AN ACT relating to public assistance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

Within ninety (90) days of the effective date of this Act, the cabinet shall:

(1) Begin utilizing a single electronic benefit transfer card for each beneficiary of cash assistance programs administered by the cabinet regardless of which cash assistance programs the individual qualifies for; and

(2) Promulgate administrative regulations necessary to carry out the provisions of this section.

SECTION 2. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "Alcoholic beverage" has the same meaning as in KRS 241.010;

(b) "Cash recipient of public assistance benefits" means any individual who receives cash assistance via an electronic benefit transfer card or any other form of cash assistance under Title IV of the Federal Social Security Act, the Supplemental Nutrition Assistance Program, or any other public assistance program administered by the cabinet;

(c) "Tobacco product" has the same meaning as in KRS 438.305; and

(d) "Vapor product" has the same meaning as in KRS 438.305.

(2) A cash recipient of public assistance benefits shall not use any portion of the benefits to purchase alcoholic beverages, tobacco products, vapor products, or lottery tickets, or to purchase any goods or services in a casino, an establishment that provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state, a tattoo or body piercing facility, or a retail establishment the primary purpose of which is the sale of alcoholic beverages or
tobacco products.

(3) A cash recipient of public assistance benefits shall not use an automatic teller machine, or any other means or device, to withdraw cash using an electronic benefit transfer card issued by the cabinet.

(4) Any person who violates subsections (2) or (3) of this section shall be subject to the following sanctions:

(a) Upon the first violation, the recipient shall be disqualified from receiving public assistance benefits by means of a direct cash payment or an electronic benefits transfer access card for one (1) month;

(b) Upon the second violation, the recipient shall be disqualified from receiving public assistance benefits by means of a direct cash payment or an electronic benefits transfer access card for three (3) months; and

(c) Upon the third violation, the recipient shall be permanently disqualified from receiving public assistance benefits by means of a direct cash payment or an electronic benefits transfer access card.

(5) A person who is disqualified from receiving public assistance benefits pursuant to this section shall have the right to an administrative hearing conducted pursuant to KRS Chapter 13B.

(6) (a) If a custodial parent of a dependent child is deemed permanently disqualified from receiving public assistance benefits pursuant to this section, the dependent child's or other adult family member's eligibility for public assistance shall not be affected; and

(b) A custodial parent may choose to designate another person as a protective payee to receive benefits for the minor child. The designated person shall be an adult immediate family member of the dependent child, if such a person is available. The designated person must be approved by the cabinet.

(7) The cabinet shall, through any means practical, inform all applicants for and
recipients of public assistance benefits of the restrictions and sanctions contained
in this section.

(8) The cabinet shall consult with providers of automatic teller machine services and
electronic benefit transfer card vendors to consider the implementation of a
program or method of blocking access to cash benefits from an electronic
benefits transfer card issued by the cabinet at automatic teller machines. If the
cabinet determines that the implementation of such a program or method is
feasible, the department shall initiate and implement the program or method by
January 1, 2021.

(9) The cabinet shall promulgate administrative regulations necessary to implement
the provisions of this section.

SECTION 3. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
READ AS follows:

(1) As used in this section:

(a) "Energy drink" means a beverage that contains at least sixty-five (65)
milligrams of caffeine per eight (8) fluid ounces and that is advertised as
being specifically designed to provide metabolic stimulation or an increase
in the consumer's mental or physical energy. The term "energy drink" does
not include coffee or any substantially coffee-based beverage; and

(b) "Soft drink" has the same meaning as in KRS 139.485.

(2) Except as provided in subsection (3) of this section, a recipient shall not use more
than twenty-five percent (25%) of his or her monthly Supplemental Nutrition
Assistance Program benefits to purchase energy drinks or soft drinks.

(3) The provisions of subsection (2) of this section shall not apply to:

(a) A beverage, other than an energy drink or carbonated beverage, in which
the only added sweetener does not add calories to the beverage;

(b) A beverage, other than a carbonated beverage, intended by the
manufacturer for use for weight reduction;

(c) A beverage intended by the manufacturer for consumption by an infant that
is commonly referred to as "infant formula";

(d) A beverage, other than a carbonated beverage, that contains a plant protein
source;

(e) A milk substitute, including soy milk, rice milk, or almond milk; or

(f) Fruit or vegetable juice, other than a carbonated beverage, to which no
sugar has been added.

(4) The cabinet shall promulgate administrative regulations necessary to carry out
the provisions of this section within ninety (90) days of the effective date of this
Act.

⇒ SECTION 4. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
READ AS FOLLOWS:

If an individual traffics, sells, distributes, gives, or otherwise transfers an electronic
benefit transfer card issued by the department for money, service, or other valuable
consideration, the individual may be deemed by the cabinet ineligible for all public
assistance programs administered by the cabinet.

⇒ SECTION 5. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
READ AS FOLLOWS:

No later than ninety (90) days after the effective date of this Act, the cabinet shall join
and fully participate in the Supplemental Nutrition Assistance Program's National
Accuracy Clearinghouse as established in 7 U.S.C. sec. 2020(x).

⇒ SECTION 6. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
READ AS FOLLOWS:

(1) If at any time after the effective date of this Act, seventy-five percent (75%) of the
General Fund budget request for the provision of Medicaid services is needed to
provide the state match required to support the expanded Medicaid population.
the cabinet shall implement a community engagement program that requires individuals in the expanded Medicaid population, who have been in the expanded Medicaid population for one year or more, to participate in at least eighty (80) hours qualifying activities each month.

(2) If the cabinet implements a community engagement program pursuant to subsection (1) of this section, the program shall utilize the requirements established in 7 C.F.R. sec. 273.7.

(3) As used in this section, "expanded Medicaid population" means individuals made eligible for Medicaid pursuant to Pub. L. No. 111-148.

SECTION 7. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

(1) The cabinet shall, within ninety (90) days of the effective date of this Act, prepare and pursue federal approval of the following:

(a) A waiver from the United States Department of Agriculture Food and Nutrition Service relating to 7 C.F.R. sec. 273.24(c)(4); and

(b) A Section 1115 waiver under 42 U.S.C. sec. 1315 to permit the cabinet to:

1. Implement the provisions of Section 6 of this Act;

2. a. Require that a Medicaid-eligible individual who is employed, is earning not more than one hundred thirty-eight percent (138%) of the federal poverty level, and whose employer offers health insurance benefits to enroll in their employer-sponsored health insurance plan if the cabinet determines that enrollment in such a plan would be cost-effective for the state; and

b. Pay the individual's share of the employer-sponsored health insurance premium through the Kentucky Integrated Health Insurance Premium Payment Program; and

3. a. Expand Medicaid eligibility to include individuals who earn
more than one hundred thirty-eight percent (138%) but not more than two hundred percent (200%) of the federal poverty level, who are employed, and whose employer offers health insurance;

b. Require that an individual who is eligible for Medicaid under this subparagraph and whose employer offers health insurance benefits to enroll in their employer-sponsored health insurance plan; and

c. i. Pay the individual's share of any employer-sponsored health insurance premium through the Kentucky Integrated Health Insurance Premium Payment Program for not more than twelve (12) months; or

ii. If the employer of an individual who is eligible for Medicaid under this subparagraph does not offer health insurance benefits, pay the individual's health insurance premium for a health plan purchased from the federal Health Insurance Marketplace for not more than twelve (12) months.

(2) If a waiver request required by subsection (1) of this section is approved, the cabinet shall, within one hundred twenty (120) days after receiving notification of approval, fully implement the provisions of the waiver.

(3) If the cabinet determines that a waiver or authorization from a federal agency is necessary prior to the implementation of any provision of Sections 1 to 4, Section 6, or Sections 11 to 13 of this Act, the cabinet shall, within ninety (90) days of the effective date of this Act, request the waiver or authorization and may delay implementation of those provisions only until the waiver or authorization is granted.

(4) As used in this section, "cost-effective" means that the expense associated with
paying an individual's share of an employer-sponsored health insurance plan premium is less than the capitation rate that would otherwise be paid to a managed care organization for an individual's coverage under Medicaid.

⇒ SECTION 8. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

The cabinet shall report to the Public Assistance Oversight and Advisory Committee on efforts to implement the provisions of Sections 1 to 7 and 11 to 13 of this Act within ninety (90) days after the effective date of this Act, one (1) year after the effective date of this Act, and at any time thereafter upon request from the Public Assistance Oversight and Advisory Committee.

⇒ SECTION 9. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

The Attorney General shall, on behalf of the Commonwealth of Kentucky, have jurisdiction to enforce the provisions of this Act. The Attorney General shall bring an action against the cabinet if all of the provisions of Sections 1 to 8 and 11 to 13 of this Act are not fully implemented as required.

⇒ Section 10. KRS 6.940 is amended to read as follows:

(1) There is hereby established a Public Assistance Oversight and Advisory Committee, consisting of ten (10) members appointed as follows: four (4) members of the Senate appointed by the President of the Senate; one (1) member of the minority party in the Senate appointed by the Minority Floor Leader in the Senate; four (4) members of the House of Representatives appointed by the Speaker of the House of Representatives; and one (1) member of the minority party in the House of Representatives appointed by the Minority Floor Leader in the House of Representatives.

(2) Members appointed from each chamber shall elect one (1) member from their chamber to serve as co-chair. The co-chairs shall have joint responsibilities for
committee meeting agendas and presiding at committee meetings.

(3) The committee shall meet at least four (4) times annually and shall provide oversight on the implementation of Medicaid within the Commonwealth including access to services, utilization of services, quality of services, and cost containment.

(4) The purpose of the committee shall be to provide oversight on the implementation of public assistance programs and to advise the General Assembly of any recommended reforms or revisions to the provision of public assistance in the Commonwealth.

(5) A majority of the entire membership of the Public Assistance Oversight and Advisory Committee shall constitute a quorum, and all actions of the committee shall be by vote of a majority of its entire membership.

Section 11. KRS 205.200 is amended to read as follows:

(1) A needy aged person, a needy blind person, a needy child, a needy permanently and totally disabled person, or a person with whom a needy child lives shall be eligible to receive a public assistance grant only if he has made a proper application or an application has been made on his behalf in the manner and form prescribed by administrative regulation. No individual shall be eligible to receive public assistance under more than one (1) category of public assistance for the same period of time.

(2) The secretary shall, by administrative regulations, prescribe the conditions of eligibility for public assistance in conformity with the public assistance titles of the Social Security Act, its amendments, and other federal acts and regulations. The secretary shall also promulgate administrative regulations to allow for between a forty percent (40%) and a forty-five percent (45%) ratable reduction in the method of calculating eligibility and benefits for public assistance under Title IV-A of the Federal Social Security Act. In no instance shall grants to families with no income be less than the appropriate grant maximum used for public assistance under Title
IV-A of the Federal Social Security Act. As used in this section, "ratable reduction" means the percentage reduction applied to the deficit between the family's countable income and the standard of need for the appropriate family size.

(3) The secretary may by administrative regulation prescribe as a condition of eligibility that a needy child regularly attend school, and may further by administrative regulation prescribe the degree of relationship of the person or persons in whose home such needy child must reside.

(4) The secretary may by administrative regulation prescribe conditions for bringing paternity proceedings or actions for support in cases of out of wedlock birth or nonsupport by a parent in the public assistance under Title IV-A of the Federal Social Security Act program.

(5) Public assistance shall not be payable to or in behalf of any individual who has taken any legal action in his own behalf or in the behalf of others with the intent and purpose of creating eligibility for the assistance.

(6) The cabinet shall promptly notify the appropriate law enforcement officials of the furnishing of public assistance under Title IV-A of the Federal Social Security Act in respect to a child who has been deserted or abandoned by a parent.

(7) No person shall be eligible for public assistance payments if, after having been determined to be potentially responsible, and afforded notice and opportunity for hearing, he refuses without good cause:

   (a) To register for employment with the state employment service,
   (b) To accept suitable training, or
   (c) To accept suitable employment.

The secretary may prescribe by administrative regulation, subject to the provisions of KRS Chapter 13A, standards of suitability for training and employment.

(8) To the extent permitted by federal law, scholarships, grants, or other types of financial assistance for education shall not be considered as income for the purpose.
of determining eligibility for public assistance.

(9) To the extent permitted by federal law, any money received because of a settlement or judgment in a lawsuit brought against a manufacturer or distributor of "Agent Orange" for damages resulting from exposure to "Agent Orange" by a member or veteran of the Armed Forces of the United States or any dependent of such person who served in Vietnam shall not be considered as income for the purpose of determining eligibility or continuing eligibility for public assistance and shall not be subject to a lien or be available for repayment to the Commonwealth for public assistance received by the recipient.

(10) When determining if an applicant for services or assistance provided under this chapter meets the applicable income eligibility guidelines, the cabinet shall only consider the most recent income verification data that is available.

(11) (a) Notwithstanding any other provision of Kentucky law, the following shall be disregarded for the purposes of determining an individual's eligibility for a means-tested public assistance program, and the amount of assistance or benefits the individual is eligible to receive under the program:

1. Any amount in an ABLE account;
2. Any contributions to an ABLE account; and
3. Any distribution from an ABLE account for qualified disability expenses.

(b) For purposes of this subsection:

1. "ABLE account" means an account established within any state having a qualified ABLE program as provided in 26 U.S.C. sec. 529A, as amended;
2. "Kentucky law" includes:
   a. All provisions of the Kentucky Revised Statutes:
   b. Any contract to provide Medicaid managed care established
pursuant to this chapter;

c. Any agreement to operate a Medicaid program established pursuant to this chapter; and

d. Any administrative regulation promulgated pursuant to this chapter; and

3. "Qualified disability expenses" means expenses described in 26 U.S.C. sec. 529A of a person who is the beneficiary of an ABLE account.

Section 12. KRS 205.2005 is amended to read as follows:

(1) Any public assistance recipient under Title IV of the Federal Social Security Act and any federal food stamp program recipient who is convicted of a felony offense under KRS Chapter 218A after August 22, 1996, may remain eligible for the program benefits if the recipient is assessed as having a substance use disorder and is participating in or has successfully completed a substance use disorder treatment program or is pregnant, and the recipient is otherwise eligible.

(2) Any public assistance recipient under Title XIX of the Federal Social Security Act who is convicted of a felony offense under KRS 218A after the effective date of this Act and whose sentence did not include mandatory treatment for a substance use disorder, may remain eligible for the program benefits if within ninety (90) days of release from incarceration the recipient begins treatment, including but not limited to inpatient treatment, outpatient treatment, group counseling, or individual counseling, for a substance use disorder or is pregnant, and the recipient is otherwise eligible.

Section 13. KRS 205.725 is amended to read as follows:

(1) Whenever the cabinet receives an application for public assistance on behalf of a needy dependent child or reviews the records of those currently receiving public assistance on behalf of a needy dependent child and it appears to the satisfaction of
the cabinet that either or both parents have failed to provide support to the child, the cabinet may take appropriate action under this chapter, or any other appropriate state and federal laws and regulations, to assure that the responsible parent or parents provide support to the child.

(2) In order to remain eligible for public assistance, the custodial parent of a needy dependent child shall, upon request, provide the cabinet with the name of the needy dependent child's noncustodial parent and any other known information that may assist the cabinet in fulfilling its obligations under subsection (1) of this section and KRS 205.730.

(3) The provisions of subsections (1) and (2) of this section shall not apply if:

(a) The cabinet has reason to believe allegations of child abuse or domestic violence and that the disclosure of information required by subsection (2) of this section could be harmful to the custodial parent or the child;

(b) The cabinet believes that enforcing the provisions of subsections (1) and (2) of this section may not be in the best interest of the child; or

(c) The custodial parent is the child's mother and she did not identify a father on the child's birth certificate at the time of birth.

(4) As used in KRS 205.730, 205.735, 205.765, and 205.785, the term "child" includes a child of an individual who is not receiving public assistance and who is eligible to receive child support services in accordance with Title IV-D of the Social Security Act.

Section 14. KRS 441.045 is amended to read as follows:

(1) The county governing body shall prescribe rules for the government, security, safety, and cleanliness of the jail and the comfort and treatment of prisoners, provided such rules are consistent with state law. The county judge/executive may inspect the jail at any reasonable time.

(2) Willful violation of the rules promulgated pursuant to subsection (1) of this section
shall be deemed a violation.

(3) Except as provided in subsections (4) and (5) of this section, the cost of providing necessary medical, dental, and psychological care for indigent prisoners in the jail shall be paid from the jail budget.

(4) The cost of providing necessary medical, dental, or psychological care for prisoners of the United States government shall be paid as provided by contract between the United States government and the county or as may otherwise be provided by federal law.

(5) (a) The cost of providing necessary medical, dental, or psychological care, beyond routine care and diagnostic services, for prisoners held pursuant to a contractual agreement with the state shall be paid as provided by contract between the state and county. The costs of necessary medical, dental, or psychological care, beyond routine care and diagnostic services, of prisoners held in the jail for which the county receives a per diem payment shall be paid by the state.

(b) To the extent that federal law allows and federal financial participation is available, for the limited purpose of implementing this section, the jail, the department, or the department's designee is authorized to act on behalf of an inmate for purposes of applying for Medicaid eligibility.

(6) The cost of providing necessary medical, dental, or psychological care for prisoners held pursuant to a contractual agreement with another county or a city shall be paid as provided by contract between the county or city and county.

(7) (a) When the cost of necessary medical, dental, or psychological care for a prisoner exceeds one thousand dollars ($1,000), as calculated by using the maximum allowable costs to similar persons or facilities for the same or similar services under the Kentucky Medical Assistance Program, the state shall reimburse the county for that portion of the costs that exceeds one
thousand dollars ($1,000). The reimbursement shall be subject to the
following terms and conditions:

1. The care is necessary as defined in subsection (10) of this section;
2. The prisoner is indigent as defined in subsection (8) of this section, or is
   uninsured; and
3. No state reimbursement to the county for care provided by physicians,
hospitals, laboratories, or other health care providers shall exceed the
maximum payments allowed to similar persons or facilities for the same
or similar services under the Kentucky Medical Assistance Program,
except as provided in subsection (11) of this section.

(b) A county may assign its ability to receive payment from the state under this
subsection to the person providing the medical, dental, or psychological care
to the prisoner, which assignment shall be accepted by the provider for the
purposes of submitting billing directly to the state. The state shall pay or deny
a claim submitted to it within ninety (90) days of receiving the claim. The
county shall include with the assignment the information required by
subsection (8) of this section necessary to qualify the prisoner as indigent. The
provider shall bill for any other public or private health benefit plan or health
insurance benefits available to the prisoner prior to billing the state under this
subsection, and shall bill the state prior to billing the county. The county shall
retain ultimate payment responsibility as established under subsection (3) of
this section, and the provider may bill the county for payment after the
expiration of ninety (90) days from the date the provider submitted the claim
to the state for payment if the claim remains unpaid at that time.

(8) (a) The determination of whether a prisoner is indigent shall be made pursuant to
KRS 31.120, and may be evidenced by the affidavit of indigency required by
that statute or the appointment of a public defender under that statute. The
prisoner shall not be considered indigent, in the case of prisoner medical care, if:

1. The prisoner has funds on his inmate account to cover all or a portion of his medical expenses;

2. The prisoner's medical expenses are covered on a medical insurance policy; or

3. The prisoner has the private resources to pay for the use of the medical facilities.

(b) Prisoners who are later determined not to have been indigent, or who at a time following treatment are no longer indigent, shall be required to repay the costs of payments made pursuant to this section to the unit of government which made the payment.

(9) The terms and conditions relating to any determination of nonindigency and demands for repayment shall be under the same terms and conditions as are provided under KRS Chapters 31 and 431 relating to similar circumstances in the program for defense of indigents by the public advocate.

(10) For the purposes of this section, "necessary care" means care of a nonelective nature that cannot be postponed until after the period of confinement without hazard to the life or health of the prisoner.

(11) Any money appropriated for a given fiscal year to fund the state's obligation under subsection (7) of this section which remains unspent at the end of the year shall not lapse but shall be made available to satisfy, to the maximum extent possible, that portion of each catastrophic claim made during said year above the threshold amount for which the county did not receive state assistance pursuant to subsection (7) of this section. In the event there is an insufficient surplus to satisfy said balance of all such catastrophic claims which are made during that year, the state shall pay to those qualified counties, on a per claim basis, an amount equal to each claim's
percentage of the total surplus. Should the surplus be sufficient to satisfy all such
catastrophic claims, the amount remaining, if any, shall not lapse but shall be
carried forward to the next fiscal year to be made available for future catastrophic
claims.

(12) Notwithstanding other provisions of this section to the contrary, a jail may impose a
reasonable fee for the use of jail medical facilities by a prisoner who has the ability
to pay for the medical care. These funds may be deducted from the prisoner's inmate
account. A prisoner shall not be denied medical treatment because he has
insufficient funds on his inmate account. This subsection shall not preclude other
recovery of funds as provided in this section.

(13) (a) Notwithstanding any other provision of this section to the contrary, a jail may
impose a reasonable fee for the use of jail medical facilities by a state prisoner
who has been placed in a local jail pursuant to a contract with the Department
of Corrections under KRS 532.100 or other statute, and who has the ability to
pay for medical care.

(b) Funds may be deducted from the state prisoner's inmate account at the jail.

(c) A state prisoner shall not be denied medical treatment because he or she has
insufficient funds in his or her inmate account.

(d) This subsection shall not preclude other recovery of funds as provided in this
section.

(e) This subsection does not authorize recovery of funds from a prisoner for
medical care which has been paid or reimbursed by the state pursuant to this
section.

(14) Except as provided in subsection (4) of this section, all payments for necessary
medical, dental, or psychological care for jail, regional jail, or holdover prisoners
shall be made at a rate not to exceed the Medicaid rate for the same or similar
services, which shall be paid within thirty (30) days under the provisions of KRS
65.140 of receiving a claim from the health facility or provider for the item or service. This subsection shall not obligate the Medicaid program to pay for services provided to a prisoner.

(15) (a) A peace officer or correctional officer having custody of a person shall not release the person from custody so that the person may receive treatment from a health care facility or health care provider, except pursuant to an order issued by a court of competent jurisdiction which specifically names the person to receive treatment.

(b) A peace officer or correctional officer having custody of a person may take the person to a health care facility or health care provider for the purpose of receiving treatment if a correctional officer remains with the person during the time the person is on the premises of the health care facility or health care provider, unless the facility or provider consents to the absence of the officer.

(c) A county, urban-county, consolidated local government, charter county, unified local government, jail, regional jail, holdover, local detention center, or other local correctional facility shall not be responsible for paying for the medical or other health care costs of a person who is released by a court of competent jurisdiction, except where the release is for the purpose of receiving medical or other health care services as evidenced by an order requiring the person to return to custody upon completion of treatment.

(d) When a county, urban-county, consolidated local government, charter county, unified local government, jail, regional jail, holdover, local detention center, or other local correctional facility is responsible for paying for medical or other health care costs under paragraph (c) of this subsection, payment shall be made only at the Medicaid rate for same or similar services.

(e) For the purposes of this subsection, "correctional officer" includes a:

1. Jailer or deputy jailer;
2. Director or other person in charge of a local detention center, local correctional facility, or regional jail; and

3. Correctional officer employed by a local detention center, local correctional facility, or regional jail.

(16) (a) The jailer shall notify the Cabinet for Health and Family Services Department of Community Based Services:

1. When a county prisoner, if not released within forty-eight (48) hours of arrest, is incarcerated; and

2. At least forty-eight (48) hours prior a county prisoner's release from incarceration.

(b) For the purposes of this subsection, "county prisoner" means any prisoner not held pursuant to a contractual agreement with the state or the United States government.