

February 10, 2025

The Honorable William Sutton, Chairperson
House Committee on Insurance
300 SW 10th Avenue, Room 218-N
Topeka, Kansas 66612

Dear Representative Sutton:

SUBJECT: Fiscal Note for HB 2246 by House Committee on Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2246 is respectfully submitted to your committee.

HB 2246 would enact the Consumer Protection Related to Hospital Price Transparency Act. Under 45 C.F.R. § 180, each hospital operating in the United States is required to provide clear, accessible pricing information online about items and services it provides. Under HB 2246, hospitals licensed in Kansas would be required to provide pricing of its top 300 procedures, provide payment estimates for elective tests and procedures upon request, and provide written information about a patient's ability to request payment estimates. The Attorney General would enforce the provisions of the Act and would be required to send each hospital a letter about the requirements and effective date of the Act. Starting July 1, 2025, when the Attorney General finds that a hospital is noncompliant with 45 C.F.R. § 180 it would refer information about the hospital's noncompliance to the United State Department of Health and Human Services for enforcement purposes.

If a patient believes that a hospital is not in compliance with this Act when services were purchased or provided, then the patient could file a civil action against the hospital. The bill details the orders a court would issue against a hospital if a court determined that the hospital is out of compliance and those orders would also be sent to the Attorney General.

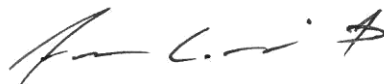
Estimated State Fiscal Effect			
	FY 2025	FY 2026	FY 2027
Expenditures			
State General Fund	\$15,939	\$235,728	\$247,514
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	\$15,939	\$235,728	\$247,514
Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	1.00	2.00	2.00

The Office of the Attorney General states that it would require \$15,939 for FY 2025, \$235,728 for FY 2026, and \$247,514 in FY 2027 all from the State General Fund if the bill were enacted. The estimate for FY 2025 includes 1.00 legal assistant position that would start before July 1, 2025, in order send out notices to hospitals. For FY 2026 and FY 2027, the estimate includes 1.00 Assistant Attorney General position, 1.00 Legal Assistant position, and related operating expenditures such as training, office space, and technology. The increase from FY 2026 to FY 2027 would be for benefits and operating expenditures.

The Office of Judicial Administration reports that the bill could increase the number of cases filed in district court because the bill would create a civil cause of action. The increase in cases would also increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. The bill could also result in the collection of docket fees that would be deposited into the State General Fund. However, the Office cannot estimate the additional expenditures or revenues the bill could generate. Any fiscal effect associated with HB 2246 is not reflected in *The FY 2026 Governor’s Budget Report*.

The Kansas Association of Counties state that the bill could affect counties who operate hospitals. However, a fiscal effect cannot be estimated. The League of Kansas Municipalities states that the bill would not have a fiscal effect on cities.

Sincerely,



Adam C. Proffitt
Director of the Budget

- cc: Trisha Morrow, Judiciary
- Jay Hall, Kansas Association of Counties
- Matt Bingesser, Office of the Attorney General
- Wendi Stark, League of Kansas Municipalities