distribution of motor fuel tax.

The committee will meet again in November.

