

Kansas Department of

Social and Rehabilitation Services

Janet Schalansky, Secretary

House Social Services Budget Committee
February 2, 2004

**House Bill 2020 - Medicaid Payment for Medically
Necessary Organ Transplant Services**

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Medically Necessary Organ Transplant Services**

Chairperson Landwehr and members of the committee, I am Laura Howard, deputy secretary for the Department of Social and Rehabilitation Services. I will provide testimony concerning House Bill No. 2020, relating to organ transplants.

The Medicaid program currently covers the following organ transplants for adults: corneal, kidney, bone marrow (including stem cell transplants), pancreas, and liver. The Medicaid program also covers heart, lung, and heart/lung transplants for children in addition to the transplants covered for adults. Covered services include procurement of the organ, testing and screening, and follow up care.

This bill authorizes, within the limits of appropriations, SRS to pay for medically necessary organ transplant services for any recipient of the Medicaid program who has progressive lung disease which developed before the recipient reaches the age of twenty-one.

When the Kansas Medicaid program initiated the coverage of lung and heart/lung transplants in 1998 two policies were written. One detailed coverage of lung transplants for children and adults; our estimated fiscal impact for that policy was \$1,000,000 in all funds (\$400,000 SGF). It was estimated there would be five such transplants each year.

The second policy covered heart-lung transplants for children and adults. At that time, it was estimated that each transplant would cost \$200,000. One to three transplants per year was estimated, so the annual cost would be \$200,000 to \$600,000 in all funds (\$80,000 to \$240,000 SGF).

For calendar years 1999 and 2000, Kansas Medicaid had no **lung** transplant claims and five **heart/lung** transplant claims. The total cost for these claims was \$759,382 (all funds).

Heart/Lung & Heart Transplants From 1999 to Current

Inpatient Payment (excludes physician costs)

AGE	MEDICAID PAYMENT
55*	\$720
56	\$70,221
20	\$323,267
1	\$108,520
6 months	\$98,794
39*	\$30,492
At birth	\$127,366
TOTAL	\$759,382

*Two beneficiaries were dually eligible for Medicare and Medicaid, so that Medicare bore most of the costs for these two transplants.

As of October 2000, Kansas Medicaid was directed by the Legislature to no longer cover lung, heart, and heart-lung transplants.

There are no available data on how many adults may be in need of a lung transplant because it has not been a covered service since October 2000. However, there are currently four beneficiaries, under age 21 who have a diagnosis of congenital cystic lung disease -- the most common reason for lung transplants.

The following table reflects approximate costs for four persons at an estimated cost of \$300,000 (all funds) per person.

Number of Persons	FY2004 AF	FY2004 SGF	FY2005 AF	FY2005 SGF	FY2006 AF	FY2006 SGF
Four	\$1,200,000	\$480,000	\$1,200,000	\$480,000	\$1,200,000	\$480,000

I appreciate the opportunity to address the committee. I will gladly stand for questions.