Memorandum

Date: April 22, 2022
Re: Legislative and Policy Report

Overview
The 2022 Legislature returns Monday for the wrap up or veto session. While veto sessions in recent years have been relatively short, lasting around one week, it remains to be seen how long the Legislature will stick around. As with election years in particular, legislators are typically eager to wrap up business quickly during the Veto Session and return home to begin campaigning, and fundraising. Thus, some of the issues that saw momentum earlier in the Session, such as medical marijuana, may have some difficulty advancing yet this year. The latest news that will have a major impact on legislative action during Veto Session are consensus revenue estimates that project robust ending balances of the State General Fund for the next few years. The estimates project the state to have a $3.1 billion ending balance for fiscal year 2023. Additionally, there has been no decision regarding the economic development APEX project, while the Oklahoma’s legislature this week passed a major economic development package in a supposed attempt to secure the deal over Kansas.

This report will look at what remains alive and likely to see action during Veto Session, as well as provide an overview of actions, including gubernatorial vetoes and approvals, of relevant issues over the last few weeks.

Big Picture Issues
In advance of the wrap up, the SPARK Advisory Panels and Executive Committee continue to put together their recommendations for spending hundreds of millions of dollars in federal ARPA funding. At the same time, the legislative budget committees have reviewed the Governor’s budget amendments and are assembling the Omnibus budget bill, which takes into account additional spending and funding needed for legislation that the Governor has approved over the break. It is possible the SPARK process and funding will factor into their decision-making during Veto Session. At this point, however, SPARK funding process has remained separate from the legislative process.

- The presentation from the latest SPARK Executive Committee meeting can be found here and includes presentation slides from the Economic Revitalization and Health and Education Advisory Panels: [https://covid.ks.gov/wp-content/uploads/2022/04/2022.04.18_SPARK-ExCo-Meeting_vS.pdf](https://covid.ks.gov/wp-content/uploads/2022/04/2022.04.18_SPARK-ExCo-Meeting_vS.pdf)

Here are the issues we expect to be resolved during Veto Session:
- The Governor approved the state budget on April 20th, with only two line-item vetoes. The K-12 education funding bill will be taken up during Veto Session.
- State Food Sales Tax Exemption. Prior to First Adjournment, the Tax Conference Committee approved a proposal to gradually reduce the state sales tax on food to 0% by
January 1st, 2025. The Legislature is expected to advance this proposal during Veto Session.

- Sports wagering narrowly passed the House prior to First Adjournment. Whether the Senate does the same remains to be seen.
- While the Kansas Congressional maps are facing litigation, the Governor recently approved the state House and Senate district maps, and well as the State Board of Education districts map.

**Governor’s Vetoes**

- The Governor vetoed several bills of note over the legislative break, including the following:
  - SB 160: Transgender sports bill.
  - SB 58: Parents bill of rights.
  - Sub for HB 2448 SNAP employment and training requirements.
- Each of the bills listed above would need to pick up significant votes, specifically in the House, in order to be overridden.

**Bills of Note Signed into Law**

- The budget bill, SB 267, was signed into law and includes significant investments in housing, economic and workforce development, and access to care including the extension of Medicaid postpartum coverage to 12 months, as well as a variety of Medicaid rate increases while also ending transfers from the state highway fund.
- A couple of other noteworthy bills signed into law:
  - HB 2279: Expanding APRN scope of practice. APRNs will now have the ability to practice independently without signing collaborative practice agreements with supervising physicians. This legislation was extremely controversial, and members of legislative leadership were also divided on the legislation.
  - HB 2239: Property Tax Relief. The legislation also contains some sales and income tax relief, but largely addresses property tax relief by increasing the residential property tax exemption; provides homestead property tax refunds to eligible taxpayers who are 65 years and older; and allows county commissioners to reduce or abate property taxes for property destroyed by a disaster.

**Current Healthcare Issues**

Arguably the best healthcare news of the Session has been the approval of the Governor’s budget, which includes several significant items of interest to healthcare providers, which are detailed below. On the other hand, there have been some controversial bills signed into law, namely SB 200 and HB 2279 which both expand the scope of practice of pharmacists and APRNs, respectively. Additionally, there are still some issues outstanding as the Legislature returns for Veto Session that we are watching closely. The issue regarding delay in the KanCare renewal process remains in a conference committee report (HB 2387) that has passed the Senate but not the House.

**Budget Items**
The Governor approved the state budget that includes the following provisions:

- Extension of Medicaid Postpartum coverage from 60 days to 12 months.
- $12 million to provide a 4% Medicaid rate increase for behavioral health providers.
- $2.9 million to provide increases for pediatric provider rates.
- $1.4 million for a Medicaid adult dental benefit.
- $7.5 million for workforce recruitment and retention efforts by child placing agencies and licensed residential facilities.

**Issues Alive for Veto Session**

**Public Health Topics**

The public health topics listed below remain in play but are unlikely to advance.

- SB 489 would have removed the KDHE Secretary’s regulatory authority concerning infectious diseases and would also limit local health officers’ authority to respond to contagious or infectious diseases. The bill also removes local health officers’ ability to require individuals to quarantine; rather, local health officers would only be able to recommend, not require, someone to quarantine.
  - Additionally, the bill removes KDHE’s authority to designate a disease as contagious or infectious. Instead, the bill requires the KDHE Secretary to submit a report of such disease to legislative leadership.
  - In conference committee.

- Senate Sub for HB 2280 would allow a personal exemption of all immunizations, in addition to allowing the prescribing of off-label drugs to treat COVID-19. The bill also adds a personal exemption to public school and childcare immunization requirements.
  - Passed the Senate 21-16.
  - In conference committee.

- SB 541 limits local governments, local health officers, and school boards in responding to public health emergencies, including issuing mask orders for any reason; expands exemption for vaccinations, similar to the exemption language in Sub for HB 2280. The Senate further amended the bill to prohibit governmental entities or public officials from restricting worship services and provided additional restrictions on local health officer authority.
  - Passed the Senate 24-14.
  - In conference committee.

- Parents Bill of Rights (now SB 58), among other things, includes language stating that parents have the right to make healthcare and medical decisions for their children.
  - Vetoed by the Governor.
  - Had passed the House 67-46, far short of the 84 votes needed for a veto override.
  - Had passed the Senate 23-15, also short of the 27 votes needed for a veto override.

**Access Issues**

- Sub for HB 2448 (formerly SB 501) would require able-bodied adults without dependents (ABAWDs) working less than 30 hours per week to complete an employment and training program in order to receive food assistance.
  - Vetoed by the Governor.
  - Had passed the Senate 28-11 and the House 70-46.
• Sub for SB 19 Implementation of NSPL/988.
  o Health Conference Committee made some technical changes, as well as reduced
  the membership of the 988 Coordinating Council.
  o Remains in play for Veto Session.
• HB 2632 CARE Provider Network passed the House 95-27 on March 21st. Two
  amendments were added to include a 4-year sunset to the bill and the other adds
  clarifying language that any medical provider associated with a Child Advocate Center
  (CAC) that has the ability to conduct a CARE exam may be included within the CARE
  provider network.
  o An attempt was made in conference committee to bundle the bill with the
  problematic SB 489, which effectively shut down negotiations on the bill. It is
  still possible the bill will see action during Veto Session.

Scope of Practice/licensure/insurance issues approved by the Governor
• Late on the last day of the Regular Session, the House passed Sub for HB 2279 which
  expands APRNs’ scope of practice.
  o Approved by the Governor.
  o Governor’s brief remarks on her approval of the bill here:
    https://governor.kansas.gov/governor-laura-kelly-signs-bipartisan-bill-removing-
    barriers-to-health-care/
• SB 200 pharmacy scope of practice CCR passed both chambers with overwhelming
  majorities.
  o Approved by the Governor.
• HB 2734 BSRB bill advanced through conference and is now included in SB 453. It
  would allow master’s and clinical level licensees to take the baccalaureate addiction
  counselor test.
  o Approved by the Governor.
• House Sub for SB 28 (PBM bill) passed both chambers overwhelmingly and awaits the
  Governor’s approval.
  o Approved by the Governor.

Other Gubernatorial Vetoes
• The Governor vetoed SB 199 short-term limited duration health plans. The bill had
  passed the Senate 28-11 and the House 73-49.

KAAP Related Items
• HB 2632 CARE Provider Network passed the House 95-27 on March 21st. Two
  amendments were added to include a 4-year sunset to the bill and the other adds
  clarifying language that any medical provider associated with a Child Advocate Center
  (CAC) that has the ability to conduct a CARE exam may be included within the CARE
  provider network.
  o Held up in conference when bundled with SB 489 but may see action during Veto
  Session.
Continued efforts with lawmakers on the budget committees over the break to ensure funding should the bill pass.

- HB 2387 would prevent any changes in the current Medicaid MCO contracts before January 31st, 2023 and would also prevent the issuance of an RFP to do so prior to January 31st, 2023. The Conference Committee agreement has passed the Senate but not the House.
- One of the many measures passed by the Tax Conference Committee is the expansion of the child day care tax credit. The committee amended the current program from a 30% credit to a flat 50% across the program, which they opened to any employer, not just corporations. This measure is included in a tax bill that will be taken up during Veto Session, Sub HB 2597.

**Upcoming Activities**

The legislative schedule of hearings is updated regularly throughout the week can be found in the House and Senate calendars on the Legislature website at: http://kslegislature.org/li/b2021_22/chamber/calendars/

Additionally, all hearings are now available online live and archived by the end of each day. You can find those hearings on the Legislature website at: http://sg001-harmony.sliq.net/00287/Harmony/en/View/Calendar/

*Monday, April 25th.*
Legislature returns for Veto Session.