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**Testimony in Support of Senate Bill 501
Section 2 (c)(2)**

**Presented to the Senate Committee on Public Health and Welfare
By Steven D. Anderson, CIG, Medicaid Inspector General**

March 10, 2022

Chair Hilderbrand and Members of the Committee:

Thank you for the opportunity to appear today and provide testimony concerning Senate Bill 501. My testimony is limited to the provisions of Section 2 (c)(2). I do not take a position on the other aspects of this bill. That section of the bill would require information regarding lottery winnings to be provided to the Kansas Department of Health and Environment.

In testimony from the Office of Medicaid Inspector General (OMIG) on February 4, 2022, before the Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services and KanCare Oversight, it was briefed that:

The OMIG is also continuing to review the issue of Medicaid beneficiaries not reporting financial windfalls; particularly windfalls from lottery and casino winnings, to KanCare. The review is focused on beneficiaries that win more than \$10,000.00, but do not report the winnings as required. If properly reported, the beneficiary's Medicaid benefits would be temporarily suspended until a spenddown was completed. Three individuals have been identified and investigations have been opened. It is anticipated that when records from the Kansas Lottery are examined additional individuals will be identified.

The goals of our review were to identify Medicaid beneficiaries that did not properly report lottery and gaming winnings and to eventually establish a process whereby the Kansas Lottery and casinos would automatically report winnings of \$10,000 or more to KanCare. A legislative change requiring the Kansas Lottery and casinos to share the information would quickly identify these beneficiaries and allow KanCare to process the spenddowns and result in a savings in Medicaid funds.

Medicaid recipients are required to report changes in income. They are notified of this requirement at the time of approval, change, or review. Under the Family Medical Assistance Manual 7130.01; *The change reporting requirements for the Family Medical assistance programs are listed below: (2) Any change in the amount of earned and/or unearned income.*

A request for Kansas Lottery records was made under the authority granted by K.S.A 75-7427(c)(2); however, the Kansas Lottery responded that under K.S.A. 74-8720(i), the Kansas lottery shall not publicly disclose the identity of any person awarded a prize except upon written authorization of such person. Kansas Lottery officials consider anyone that is not directly connected to the lottery to be "the public" and would not release the records to the OMIG.

The provisions of Section 2 (c)(2) would require this information to be shared with KDHE and use that information to determine Medicaid eligibility. Inserting the provision in this bill requiring that information be provided to KDHE will ensure that the OMIG has access to these records to complete the review, since OMIG has authority to review all records maintained by the Medicaid program.

Thank you for your consideration.

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