1		AN ACT relating to public assistance.
2	Be i	t enacted by the General Assembly of the Commonwealth of Kentucky:
3		→SECTION 1. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
4	REA	AD AS FOLLOWS:
5	<u>For</u>	the purposes of Sections 3, 12, 15, 16, 17, 18, and 20 of this Act, unless context
6	requ	tires otherwise:
7	<u>(1)</u>	"Cash assistance":
8		(a) Means cash benefits provided under this chapter, including via an
9		electronic benefit transfer card; and
0		(b) Does not include foster care payments, kinship care payments, fictive kin
1		care payments, or relative placement payments made by the cabinet; and
2	<u>(2)</u>	"Public Assistance" has the same meaning as in KRS 205.010 but does not
13		include foster care payments, kinship care payments, fictive kin care payments, or
4		relative placement payments made by the cabinet.
5		→SECTION 2. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
6	REA	AD AS FOLLOWS:
17	<u>(1)</u>	Within ninety (90) days of the effective date of this Act and in each biennium
8		thereafter, the cabinet shall conduct an analysis of state expenditures related to
9		the provisions of services, support, and assistance under 42 U.S.C. sec. 601 et seq.
20		The analysis conducted pursuant to this section shall include identification of
21		any unobligated funds and actions necessary to access those funds.
22	<u>(2)</u>	If the cabinet, through the analysis required by this section, identifies any
23		unobligated funds, allocation of those funds shall prioritize:
24		(a) The provision of prevention services for families at risk of entering the child
25		welfare system; and
26		(b) Additional work supports and supportive services as permitted under 42
27		U.S.C. sec. 601 et seg.

1	→SECTION 3. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
2	READ AS FOLLOWS:
3	(1) As used in this section:
4	(a) "Alcoholic beverage" has the same meaning as in KRS 241.010;
5	(b) "Cash recipient of public assistance benefits" means any individual who
6	receives cash assistance via an electronic benefit transfer card or any other
7	form of cash assistance under Title IV of the Social Security Act, the
8	Supplemental Nutrition Assistance Program, or any other public assistance
9	program administered by the cabinet;
10	(c) "Tobacco product" has the same meaning as in KRS 438.305; and
11	(d) "Vapor product" has the same meaning as in KRS 438.305.
12	(2) A cash recipient of public assistance benefits shall not use any portion of his or
13	her benefits to purchase alcoholic beverages, tobacco products, vapor products
14	or lottery tickets, or to purchase any goods or services in a casino, an
15	establishment that provides adult-oriented entertainment in which performers
16	disrobe or perform in an unclothed state, a tattoo or body piercing facility, or a
17	retail establishment the primary purpose of which is the sale of alcoholic
18	beverages, tobacco products, or vapor products.
19	(3) If a cash recipient of public assistance benefits uses an automated teller machine
20	or any other means or device to withdraw cash using an electronic benefit
21	transfer card issued by the cabinet, that cash may only be used for goods and
22	services necessary for the welfare of the family, including but not limited to food
23	clothing, housing, utilities, child care, transportation, medicine, and medica
24	<u>supplies.</u>
25	(4) Any person who violates subsection (2) or (3) of this section shall be subject to the
26	following sanctions:
27	(a) Upon the first violation, the recipient shall be disqualified from receiving

1		public assistance benefits by means of a direct cash payment or an
2		electronic benefits transfer card for one (1) month;
3	<u>(b)</u>	Upon the second violation, the recipient shall be disqualified from receiving
4		public assistance benefits by means of a direct cash payment or an
5		electronic benefits transfer card for three (3) months; and
6	<u>(c)</u>	Upon the third violation, the recipient shall be disqualified from receiving
7		public assistance benefits by means of a direct cash payment or an
8		electronic benefits transfer card for a period of five (5) years.
9	(5) The	cabinet shall:
10	<u>(a)</u>	Within ninety (90) days after the effective date of this Act, begin utilizing a
11		single electronic benefit transfer card for each cash recipient of public
12		assistance benefits regardless of in which public assistance program the
13		individual is enrolled;
14	<u>(b)</u>	Through any means practical, inform all applicants for and cash recipients
15		of public assistance benefits of the restrictions and sanctions contained in
16		this section;
17	<u>(c)</u>	Monitor the use of electronic benefit transfer cards to withdraw cash and
18		investigate cases in which it believes cash benefits may be being used in
19		violation of subsection (3) of this section; and
20	<u>(d)</u>	Within ninety (90) days after the effective date of this Act, promulgate
21		administrative regulations in accordance with KRS Chapter 13A necessary
22		to administer this section.
23	(6) Subs	section 5(a) of this section shall not apply to foster care payments, kinship
24	<u>care</u>	payments, fictive kin care payments, or relative placement payments made by
25	the c	<u>cabinet.</u>
26	<b>→</b> S	ECTION 4. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
27	READ AS	S FOLLOWS:

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I	(1) The General Assembly hereby affirms the mission of the Supplemental Nutrition
2	Assistance Program, formerly known as the federal food stamp program, to
3	supplement the food budgets of needy families so that they can purchase healthy
4	food and move toward self-sufficiency. To that end, the General Assembly
5	recommends that Supplemental Nutrition Assistance Program beneficiaries use
6	at least seventy-five percent (75%) of their monthly benefits to purchase healthy
7	foods, including fresh fruits, fresh vegetables, and whole grains, and that
8	beneficiaries utilize the Kentucky Double Dollars program to enhance the
9	purchasing power of their Supplemental Nutrition Assistance Program benefits
10	by purchasing fresh produce from local farmers' markets.
11	(2) To the extent that surplus Supplemental Nutrition Assistance Program Education
12	funds are available at the end of each federal fiscal year, the cabinet shall
13	coordinate with the Department of Agriculture to provide support to expand
14	access by Supplemental Nutrition Assistance Program beneficiaries to farmers'
15	markets across the Commonwealth.
16	→SECTION 5. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
17	READ AS FOLLOWS:
18	In order to improve access to the Supplemental Nutrition Assistance Program, reduce
19	administrative costs associated with the program, and enhance program integrity, the
20	cabinet shall, within ninety (90) days after the effective date of this Act:
21	(1) Establish a transitional benefit alternative as described in 7 C.F.R. secs. 273.26 to
22	<u>273.32;</u>
23	(2) Request a waiver from the United States Department of Agriculture to
24	implement:
25	(a) An Elderly Simplified Application Project for individuals who have no
26	earned income and who are over sixty (60) years of age or who are
27	disabled; and

1	$\underline{(b)}$	A standard medical deduction waiver for individuals who are over
2		sixty (60) years of age or are disabled;
3	(3) Establish	procedures to allow Supplemental Nutrition Assistance Program
4	<u>beneficia</u>	ries to recertify eligibility online;
5	(4) Request of	a waiver from the United States Department of Agriculture relating to
6	Suppleme	ental Nutrition Assistance time limit exception established in 7 C.F.R.
7	sec. 273.2	24(c)(4);
8	(5) Require	all households receiving Supplemental Nutrition Assistance benefits,
9	except for	r those households described in subsection (2) of this section, to comply
10	with the	certified change reporting requirements established in 7 C.F.R. sec.
11	273.12(a)	<u>; and</u>
12	(6) Promulge	tte administrative regulations in accordance with KRS Chapter 13A
13	<u>necessar</u> )	for the purpose of carrying out this section.
14	→SECTI	ON 6. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
15	READ AS FOI	LOWS:
16	(1) If at any	time after the effective date of this Act, fifty percent (50%) or more of the
17	general	fund budget request for the provision of services under the state's
18	medical d	assistance program is needed to provide the state match required to
19	support t	he expanded Medicaid population, the cabinet, to the extent permitted
20	<u>under fe</u>	deral law, shall implement a community engagement program that
21	<u>requires</u>	all able-bodied adults without dependents who have been in the state's
22	<u>medical a</u>	assistance program for more than twelve (12) months to participate in at
23	<u>least eigh</u>	ty (80) hours of qualifying activities each month.
24	(2) If the co	abinet implements a community engagement program pursuant to
25	subsectio	n (1) of this section, the program shall utilize the requirements
26	<u>establish</u>	ed in 7 C.F.R. sec. 273.24.
27	(3) As used in	n this section:

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1	(a) "Able-bodied adult without dependents" means an individual who is:
2	1. Over eighteen (18) years of age but under sixty (60) years of age;
3	2. Physically and mentally able to work as determined by the cabinet;
4	<u>and</u>
5	3. Not primarily responsible for the care of a dependent child under the
6	age of eighteen (18) or a dependent disabled adult relative; and
7	(b) ''Expanded Medicaid population'' means individuals made eligible for
8	Medicaid pursuant to Pub. L. No. 111-148.
9	→SECTION 7. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
10	READ AS FOLLOWS:
11	Notwithstanding any provision of law to the contrary, the cabinet shall not exercise the
12	state's option to develop a basic health program as permitted under 42 U.S.C. sec.
13	18051 without first obtaining specific authorization from the General Assembly to do
14	<u>so.</u>
15	→SECTION 8. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
16	READ AS FOLLOWS:
17	When the Department for Medicaid Services receives federal funding for the state's
18	medical assistance program which is contingent on temporary maintenance of effort
19	restrictions, such as those restrictions imposed under Pub. L. No. 116-127 sec. 6008, or
20	is, for any reason, limited in its ability to disenroll individuals from the state's medical
21	assistance program, the department shall:
22	(1) (a) Continue to conduct eligibility redeterminations as in the normal course of
23	business; and
24	(b) Act on those redeterminations to the fullest extent permitted under federal
25	<u>law; and</u>
26	(2) Within sixty (60) days after the expiration of any federally imposed restrictions,
27	complete a full audit in which the department shall:

1	(a) Complete and act on eligibility reacterminations for all cases that have not
2	had a redetermination within the previous twelve (12) months; and
3	(b) 1. Request approval from the federal Centers for Medicare and Medicaid
4	Services to conduct and act on eligibility redeterminations for each
5	individual who was enrolled during the period of federally imposed
6	restrictions and has been enrolled for more than three (3) months.
7	2. If the department receives the federal approval requested pursuant to
8	this paragraph, the department shall, within sixty (60) days of
9	receiving federal approval, conduct and act on eligibility
10	determinations for individuals described in subparagraph (1) of this
11	paragraph.
12	→SECTION 9. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
13	READ AS FOLLOWS:
14	Unless expressly required under federal law, neither the cabinet nor the Department
15	for Medicaid Services shall be designated as a qualified health entity for the purpose of
16	making presumptive eligibility determinations for the state's medical assistance
17	program.
18	→SECTION 10. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
19	READ AS FOLLOWS:
20	(1) When making presumptive eligibility determinations for the state's medical
21	assistance program, it shall be the responsibility of a hospital to:
22	(a) Notify the Department for Medicaid Services of each presumptive eligibility
23	determination within five (5) business days from the date the determination
24	was made;
25	(b) Assist individuals determined to be presumptively eligible with completing
26	and submitting a full Medicaid application;
27	(c) Notify the presumptively eligible individual in writing and on all relevant

1			forms, in plain language and large print, that if he or she does not file a full
2			Medicaid application with the department before the last day of the
3			following month, presumptive eligibility will end on that day; and
4		<u>(d)</u>	Notify the presumptively eligible individual that if he or she files a full
5			Medicaid application with the department before the last day of the
6			following month, presumptive eligibility coverage will continue until an
7			eligibility determination is made on the application.
8	<u>(2)</u>	The	Department for Medicaid Services shall use the following standards to
9		ensi	re an accurate presumptive eligibility determination for each presumptive
10		<u>eligi</u>	bility determination made by a hospital:
11		<u>(a)</u>	The hospital notified the department by submitting a Medicaid presumptive
12			eligibility card to the department within five (5) business days from the date
13			of determination;
14		<u>(b)</u>	A full Medicaid application was completed by the presumptively eligible
15			individual and received by the department before the expiration of the
16			presumptive eligibility period; and
17		<u>(c)</u>	If a full Medicaid application was received by the department, the individual
18			was determined to be eligible for full Medicaid coverage.
19	<u>(3)</u>	(a)	The first time a hospital fails to meet any of the standards established in
20			subsection (2) of this section for any presumptive eligibility determination
21			made by the hospital during the previous twelve (12) months, the
22			Department for Medicaid Services shall notify the hospital, in writing and
23			within five (5) business days from when the standard was not met, of the
24			following:
25			1. A description of the standard that was not met and an explanation of
26			how it was not met; and
27			2. Confirmation that a second finding of failure to meet any of the

1		standards established in subsection (2) of this section during the next
2		twelve (12) months will result in a requirement that all applicable
3		hospital staff participate in mandatory training on hospital
4		presumptive eligibility rules and regulations to be conducted by the
5		department.
6	<u>(b)</u>	The second time a hospital fails to meet any of the standards established in
7		subsection (2) of this section for any presumptive eligibility determination
8		made by the hospital in a twelve (12) month period, the Department for
9		Medicaid Services shall notify the hospital, in writing and within five (5)
10		business days from when the standard was not met, of the following:
11		1. A description of the standard that was not met and an explanation of
12		how it was not met;
13		2. Confirmation that all applicable hospital staff will be required to
14		participate in mandatory training on hospital presumptive eligibility
15		rules and regulations to be conducted by the department, including the
16		date, time, and location of the training as determined by the
17		department;
18		3. A description of available appellate procedures by which the hospital
19		may dispute the finding of failure and remove the finding by providing
20		clear and convincing evidence that the standard was met; and
21		4. Confirmation that if the hospital again fails to meet the standards
22		established in subsection (2) of this section during the next twelve (12)
23		months, the hospital will no longer be permitted to make presumptive
24		eligibility determinations.
25	<u>(c)</u>	The third time a hospital fails to meet any of the standards established in
26		subsection (2) of this section for any presumptive eligibility determination
27		made by the hospital in a twelve (12) month period, the Department for

1	Medicaid Services shall notify the hospital, in writing and within five (5)
2	business days from when the standard was not met, of the following:
3	1. A description of the standard that was not met and an explanation of
4	how it was not met;
5	2. A description of available appellate procedures by which the hospital
6	may dispute the finding of failure and remove the finding by providing
7	clear and convincing evidence that the standard was met; and
8	4. Confirmation that, effective immediately, the hospital is no longer
9	permitted to make presumptive eligibility determinations.
10	(4) Within ninety (90) days after the effective date of this Act, the cabinet shall, in
11	accordance with KRS Chapter 13A, promulgate administrative regulations
12	necessary for the purpose of carrying out this section.
13	→SECTION 11. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
14	READ AS FOLLOWS:
15	To the extent permitted under federal law, the state's medical assistance program shall
16	provide coverage for substance use disorder treatment, including peer support services
17	and substance use disorder treatment and patient navigation provided by a licensed
18	clinical social worker, for incarcerated individuals.
19	→SECTION 12. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
20	READ AS FOLLOWS:
21	(1) If a custodial parent of a dependent child is disqualified from receiving cash
22	assistance benefits pursuant to Section 3 or 17 of this Act, the dependent child's
23	eligibility and any other adult family member's eligibility for cash assistance
24	benefits shall not be affected, and the custodial parent may choose to designate
25	another person as a protective payee to receive benefits on behalf of the
26	dependent child. The protective payee shall be an adult immediate family member
27	of the dependent child, if such a person is available. The protective payee shall be

1	approvea by the cabinet.
2	(2) Within ninety (90) days after the effective date of this Act, the cabinet shall
3	promulgate administrative regulations, in accordance with KRS Chapter 13A,
4	necessary for the purpose of carrying out this section.
5	→SECTION 13. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
6	READ AS FOLLOWS:
7	The Cabinet for Health and Family Services shall report to the Public Assistance
8	Oversight and Advisory Committee, established in Section 15 of this Act, on efforts to
9	implement Sections 2, 3, 5, 7, 8, 9, 10, 11, 12, 16, 17, 20, 22, 23, 24, and 28 of this Act
10	no later than December 1, 2022, within one (1) year after the effective date of this Act,
11	and at any time thereafter upon request from the Public Assistance Oversight and
12	Advisory Committee or any other legislative committee.
13	→ SECTION 14. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO
14	READ AS FOLLOWS:
15	The Attorney General shall:
16	(1) On behalf of the Commonwealth of Kentucky, have jurisdiction to enforce this
17	chapter; and
18	(2) Bring an action against the Cabinet for Health and Family Services if any
19	provision of Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 16, 17, 20, 22, 23, 24, and 28
20	are not fully implemented as required by this Act.
21	→ Section 15. KRS 6.940 is amended to read as follows:
22	(1) There is hereby established a <u>Public Assistance</u> [Medicaid] Oversight and Advisory
23	Committee, consisting of ten (10) members appointed as follows: four (4) members
24	of the Senate appointed by the President of the Senate; one (1) member of the
25	minority party in the Senate appointed by the Minority Floor Leader in the Senate;
26	four (4) members of the House of Representatives appointed by the Speaker of the
27	House of Representatives; and one (1) member of the minority party in the House of

1		Representatives appointed by the Minority Floor Leader in the House of
2		Representatives.
3	<u>(2)</u>	Members appointed from each chamber shall elect one (1) member from their
4		chamber to serve as co-chair. The co-chairs shall have joint responsibilities for
5		committee meeting agendas and presiding at committee meetings.
6	<u>(3)</u>	The committee shall meet at least four (4) times annually.
7	<u>(4)</u>	The committee[ and] shall provide oversight on the implementation and
8		<u>administration</u> of <u>all public assistance programs[Medicaid]</u> within the
9		Commonwealth, including access to services and benefits, utilization of services
10		and benefits, quality of services and benefits, and cost containment. The committee
11		shall also examine strategies to promote participation in the workforce by public
12		assistance beneficiaries.
13	<u>(5)</u> [(	2)] A majority of the entire membership of the <u>Public Assistance</u> [Medicaid]
14		Oversight and Advisory Committee shall constitute a quorum, and all actions of the
15		committee shall be by vote of a majority of its entire membership.
16		→ Section 16. KRS 205.178 is amended to read as follows:
17	(1)	At a regularly scheduled interval, each enrollment or benefit tracking agency
18		associated with the Medicaid program or the <b>Supplemental Nutrition Assistance</b>
19		<u>Program</u> [food stamps program ] of the cabinet shall receive and review information
20		from the Kentucky Lottery Corporation concerning individuals enrolled as
21		recipients in the Medicaid program or the Supplemental Nutrition Assistance
22		Program[food stamps program] that indicates a change in circumstances that may
23		affect eligibility, including but not limited to changes in income or resources.
24	(2)	On at least a monthly basis, each enrollment or benefit tracking agency associated
25		with the Medicaid program or the <b>Supplemental Nutrition Assistance Program</b>

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[food stamps program ]of the cabinet shall receive and review information from the

Vital Statistics Branch concerning individuals enrolled in the Medicaid program or

1		the <u>Supplemental Nutrition Assistance Program</u> [food stamps program ]that
2		indicates a change in circumstances that may affect eligibility.
3	(3)	On at least a monthly basis, each enrollment or benefit tracking agency
4		associated with the Supplemental Nutrition Assistance Program of the cabinet
5		shall receive and review information from the Administrative Office of the Courts
6		concerning individuals enrolled in the Supplemental Nutrition Assistance
7		Program that indicates a change in circumstances that may affect eligibility,
8		including but not limited to incarceration status.
9	<u>(4)</u>	On at least a quarterly basis, each enrollment or benefit tracking agency associated
10		with the Medicaid program or the Supplemental Nutrition Assistance Program
11		[food stamps program] of the cabinet shall receive and review information from the
12		Kentucky Office of Unemployment Insurance concerning individuals enrolled in the
13		Medicaid program or the Supplemental Nutrition Assistance Program [food
14		stamps program ]that indicates a change in circumstances that may affect eligibility,
15		including but not limited to changes in employment or wages.
16	<u>(5){</u> (	(4)] On at least a quarterly basis, each enrollment or benefit tracking agency
17		associated with the Medicaid program or the Supplemental Nutrition Assistance
18		<u>Program[food stamps program]</u> of the cabinet shall receive and review information
19		concerning individuals enrolled in the Medicaid program or the Supplemental
20		Nutrition Assistance Program[ food stamps program] that indicates a change in
21		circumstances that may affect eligibility, including but not limited to potential
22		changes in residency as identified by out-of-state electronic benefit transfer
23		transactions.
24	<u>(6)</u>	On at least a quarterly basis, each enrollment or benefit tracking agency
25		associated with the Supplemental Nutrition Assistance Program of the cabinet
26		shall receive and review information the Department of Revenue concerning
27		individuals enrolled in the Supplemental Nutrition Assistance Program that

1	<u>indi</u>	cates a change in circumstances that may affect eligibility, including but not
2	<u>limi</u>	ted to changes in income, wages, or residency as identified in tax records.
3	<u>(7)</u> [(5)	(a) Notwithstanding any other provision of law to the contrary:[,]
4	<u>(a)</u>	Each enrollment or benefit tracking agency associated with the Medicaid
5		program or the <u>Supplemental Nutrition Assistance Program</u> [food stamps
6		program ]of the cabinet shall enter into a memorandum of understanding with
7		any department, agency, or division for information detailed in this section:
8		$\underline{and}_{\overline{\{\cdot,\cdot\}}}$
9	(b)	[Notwithstanding any other provision of law to the contrary, ]Any department,
10		agency, or division for information detailed in this section, including but not
11		limited to the Kentucky Lottery Corporation, the Vital Statistics Branch, the
12		Office of Unemployment Insurance, and the Department for Community
13		Based Services, shall enter into any necessary memoranda of understanding
14		with the enrollment or benefit tracking agency associated with the Medicaid
15		program or the <u>Supplemental Nutrition Assistance Program</u> [food stamps
16		program lrequesting an agreement pursuant to paragraph (a) of this
17		subsection.
18	<u>(8)[(6)]</u>	Each enrollment or benefit tracking agency associated with the Medicaid
19	prog	gram or the <u>Supplemental Nutrition Assistance Program</u> [ food stamps
20	prog	<del>(ram)</del> of the cabinet may contract with one (1) or more independent vendors to
21	prov	ride additional data or information that may indicate a change in circumstances
22	that	may affect eligibility.
23	<u>(9)</u> [(7)]	Each enrollment or benefit tracking agency associated with the Medicaid
24	prog	gram or the Supplemental Nutrition Assistance Program [food stamps program
25	<del>]</del> of	the cabinet shall explore joining any multistate cooperative to identify
26	indi	viduals who are also enrolled in public assistance programs outside of this state.
27	<u>(10)</u> [(8)]	If an enrollment or benefit tracking agency associated with the Medicaid

1	program or the Supplemental Nutrition Assistance Program [food stamps program
2	of the cabinet receives information concerning an individual enrolled in the
3	Medicaid program or the Supplemental Nutrition Assistance Program [food
4	stamps program ]that indicates a change in circumstances that may affect eligibility,
5	the enrollment or benefit tracking agency or other appropriate agency shall review
6	the individual's case.
7	(11) (a) Unless expressly required by federal law, the cabinet shall not seek, apply
8	for, accept, or renew any waiver of work requirements established by the
9	Supplemental Nutrition Assistance Program under 7 U.S.C. sec. 2015(o)
10	without first obtaining specific authorization from the General Assembly to
11	<u>do so.</u>
12	(b) The cabinet shall not exercise the state's option under 7 U.S.C. sec.
13	2015(o)(6).
14	(c) The cabinet shall assign all individuals who are subject to work
15	requirements under 7 U.S.C. sec. 2015(d)(1) to an employment and training
16	program as defined in 7 U.S.C. sec. 2015(d)(4).
17	[(9) The food stamps program of the cabinet shall not seek, apply for, accept, or renew
18	any waiver of requirements established under 7 U.S.C. sec. 2015(o) unless there is
19	an economic downturn resulting in an unemployment rate of ten percent (10%) or
20	more or the Cabinet for Health and Family Services determines an increase in the
21	unemployment rate in any particular county is severe enough to necessitate a
22	waiver.]
23	(12) [(10)] The cabinet shall promulgate all rules and regulations necessary for the
24	purposes of carrying out this section.
25	(13) [(11)] Upon request from the Legislative Research Commission, the Cabinet for
26	Health and Family Services shall submit a report relating to the number of
27	individuals discovered utilizing services inappropriately, the number of individuals

who were removed from one (1) or more public assistance programs as a result of a review pursuant to this section, and the amount of public funds preserved in total and by public assistance program and aggregated by prior years.

→ Section 17. KRS 205.200 is amended to read as follows:

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- (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 *or she* has made a proper application or an application has been made on his *or her* 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.
- 12 (2)The secretary shall, by administrative regulations, prescribe the conditions of 13 eligibility for public assistance in conformity with the public assistance titles of the 14 Social Security Act, its amendments, and other federal acts and regulations. The 15 secretary shall also promulgate administrative regulations to allow for between a 16 forty percent (40%) and a forty-five percent (45%) ratable reduction in the method 17 of calculating eligibility and benefits for public assistance under Title IV-A of the 18 Federal Social Security Act. In no instance shall grants to families with no income 19 be less than the appropriate grant maximum used for public assistance under Title 20 IV-A of the Federal Social Security Act. As used in this section, "ratable reduction" 21 means the percentage reduction applied to the deficit between the family's countable 22 income and the standard of need for the appropriate family size.
- 23 (3) The secretary may by administrative regulation prescribe as a condition of eligibility
  24 that a needy child regularly attend school, and may further by administrative
  25 regulation prescribe the degree of relationship of the person or persons in whose
  26 home such needy child must reside.
- 27 (4) The secretary may by administrative regulation prescribe conditions for bringing

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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.

- 4 (5) Public assistance shall not be payable to or in behalf of any individual who has
  5 taken any legal action in his *or her* own behalf or in the behalf of others with the
  6 intent and purpose of creating eligibility for the assistance.
- 7 (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.
- 10 (7) No person shall be eligible for public assistance payments if, after having been 11 determined to be potentially responsible, and afforded notice and opportunity for 12 hearing, he refuses without good cause:
- 13 (a) To register for employment with the state employment service,
- 14 (b) To accept suitable training, or
- 15 (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.
- 18 (8) To the extent permitted by federal law, scholarships, grants, or other types of 19 financial assistance for education shall not be considered as income for the purpose 20 of determining eligibility for public assistance.
- 21 (9) To the extent permitted by federal law, any money received because of a settlement 22 or judgment in a lawsuit brought against a manufacturer or distributor of "Agent 23 Orange" for damages resulting from exposure to "Agent Orange" by a member or 24 veteran of the Armed Forces of the United States or any dependent of such person 25 who served in Vietnam shall not be considered as income for the purpose of 26 determining eligibility or continuing eligibility for public assistance and shall not be 27 subject to a lien or be available for repayment to the Commonwealth for public

1	assistance received by the recipient.
2	(10) (a) Categorical eligibility as described in 7 U.S.C. sec. 2014(a) and 7 C.F.R.
3	sec. 273.2(j) shall not be granted for any noncash benefits, in-kind benefits,
4	or any other benefit administered under this chapter, unless expressly
5	required by federal law.
6	(b) The cabinet shall not apply gross income standards for assistance that are
7	higher than the standards established in 7 U.S.C. sec. 2014(c), unless
8	expressly required by federal law. Categorical eligibility exempting
9	households from such gross income standards requirements shall not be
10	granted for any noncash benefits, in-kind benefits, or any other benefit
11	administered under this chapter, unless expressly required by federal law.
12	(11) For the purpose of determining eligibility for medical assistance under Title XIX
13	of the Social Security Act, the cabinet shall not, unless expressly required by
14	federal law, accept self-attestation of income, residency, age, household
15	composition, caretaker or relative status, or receipt of other coverage without
16	verification prior to enrollment, and the cabinet shall not request federal
17	authorization or approval to waive or decline to periodically check any available
18	income-related data source to verify eligibility.
19	(12) When determining whether an applicant for services or assistance provided under
20	this chapter meets the applicable income eligibility guidelines, the cabinet shall
21	only use the most recent income verification data available.
22	(13) To the extent permitted under federal law, if an individual traffics, sells,
23	distributes, gives, or otherwise transfers an electronic benefit transfer card issued
24	by the department for money, service, or other valuable consideration, the
25	individual may be deemed ineligible for all public assistance programs
26	administered by the cabinet under this chapter for a period of not more than six
27	(6) months for a first offense and may be deemed permanently ineligible for all

1	<u>pub</u>	lic ass	sistance programs administered by the cabinet under this chapter for
2	subs	sequer	nt offenses.
3	<u>(14)</u> [(10)]	(a)	Notwithstanding any other provision of Kentucky law, the following
4		shall	be disregarded for the purposes of determining an individual's eligibility
5		for a	means-tested public assistance program, and the amount of assistance or
6		bene	fits the individual is eligible to receive under the program:
7		1.	Any amount in an ABLE account;
8		2.	Any contributions to an ABLE account; and
9		3.	Any distribution from an ABLE account for qualified disability
10			expenses.
11	(b)	For j	purposes of this subsection:
12		1.	"ABLE account" means an account established within any state having a
13			qualified ABLE program as provided in 26 U.S.C. sec. 529A, as
14			amended;
15		2.	"Kentucky law" includes:
16			a. All provisions of the Kentucky Revised Statutes:
17			b. Any contract to provide Medicaid managed care established
18			pursuant to this chapter;
19			c. Any agreement to operate a Medicaid program established
20			pursuant to this chapter; and
21			d. Any administrative regulation promulgated pursuant to this
22			chapter; and
23		3.	"Qualified disability expenses" means expenses described in 26 U.S.C.
24			sec. 529A of a person who is the beneficiary of an ABLE account.
25	<b>→</b> S	ection	18. KRS 205.231 is amended to read as follows:
26	(1) The	secre	tary shall appoint one (1) or more impartial hearing officers to hear and
27	deci	de upo	on appealed decisions.

(2)

Any applicant or recipient who is dissatisfied with the decision or delay in action on his *or her* application for public assistance or the amount granted to him *or her and* any applicant or recipient who was deemed ineligible or disqualified from public assistance benefits under Section 3 or 17 of this Act may appeal to a hearing officer, except that an appeal and a hearing need not be granted if the sole issue is a federal or state law requiring an automatic change adversely affecting some or all recipients of the Kentucky medical assistance program so long as advance notice of the change, with an explanation of appeal rights, is provided to all affected recipients. However, a recipient may appeal whether the cabinet is accurately interpreting a change in federal or state law which may adversely affect the recipient. On receipt of an appeal, an administrative hearing shall be conducted in accordance with KRS Chapter 13B.

- (3) The secretary may appoint an Appeal Board for Public Assistance composed of the secretary and two (2) other members. The secretary shall be chairman, and he <u>or she</u> and one (1) other member constitute a quorum.
- (4) Any applicant or recipient who is dissatisfied with the decision of a hearing officer may appeal to the appeal board in the manner and form prescribed by administrative regulation. The board may on its own motion affirm, modify, or set aside any decision of a hearing officer on the basis of the evidence previously submitted in the case, or direct the taking of additional evidence, or may permit any of the parties to the decision to initiate further appeals before it. The board may remove itself or transfer to another hearing officer the proceedings on any appeal pending before a hearing officer. The board shall promptly notify the parties to any proceedings of its findings and decisions.
- (5) The manner in which appeals are presented and hearings and appeals conducted under subsection (4) of this section shall be in accordance with administrative regulations promulgated by the secretary.

1	(6)	After a decision by the appeal board, any party aggrieved by the decision may seek
2		judicial review of the decision by filing a petition in the Circuit Court of the county
3		in which the petitioner resides, in accordance with KRS 13B.140, 13B.150, and
1		13B.160.

→ Section 19. KRS 205.525 is amended to read as follows:

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- 6 (1) Concurrent with submitting an application for a waiver or waiver amendment or a 7 request for a plan amendment to any federal agency that approves waivers, waiver 8 amendments, and plan amendments, the Cabinet for Health and Family Services 9 shall provide to the Interim Joint Committee on Health, [ and] Welfare, and Family 10 Services, [and] to the Interim Joint Committee on Appropriations and Revenue, and 11 to the Public Assistance Oversight and Advisory Committee a copy, summary, and 12 statement of benefits of the application for a waiver or waiver amendment or 13 request for a plan amendment.
- 14 (2) The cabinet shall provide an update on the status of the application for a waiver or 15 waiver amendment or request for a plan amendment upon request.
- **→** Section 20. KRS 205.725 is amended to read as follows:
- 17 Whenever the cabinet receives an application for public assistance on behalf of a (1) 18 needy dependent child or reviews the records of those currently receiving public 19 assistance on behalf of a needy dependent child and it appears to the satisfaction of 20 the cabinet that either or both parents have failed to provide support to the child, the 21 cabinet shall [may] take appropriate action under this chapter, or any other 22 appropriate state and federal laws and regulations including but not limited to enforcement of 7 C.F.R. sec. 273.11(o) and (p), to assure that the responsible 23 24 parent or parents provide support to the child,.
- 25 (2) Subsection (1) of this section shall not apply if the:
- 26 <u>(a) Cabinet has reason to believe allegations of child abuse or domestic</u>
  27 violence and that enforcement of subsection (1) of this section could be

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1		harmful to the custodial parent or needy dependent child;
2		(b) Cabinet believes that enforcement of subsection (1) of this section may not
3		be in the best interest of the needy dependent child; or
4		(c) Custodial parent is the needy dependent child's mother, and she did not
5		identify a father on the child's birth certificate at the time of birth.
6	<u>(3)</u>	The cabinet may, pursuant to 7 C.F.R. sec. 273.11(q), disqualify an individual
7		from public assistance granted under this chapter during any month in which the
8		individual is delinquent in any payment due under a court order for the support
9		of a child of the individual.
10	<u>(4)</u>	As used in KRS 205.730, 205.735, 205.765, and 205.785, the term "child" includes
11		a child of an individual who is not receiving public assistance and who is eligible to
12		receive child support services in accordance with Title IV-D of the Social Security
13		Act.
14		→ Section 21. KRS 441.045 is amended to read as follows:
15	(1)	The county governing body shall prescribe rules for the government, security,
16		safety, and cleanliness of the jail and the comfort and treatment of prisoners,
17		provided such rules are consistent with state law. The county judge/executive may
18		inspect the jail at any reasonable time.
19	(2)	Willful violation of the rules promulgated pursuant to subsection (1) of this section
20		shall be deemed a violation.
21	(3)	Except as provided in subsections (4) and (5) of this section, the cost of providing
22		necessary medical, dental, and psychological care for indigent prisoners in the jail
23		shall be paid from the jail budget.
24	(4)	The cost of providing necessary medical, dental, or psychological care for prisoners
25		of the United States government shall be paid as provided by contract between the
26		United States government and the county or as may otherwise be provided by
27		federal law.

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

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- (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.
- 12 (6) The cost of providing necessary medical, dental, or psychological care for prisoners 13 held pursuant to a contractual agreement with another county or a city shall be paid 14 as provided by contract between the county or city and county.
- 15 (7) (a) When the cost of necessary medical, dental, or psychological care for a 16 prisoner exceeds one thousand dollars (\$1,000), as calculated by using the 17 maximum allowable costs to similar persons or facilities for the same or 18 similar services under the Kentucky Medical Assistance Program, the state 19 shall reimburse the county for that portion of the costs that exceeds one 20 thousand dollars (\$1,000). The reimbursement shall be subject to the 21 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

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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:
  - The prisoner has funds on his or her inmate account to cover all or a portion of his or her medical expenses;
  - 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.
- 9 (10) For the purposes of this section, "necessary care" means care of a nonelective nature 10 that cannot be postponed until after the period of confinement without hazard to the 11 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 or she has

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1	insufficient funds on his or her inmate account. This subsection shall not preclude
2	other recovery of funds as provided in this section.

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

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- (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.
- 23 (15) (a) A peace officer or correctional officer having custody of a person shall not 24 release the person from custody so that the person may receive treatment from 25 a health care facility or health care provider, except pursuant to an order 26 issued by a court of competent jurisdiction which specifically names the 27 person to receive treatment.

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(b) A peace officer or correctional officer having custody of a person may take the

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2		person to a health care facility or health care provider for the purpose of
3		receiving treatment if a correctional officer remains with the person during the
4		time the person is on the premises of the health care facility or health care
5		provider, unless the facility or provider consents to the absence of the officer.
6	(c)	A county, urban-county, consolidated local government, charter county,
7		unified local government, jail, regional jail, holdover, local detention center,
8		or other local correctional facility shall not be responsible for paying for the
9		medical or other health care costs of a person who is released by a court of
10		competent jurisdiction, except where the release is for the purpose of
11		receiving medical or other health care services as evidenced by an order
12		requiring the person to return to custody upon completion of treatment.
13	(d)	When a county, urban-county, consolidated local government, charter county,
14		unified local government, jail, regional jail, holdover, local detention center,
15		or other local correctional facility is responsible for paying for medical or
16		other health care costs under paragraph (c) of this subsection, payment shall
17		be made only at the Medicaid rate for same or similar services.
18	(e)	For the purposes of this subsection, "correctional officer" includes a:
19		1. Jailer or deputy jailer;
20		2. Director or other person in charge of a local detention center, local
21		correctional facility, or regional jail; and
22		3. Correctional officer employed by a local detention center, local
23		correctional facility, or regional jail.
24	(16) (a)	The jailer shall notify the Cabinet for Health and Family Services,
25		Department for Community Based Services:
26		1. When a county prisoner, if not released within forty-eight (48) hours
27		of arrest, is incarcerated; and

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1	2. At least forty-eight (48) hours prior to a county prisoner's release from
2	incarceration unless the county prisoner is ordered to be released in
3	fewer than forty-eight (48) hours, in which case the county jailer shall
4	immediately notify the Department for Community Based Services.
5	(b) For the purposes of this subsection, "county prisoner" means any prisoner
6	not held pursuant to a contractual agreement with the state or the United
7	States government.
8	→ Section 22. Within 90 days after the effective date of this Act, the Cabinet for
9	Health and Family Services shall report the following information to the Interim Joint
10	Committee on Health, Welfare, and Family Services and the Public Assistance and
11	Oversight Advisory Committee:
12	(1) The number of additional families served by the Child Care Assistance
13	Program following the increase in eligibility to 200% of the federal poverty level
14	(2) An assessment of the additional cost to the state incurred by increasing Child
15	Care Assistance Program eligibility to 200% of the federal poverty level; and
16	(3) An assessment of what the fiscal impact of discounting multiple copayments
17	for families with more than one child in the Child Care Assistance Program would be.
18	→ Section 23. Within 90 days after the effective date of this Act, the Cabinet for
19	Health and Family Services shall prepare and submit a Section 1115 demonstration
20	waiver request to the federal Centers for Medicare and Medicaid Services seeking
21	approval to eliminate mandatory hospital presumptive eligibility and to restrict
22	presumptive eligibility determinations to children and pregnant women eligibility groups.
23	If federal approval for the waiver is denied, the cabinet shall resubmit a Section 1115
24	demonstration waiver request for approval within 6 months of each denial.
25	→ Section 24. If the Cabinet for Health and Family Services determines that a state
26	plan amendment, waiver, or any other form of approval or authorization from a federal
27	agency is necessary prior to the implementation of any provision of this Act, the cabinet

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shall, within 90 days after the effective date of this Act, request the state plan amendment, 2 waiver, approval, or authorization and shall only delay full implementation of those 3 provisions for which a state plan amendment, waiver, approval, or authorization was 4 deemed necessary until the state plan amendment, waiver, approval, or authorization is 5 granted. The cabinet shall, in accordance with KRS 205.525, provide a copy of any state 6 plan amendment, waiver, or other approval or authorization application submitted 7 pursuant to this Section to the Inter Joint Committee on Health, Welfare, and Family 8 Service, the Interim Joint Committee on Appropriations and Revenue, and the Public 9 Assistance Oversight and Advisory Committee and provide an update on the status of any 10 application submitted pursuant to this section upon request.

→ Section 25. The General Assembly hereby directs the Education and Workforce Development Cabinet to design and launch an online portal or Web site where private employers in the Commonwealth can post available job openings. Employment opportunities posted to the portal or Web site shall be accessible and searchable by the general public.

→ Section 26. The Legislative Oversight and Investigations Committee shall conduct an in-depth analysis of Temporary Assistance for Needy Families (TANF) and the Kentucky Transition Assistance Program (K-TAP) spending by the Cabinet for Health and Family Services and seek to identify alternative sources of funding for child welfare programs and services currently funded by the federal TANF block grant and state maintenance-of-effort dollars, including possible strategies for securing additional Title IV-E funds, so that future K-TAP expenditures may be allocated in a manner that prioritizes assisting recipients of public assistance in transitioning off of public assistance by finding and maintaining sustainable, gainful employment.

→ Section 27. The Legislative Research Commission shall establish a Basic Health Program Task Force to study and make recommendations on the development of a basic health program as permitted under 42 U.S.C sec. 18051 for low-income individuals

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who are not eligible for the state's medical assistance program. The duties of the task

- 2 force shall include but are not limited to making recommendations for the monthly
- 3 premiums and co-payments associated with health insurance options available under a
- 4 basic health program and eligibility guidelines for health insurance options available
- 5 under a basic health program.
- 6 → Section 28. The Basic Health Program Task Force shall be composed of the
- 7 following members with final membership of the task force being subject to the
- 8 consideration and approval of the Legislative Research Commission:
- 9 (1) Four members of the House of Representatives appointed by the Speaker of
- 10 the House of Representatives, one of whom shall be designated by the Speaker of the
- House of Representatives as a co-chair of the task force;
- 12 (2) One member of the House of Representatives appointed by the Minority Floor
- 13 Leader of the House of Representatives;
- 14 (3) Four members of the Senate appointed by the President of the Senate, one of
- whom shall be designated by the President of the Senate as a co-chair of the task force;
- 16 and
- 17 (4) One member of the Senate appointed by the Minority Floor Leader of the
- 18 Senate.
- → Section 29. The task force shall meet at least four times during the 2022 Interim
- 20 of the General Assembly, and the task force shall submit its findings and
- 21 recommendations to the Legislative Research Commission by December 1, 2022.
- **→** Section 30. Provisions of Sections 27, 28, and 29 of this Act to the contrary
- 23 notwithstanding, the Legislative Research Commission shall have the authority to
- 24 alternatively assign the issues identified therein to an interim joint committee or a
- subcommittee thereof, and to designate a study completion date.
- Section 31. Sections 26 to 30 of this Act shall have the same legal status as a →
- 27 House Concurrent Resolution.

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**→** Section 32. If any section, any subsection, or any provision of this Act is found

- 2 by a court of competent jurisdiction in a final, unappealable order to be invalid or
- 3 unconstitutional, the decision of the court shall not affect or impair any of the remaining

4 sections, subsections, or provisions of this Act.