

Section 4 of HB 7 SCS 1 would, among its requirements, require the cabinet to establish: a transitional benefit alternative, procedures allowing SNAP beneficiaries to recertify eligibility online, and an online employment and training program; would require households receiving SNAP benefits comply with certified change reporting requirements established in federal law.

Section 5 of HB 7 SCS 1 would require the cabinet implement a community engagement program for able-bodied recipients over age 18 and younger than 60 with no responsibility for care of dependents, who have been in the state Medicaid system for 12 months; participation in the job placement assistance would constitute qualifying community engagement activities; would require the cabinet provide the Education and Workforce Development Cabinet the name and contact information of individuals in the program.

Section 6 of the bill would prohibit the cabinet from exercising the state's option to develop a basic health program as permitted by federal law, without first obtaining authorization from the General Assembly.

Section 7 would provide that if the Department for Medicaid Services is for any reason limited in its ability to dis-enroll people from the state's medical assistance program, the Department is to continue eligibility re-determinations as normal and to act on the re-determinations to the fullest extent allowed by federal law; if federal restrictions expire the cabinet is to request approval to conduct and act on eligibility re-determinations.

Section 9 would create a new section of KRS Chapter 205 providing instructions to hospitals following their determination that a person does or does not meet the criteria for presumptive eligibility for Medicaid, including notifying the applicant of the determination; would establish that, to the extent allowed by federal law, a pregnant person would be limited to one period of presumptive eligibility per pregnancy; a hospital that uses a contractor or vendor for conducting presumptive eligibility screenings and determinations is responsible for seeing that the contractor/vendor complies with applicable state and federal laws regarding presumptive eligibility; instructs the cabinet to establish a presumptive eligibility form to be used by hospitals.

Section 10 would require, to the extent provided by federal law, that Kentucky's medical assistance program cover substance use disorder treatment for incarcerated people; coverage would include peer support services, treatment, and patient navigation provided by a licensed clinical social worker.

The bill doesn't expressly state that this provision would apply to county inmates as well as to state inmates; in order for it to apply to county inmates it would require a Section 1115 waiver by the federal Centers for Medicare and Medicaid Services; Kentucky may not provide Medicaid coverage to any inmate without federal approval of a waiver.

Section 13 of HB 7 SCS 1 would authorize the Attorney General to enforce KRS Chapter 205 and to bring an action against the Cabinet if HB 7 SCS is not fully implemented, or is violated.

Section 14 would direct the Education and Workforce Development Cabinet to establish a job placement assistance program for people enrolled in the state's medical assistance program, within 180 days.

Section 15 would prohibit the cabinet from seeking any waiver of work requirements under SNAP without specific authorization from the General Assembly.

Section 16 would amend KRS 205.200 to prohibit the cabinet, unless required by federal law, accepting self-attestation of facts qualifying a person for medical assistance; the foregoing would not apply to people living in an assisted-living or long-term care facility, nor to a hospital sing self-attestation to determine presumptive eligibility; would establish sanctions, up to and including permanent ineligibility for benefits, against a recipient who traffics, sells, distributes, gives or otherwise transfers an electronic benefit transfer card for money, service, or other valuable consideration; would authorize the cabinet to seek reimbursement from the person of cash benefits trafficked, sold, etc.

Section 17 would extend the right to appeal a decision regarding an application for public assistance to persons deemed ineligible or disqualified from receiving public assistance benefits.

Section 18 would require the cabinet, if instructed by the General Assembly to apply for a waiver or plan amendment, and such application is denied, the cabinet shall, if instructed by the General Assembly, re-submit the application.

Section 19 would amend KRS 205.725 to render it mandatory, rather than optional, when the cabinet receives an application for public assistance on behalf of a needy child, for CHFS to take action to require that a parent care for a child unless: there are credible allegations of child abuse or domestic abuse so that such action may endanger the needy child or custodial parent; or enforcement may not be in the best interests of the child; or the custodial parent is the needy child's mother and she did not name a father on the birth certificate.

Section 21 would require that schools that do not offer breakfast submit an annual report to the Kentucky Board of Education explaining why, and shall include the number of children enrolled at the school and number of children eligible for free or reduced price meals under the federal program.

Section 22 would amend KRS 194A.030 regarding major organizational units of CHFS.

Section 26 would establish the Kentucky Child Care Advisory Council.

Section 32 would require the cabinet report the following by September 1, 2022:

1. The number of additional families served by the Child Care Assistance Program following the increase in eligibility;
2. An assessment of the additional cost to the state from increasing the Child Care Assistance Program eligibility; and
3. An assessment of what the fiscal impact of discounting multiple copayments for families with more than one child in the Child Care Assistance Program would be.

Section 32 would require the cabinet propose a benefits cliff calculator and online job postings database.

Section 33 would require the cabinet, if it determines that a state plan amendment, waiver, or other form of authorization from a federal agency is necessary before any provision of HB 7 SCS 1 may be implemented, to submit an application for the amendment, waiver, or authorization within 120 days of the effective date of the bill.

Section 34 would direct the Legislative Oversight and Investigations Committee to analyze the Temporary Assistance for Needy Families (TANF) and the Kentucky Transition Assistance Program (K-Tap) spending, and to look for other sources of funding to child welfare programs and services currently funded by TANF and K-TAP.

Section 35 would require LRC establish the Benefits Cliff Task Force to review the impact of the public assistance benefits cliff on labor force participation, wages, and other matters.

Section 39 of HB 7 SCS 1 would establish that Sections 34-38 of the bill have the same legal status as a House Concurrent Resolution.

Section 40 would establish that if any section or provision of the Act is invalidated by a court no other section or provision would be affected.

Section 41 would repeal certain provisions of KRS 6.940, 6.943, and 620.345.

Section 42 would provide that Sections 20-31 and 41 take affect January 1, 2023.

The bill would have a minimal to moderate positive fiscal impact on local jails that offer substance abuse treatment programs, depending on the federal waiver and budget for those jails. Currently, Medicaid coverage is available for an incarcerated person only if that person is hospitalized for more than 24 hours. Under HB 7 SCS 1, Medicaid coverage would also be available for non-hospitalized inmates who are receiving substance abuse treatment or social worker navigation services.

Nationally, in 2020 it was estimated that sixty-four percent of jail inmates have a substance dependence or abuse disorder. Currently, under the oversight of the Kentucky Department of Corrections (DOC), nineteen full service jails provide a total of twenty-nine in-patient substance abuse programs (SAP) to 1,570 offenders, of which 105 are non-state offenders incarcerated in the jails. The estimated average cost of incarcerating a convicted felon participating in a SAP is \$44.43 per day. The amount reimbursed by the Department of

Corrections is \$40.34 per day, or \$9 more than the \$31.34 per day reimbursement by DOC for non-SAP participating inmates. Since the \$40.34 per diem pays for housing a convicted felon participating in a SAP, the per diem may be less than, equal to, or greater than the actual housing cost. Medicaid may reimburse the jails offering those services at a higher rate than the amount received by the jails from the DOC for those services.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II applies to HB 7 SCS 1. HB 7 SCS 1 has the same fiscal impact on local governments as HB 7 GA.

Data Source(s): Kentucky Jailers Association; Department of Corrections; LRC staff

Preparer: Mary Stephens **Reviewer:** KHC **Date:** 3/29/22