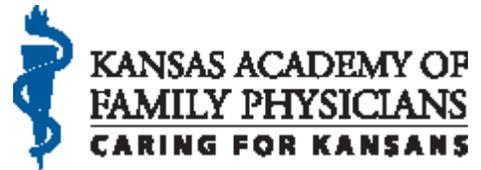


Summary of Legislation

2015

This document contains a summary of legislation relevant to the policy priorities and professional practice of the Kansas Academy of Family Physicians. Included are bills passed by the Legislature and some that did not advance in 2015.



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Legislation Passed

HB 2109 – Revenue Enhancements; Cigarette tax; E-cigarettes; Other Tax Provisions

HB 2109, as amended by SB 270, makes a number of changes in individual income, sales, and cigarette tax laws; amends motor vehicle registration and tax provisions; imposes certain restrictions on cities and counties with respect to future property tax increases; and enacts a special amnesty for a number of tax sources. The bills also enact a number of other minor tax-related provisions.

Sales and Use Tax Provisions

The statewide sales tax and use tax rate is increased from 6.15 percent to 6.50 percent on July 1, 2015.

Cigarette Tax Provisions

The bill increases the cigarette tax by \$0.50 per pack (from \$0.79 to \$1.29 per pack) on July 1, 2015. An inventory tax equivalent to the rate increase is applicable for all cigarettes on hand as of July 1 and is due and payable by October 31.

“E-Cigs” Tax Implemented in 2016

The bill creates a new tax, effective July 1, 2016, on the privilege of selling or dealing electronic cigarettes at a rate of \$0.20 per milliliter of consumable material and a proportionate tax on all fractional parts thereof.

Amnesty Provisions

The bill authorizes a tax amnesty for penalties and interest relative to certain delinquent taxes provided such taxes are paid in full from September 1, 2015, to October 15, 2015. The amnesty applies to privilege, income, estate, cigarette, tobacco products, liquor enforcement, liquor drink, severance, state sales, state use, local sales, and local use taxes. The amnesty is limited to penalties and interest applied to liabilities associated with tax periods ending on or before December 31, 2013.

The amnesty does not apply to any matter for which, on or after September 1, 2015, taxpayers have received notices of assessment or for which an audit had previously been initiated. Any fraud or intentional misrepresentation in connection with an amnesty application voids the application and waiver of any penalties and interest.

Motor Vehicle Registration and Tax Provisions

The bill requires the Department of Revenue to mail a copy of motor vehicle registration applications to owners, including all information required to register and pay by return mail. Counties are authorized to conduct mailings these requirements on their own as an alternative to the state procedure.

Property Tax Lid Provisions

Beginning in 2018, cities and counties are prohibited from adopting, absent mandatory elections, portions of their budgets funded with revenues from certain property tax increases. Generally, cities and counties in 2018 will be authorized to increase property taxes at the rate of inflation plus for a number of other exempt purposes (including costs associated with new infrastructure, certain property taxes levied for bonds and interest, certain road construction costs, special assessments, costs associated with federal or state mandates, and payment of judgments) prior to the triggering of the election mandate.

Other Provisions

Fire Districts

The bill further clarifies the property tax authority of fire districts with respect to their ability to levy more than certain specific limits that had been previously established.

Tax Credit For Low Income Students Scholarship Program Revisions

The Tax Credit for Low Income Students Scholarship Program Act is amended to allow scholarships to be distributed directly to the participating schools, limit the amount of money that may be distributed to \$8,000 per school year per child, remove a requirement that participating students waive special education services, and allow schools providing education to either elementary or secondary students to participate.

Land Bank Special Assessment Reamortization

The bill allows the governing body of any municipality that levies special assessments on property acquired by a land bank to enter into an agreement with the land bank to defer or reamortize all or part of the special assessments.

Individual Income Tax Provisions

Guaranteed Payments

The bill revises, effective for tax year 2015, an income tax subtraction modification for certain pass-through non-wage business income to require that guaranteed payments from businesses are counted as income in determining Kansas adjusted gross income.

Income Tax Rates

Individual income tax rate reductions scheduled for future years are decelerated. The tax year 2015 rates of 2.7 percent for the bottom tax bracket and 4.6 percent for the top tax bracket will now remain in effect through tax year 2017. The rates are set at 2.6 percent and 4.6 percent for tax year 2018. A special formula that could provide additional income tax rate relief as early as tax year 2021 is amended to relax the current trigger (2 percent growth in most State General Fund [SGF] tax receipts) to 2.5 percent plus a further adjustment to account for growth in certain Kansas Public Employee Retirement System expenditures.

Itemized Deductions

A number of changes are enacted for Kansas' itemized deductions retroactive to January 1 (the start of tax year 2015). With the exception of charitable contributions, mortgage interest, and property taxes paid, all

Kansas itemized deductions are repealed. The current changes in the percentage that may be deducted (“haircuts”) being phased in for mortgage interest and property taxes paid relative to the amount that otherwise is allowed for federal income tax purposes is accelerated such that the final 50 percent haircut currently scheduled for tax year 2017 is effective immediately for tax year 2015. (Charitable contributions remain fully deductible for Kansas’ taxpayers able to itemize at the state level, as under current law.)

Low-Income Exclusion

A special low-income exclusion provision will become applicable in tax year 2016 that generally eliminates all positive income tax liability for single filers with taxable income of \$5,000 or less, and for married taxpayers filing jointly with taxable income of \$12,500 or less.

Individual Development Account Tax Credit

The bill restores, effective for tax year 2015, a tax credit that previously had been available for certain individual development account (IDA) contributions. That credit had been discontinued beginning in tax year 2013, pursuant to repeal in 2012 legislation.

ROZ Program

The Rural Opportunity Zone (ROZ) program, which provides an income tax exemption and the repayment of certain student loans for certain individuals who establish residency in selected counties, is extended for five additional years. The program had been scheduled to sunset in tax year 2017 but now will not sunset until tax year 2022.

Christmas Tree Net Gain

The bill creates a special subtraction modification from federal adjusted gross income in calculating Kansas adjusted gross income for the net gain from the sale of Christmas trees.

Social Security Number Requirement

The legislation requires an individual claiming a tax credit to have a valid Social Security number for the entire taxable year for which the tax credit is claimed. An exception to this requirement is provided for military spouses in the case of married taxpayers filing jointly.

HB 2281 – HMO Privilege Fee, Medical Assistance Fee Fund, and Amendments to TANF Cash Assistance ATM Transaction Limits

HB 2281 creates in the State Treasury the Medical Assistance Fee Fund, increases the annual privilege fees paid by every health maintenance organization (HMO), authorizes the Insurance Commissioner (Commissioner) to terminate the operation or the change in the rate of the privilege fee under certain conditions, and amends one section enacted pertaining to Temporary Assistance for Needy Families (TANF) cash assistance transactions for cash withdrawals from automated teller machines (ATMs). [2015 Senate Sub. for HB 2258 becomes effective upon publication in the statute book.]

Medical Assistance Fee Fund; HMO Privilege Fee

The bill creates in the State Treasury the Medical Assistance Fee Fund (Fund); increases the annual privilege fees paid by every HMO for the reporting period beginning January 1, 2015, and ending December 31, 2017, from 1.0 percent per year to 3.31 percent per year of the total of all premiums, subscription charges, or any other term that may be used to describe the charges made by such organization to enrollees; and states the privilege fees paid from July 1, 2015, through June 30, 2018, are deposited in the Fund, instead of the State General Fund (SGF). On and after January 1, 2018, the privilege fee will be 2.0 percent.

The provisions pertaining to the creation of the Fund, its administration, and reporting expire on July 1, 2018.

If the Commissioner determines at any time that the application of the privilege fee, or a change in the rate of the privilege fee, causes a denial of, reduction in, or elimination of federal assistance to the state or to any HMO subject to this act, the Commissioner is authorized to terminate the operation of such privilege fee, or the change in such privilege fee.

From July 1, 2015, through June 30, 2018, all moneys collected or received by the Commissioner from HMOs, including the three KanCare Managed Care Organizations (MCOs), and Medicare provider organizations for fees specified in KSA 2014 Supp. 40-3213 are remitted to the State Treasurer for deposit in the State Treasury to the credit of the Fund. (Those include fees for filing an application for a certificate of authority, filing each annual report, and filing an amendment to the certificate of authority, and privilege fees.)

Moneys in the Fund are to be expended for Medicaid medical assistance payments and for no other governmental purpose. The moneys in the Fund are not subject to allotments by the Governor, certificates of indebtedness, or transfers by the Secretary of Health and Environment.

The Secretary of Health and Environment is required to prepare and deliver to the Legislature, on or before the first day of each regular legislative session, a report summarizing all expenditures from the Fund, Fund revenues, and recommendations regarding the adequacy of the Fund to support necessary medical assistance programs.

TANF Assistance and Requirements—Amendment

The Secretary for Children and Families is authorized to raise or rescind the ATM withdrawal limit in order to ensure continued appropriation of the TANF Block Grant through compliance with the provisions of the Middle Class Tax Relief and Job Creation Act of 2012 that govern adequate access to cash assistance.

Legislation Not Passed

SB 123 – Medications for Treating Mental Illness; Medicaid

SB 123 would have allowed requirements for prior authorization or other restrictions on medications used to treat individuals with mental illnesses who are Medicaid recipients. Medications in the existing statute available without prior authorization or other restrictions include atypical medications, conventional antipsychotic medications, and other medications used for the treatment of mental illness.

SB 218/HB 2205 – Joint Regulation & Collaborative Practice; APRNs

SB 218 and **HB 2205** would have required the Board of Nursing and the Board of Healing Arts to work jointly to adopt rules and regulations relating to the role of advanced practice registered nurses. The regulations would include the authority to prescribe medications, sign for and order tests and treatments, and perform other delegated medical acts and functions. The bill would also specify the services or clinical settings that would require a collaborative practice agreement or protocol with a physician.

The bills were introduced at the request of the Kansas Medical Society.

SB 69/ HB 2122 – Advanced Practice Registered Nurse (APRN) Scope of Practice

SB 69 and **HB 2122** would have amended the Kansas Statutes to:

- Change nurse practice act definition of “diagnosis” to eliminate distinction between a nursing diagnosis and a medical diagnosis for APRNs;
- Authorize APRNs to serve as a Primary Care Provider and lead health care teams;
- Allow APRNs to order other nurses to execute the “medical regimen” as prescribed by a physician, dentist or APRN;
- Eliminate the requirement that APRNs need a written protocol from a physician for prescribing drugs;
- Authorize APRNs to independently order/prescribe medical devices, equipment, treatments, diagnostic and supportive services, including home health, PT, OT, and hospice;
- Provide for “global signature authority” for APRNs, which is defined to mean that any time a physician’s signature, certification, verification, authentication, or endorsement is required, that requirement may be legally fulfilled by an APRN.

HB 2280 – Certified Nurse Midwife Scope of Practice

HB 2280 would have amended the Nurse Practice Act to allow any person with an advanced practice registered nurse license, acting in the role of a nurse midwife, to prescribe drugs without protocol. The bill would remove the requirement of a collaborative agreement with a physician; however, national certification approved by the Board would be required. The bill would prohibit any fee to be assessed for the initial, renewal, or reinstatement of a nurse midwife license.

HB 2319 – Medicaid (KanCare) Expansion

HB 2319 would have deleted a provision in current law that prevents Medicaid eligibility from being expanded without a legislative act. The bill would also direct the Kansas Department of Health and Environment (KDHE) to develop a Medicaid waiver application for a budget-neutral managed care program, to be known as KanCare 2.0, to provide access to health care coverage options for newly eligible individuals. “Newly eligible individuals” would be defined as otherwise ineligible adults between 19 and 65 years of age and with an income that is equal to or less than 138-percent of the federal poverty level.

Based upon updated estimates from Aon Consulting, KDHE states that enactment of HB 2319 would increase Medicaid assistance expenditures by \$877.5 million, including \$101.0 million from the State General Fund in FY 2016. The Centers for Medicare and Medicaid Services may require the elimination of waiting lists in conjunction with the proposed eligibility expansion. To eliminate all waiting lists for the Home and Community Based Services waivers for the physically disabled, the intellectually disabled and individuals with autism, Medicaid enrollment would be increased by 5,854 individuals in FY 2016 at a cost of \$221.7 million, including \$97.6 million from the State General Fund.

HB 2016 – School Sports Head Injury Prevention Act Amendment

HB 2016 would have amended the School Sports Head Injury Prevention Act and would have allowed Doctors of Chiropractic Medicine to evaluate athletes and provide clearance for return to play or practice. Under current law, only Doctors of Medicine and Surgery, and Doctors of Osteopathic Medicine can evaluate athletes and provide clearance for return to play or practice.

HB 2004 – Right to Try Act

HB 2004 would have allowed eligible, terminally ill patients, as attested to by the patient’s treating physician, to use potentially lifesaving investigational drugs, biological products, and devices. The bill would define terminal illness; investigational drug, biological product, or device; eligible patient; and written informed consent.

HB 2282 – Authorizing Hemp Treatments for Seizure Disorders

HB 2282 would authorize the creation of medical hemp establishments for the purpose of possessing and selling or dispensing hemp preparations and related paraphernalia to registered cardholders who have qualifying medical conditions diagnosed by a physician licensed by the Kansas State Board of Healing Arts (KSBHA). The act would be administered by the Kansas Department of Health and Environment (KDHE). The act also established a nine member advisory council on medical hemp.